



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA
REGULAR MEETING
AUGUST 24, 2018 – 9:00 AM
METRO ADMIN OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060**

MISSION STATEMENT: “To provide a public transportation service that enhances personal mobility and creates a sustainable transportation option in Santa Cruz County through a cost-effective, reliable, accessible, safe, clean and courteous transit service.”

The Board Meeting Agenda Packet can be found online at www.SCMTD.com and is available for inspection at METRO’s Administrative offices at 110 Vernon Street, Santa Cruz, California.

This document has been created with accessibility in mind. With the exception of certain 3rd party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to accessibility@scmttd.com

BOARD ROSTER

Director Ed Bottorff	City of Capitola
Director Cynthia Chase	City of Santa Cruz
Director Trina Coffman-Gomez	City of Watsonville
Director Jimmy Dutra	City of Watsonville
Director Norm Hagen	County of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Cynthia Mathews	City of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Dan Rothwell	County of Santa Cruz
Director Mike Rotkin	County of Santa Cruz
Ex-Officio Director Davon Thomas	UC Santa Cruz
Vacant Ex-Officio Director	Cabrillo College
Alex Clifford	METRO CEO/General Manager
Julie Sherman	METRO General Counsel

TITLE 6 - INTERPRETATION SERVICES / TÍTULO 6 - SERVICIOS DE TRADUCCIÓN

Spanish language interpretation and Spanish language copies of the agenda packet are available on an as-needed basis. Please make advance arrangements with the Executive Assistant at 831-426-6080. Interpretación en español y traducciones en español del paquete de la agenda están disponibles sobre una base como-necesaria. Por favor, hacer arreglos por adelantado con Coordinador de Servicios Administrativos al numero 831-426-6080.

AMERICANS WITH DISABILITIES ACT

The Board of Directors meets in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, or to access the

agenda and the agenda packet (including a Spanish language copy of the agenda packet), should contact the Executive Assistant, at 831-426-6080 as soon as possible in advance of the Board of Directors meeting. Hearing impaired individuals should call 711 for assistance in contacting Santa Cruz METRO regarding special requirements to participate in the Board meeting. For information regarding this agenda or interpretation services, please call Santa Cruz METRO at 831-426-6080.

SECTION I: OPEN SESSION

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

1 CALL TO ORDER

2 SWEAR IN NEW EX-OFFICIO BOARD MEMBER, ZACH McDANIEL

3 CABRILLO/METRO RELATIONSHIP, MATTHEW WETSTEIN, CABRILLO COLLEGE PRESIDENT AND SUPERINTENDENT

4 ROLL CALL

5 ANNOUNCEMENTS

5-1. Spanish language interpretation will be available during "Oral Communications" and for any other agenda item for which these services are needed.

5-2. Today's meeting is being broadcast by Community Television of Santa Cruz County.

6 BOARD OF DIRECTORS COMMENTS

7 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

This time is set aside for Directors and members of the general public to address any item not on the Agenda which is within the subject matter jurisdiction of the Board. No action or discussion shall be taken on any item presented except that any Director may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters relating to Santa Cruz METRO will be noted in the minutes and may be scheduled for discussion at a future meeting or referred to staff for clarification and report. Any Director may place matters brought up under Communications to the Board of Directors on a future agenda. In accordance with District Resolution 612-2-1, speakers appearing at a Board meeting shall be limited to three minutes in his or her presentation. Any person addressing the Board may submit written statements, petitions or other documents to complement his or her presentation. When addressing the Board, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

8 WRITTEN COMMUNICATIONS FROM MAC

9 LABOR ORGANIZATION COMMUNICATIONS

10 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

11 INNOVATION IN TRANSPORTATION PRESENTATION BY JARRETT WALKER

CONSENT AGENDA

All items appearing on the Consent Agenda are recommended actions which are considered to be routine and will be acted upon as one motion. All items removed will be considered later in the agenda. The Board Chair will allow public input prior to the approval of the Consent Agenda items.

12-01 RECOMMENDED ACTION ON TORT CLAIMS

Shonoa Ruddick, Safety, Security and Risk Director

12-02 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTHS OF JUNE & JULY 2018

Angela Aitken, CFO

12-03 ACCEPT AND FILE: MINUTES OF THE JUNE 22, 2018 BOARD OF DIRECTORS MEETING

Alex Clifford, CEO/General Manager

12-04 ACCEPT AND FILE: MINUTES OF AUGUST 10, 2018 CAPITAL PROJECTS STANDING COMMITTEE MEETING

Alex Clifford, CEO/General Manager

12-05 ACCEPT AND FILE: THE METRO PARACRUZ OPERATIONS STATUS REPORT FOR APRIL, MAY AND JUNE 2018

Daniel L. Zaragoza, Operations Manager, Paratransit Division

12-06 ACCEPT AND FILE: METRO SYSTEM RIDERSHIP REPORTS FOR THE FOURTH QUARTER OF FY18

Barrow Emerson, Planning and Development Director

12-07 ACCEPT AND FILE: QUARTERLY STATUS REPORT OF GRANT APPLICATIONS, ACTIVE GRANTS AND FUTURE OPPORTUNITIES APRIL – JUNE 2018

Thomas Hiltner, Grants/Legislative Analyst

12-08 APPROVE: UPDATE ON METRO'S GRANT APPLICATION TO THE US DEPARTMENT OF TRANSPORTATION FOR THE BETTER UTILIZING INVESTMENTS TO LEVERAGE DEVELOPMENT (BUILD) PROGRAM

Thomas Hiltner, Grants/Legislative Analyst

12-09 APPROVE: CONSIDER ADOPTING A RESOLUTION THAT RATIFIES A GRANT APPLICATION, AUTHORIZES \$2.95 MILLION IN MATCHING FUNDS AND AUTHORIZES THE CEO TO EXECUTE AGREEMENTS TO RECEIVE FUNDS FROM THE FEDERAL TRANSIT ADMINISTRATION (FTA) FY 2018 BUS AND BUS FACILITIES INFRASTRUCTURE INVESTMENT PROGRAM TO BUY REPLACEMENT BUSES

Thomas Hiltner, Grants/Legislative Analyst

12-10 APPROVE: ACCEPT AND FILE METRO PLANNING DEPARTMENT ANNUAL STATUS REPORT

Barrow Emerson, Planning and Development Director

12-11 APPROVE: CONSIDERATION OF CHANGING THE ADMIN CLERK I POSITION TO A PARTS CLERK

Erron Alvey, Purchasing and Special Projects Director

12-12 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 4TH AMENDMENT EXTENDING THE CONTRACT FOR TWO YEARS WITH BOWMAN & WILLIAMS, INC. FOR GENERAL ON-CALL ENGINEERING SERVICES, INCREASING THE CONTRACT TOTAL BY \$80,650

Eddie Benson, Maintenance Manager

12-13 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO BATTERY SYSTEMS, INC. FOR PURCHASE, DELIVERY AND SERVICING OF HEAVY DUTY COACH BATTERIES NOT TO EXCEED \$122,500

Eddie Benson, Maintenance Manager

12-14 APPROVE: CONSIDERATION OF AUTHORIZING THE PURCHASING MANAGER TO OBTAIN PURCHASE OPTIONS FOR SIX (6) CNG BUSES FROM THE LOS ANGELES DEPARTMENT OF TRANSPORTATION CONTRACT WITH GILLIG, LLC IN AN AMOUNT NOT TO EXCEED \$3,953,322

Eddie Benson, Maintenance Manager

12-15 APPROVE: CONSIDERATION OF AGREEMENT WITH THE SANTA CRUZ CITY FOR THE CITY'S PUBLIC WORKS DEPARTMENT'S USE OF THE METRO FUELING FACILITY AT 1200-B RIVER STREET TO FUEL THE PUBLIC WORKS CNG REFUSE TRUCKS

Ciro Aguirre, COO

12-16 APPROVE: CONSIDERATION OF REASSIGNMENT OF ASSISTANT OPERATIONS MANAGER FROM THE PARATRANSIT DIVISION TO THE FIXED ROUTE DIVISION

Ciro Aguirre, COO

12-17 APPROVE: CONSIDERATION OF APPROVAL OF AUDIT ENGAGEMENT LETTER WITH BROWN ARMSTRONG ACCOUNTANCY CORPORATION FOR FINANCIAL AUDIT AND TAX SERVICES FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Angela Aitken, CFO

12-18 APPROVE: RENEWAL OF PROPERTY INSURANCE COVERAGE FOR FY19 WITH ZURICH AMERICAN INSURANCE COMPANY

Angela Aitken, CFO

12-19 APPROVE: CONSIDERATION OF A RESOLUTION TO RATIFY THE REVISED BOARD OF DIRECTORS MEETING SCHEDULE FOR THE CALENDAR YEAR 2018

Alex Clifford, CEO/General Manager

- 12-20 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 3-YEAR LEASE FOR THE PROPERTY LOCATED AT 2880 RESEARCH PARK IN SOQUEL**
Ciro Aguirre, COO
- 12-21 ACCEPT: RECEIVE AN UPDATE FROM THE CEO ON THE CALIFORNIA AIR RESOURCES BOARD (CARB) REVISED ZERO EMISSIONS INTEGRATED CLEAN TRANSIT (ICT) REGULATION**
Alex Clifford, CEO/General Manager
- 12-22 APPROVE: CONSIDERATION OF AUTHORIZING THE ISSUANCE OF A FORMAL REQUEST FOR PROPOSALS FOR A CONSTRUCTION MANAGEMENT FIRM TO ASSIST WITH THE PACIFIC STATION ROOF AND WINDOWS REPLACEMENT PROJECT**
Erron Alvey, Purchasing and Special Projects Director
- 12-23 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF MAY 31, 2018**
Angela Aitken, CFO

REGULAR AGENDA

- 13 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR ERNEST BROWN, ELEUTERIO GARCIA-SUMANO AND DAN STEVENSON**
Bruce McPherson, Board Chair
- 14 PRESENTATION OF EMPLOYEE RETIREMENT RESOLUTION FOR PATTI DAVIDOSKI, LOUISE KELLER, CHRISTOPHER LANAGAN, JUKKA NAUKKARINEN AND APRIL WARNOCK**
Bruce McPherson, Board Chair
- 15 CEO ORAL REPORT**
Alex Clifford, CEO/General Manager
- 16 PUBLIC HEARING: PROPOSED ELIMINATION OF ROUTES 33 AND 34 DUE TO LOW RIDERSHIP, FOLLOWED BY POTENTIAL BOARD ACTION REGARDING ELIMINATION OF THE TWO ROUTES**
Barrow Emerson, Planning and Development Director
- 17 PUBLIC HEARING: AWARD OF CONTRACT FOR THE METRO FACILITIES LIGHTING RETROFIT PROJECT**
Eddie Benson, Maintenance Manager
- 18 APPROVE: SELECTION OF A REPLACEMENT SANTA CRUZ METRO BOARD VICE-CHAIR**
Alex Clifford, CEO/General Manager

- 19 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 2ND CONTRACT AMENDMENT WITH CPS HR CONSULTING TO INCREASE THE CONTRACT TOTAL BY \$60,688 FOR AN SEIU CLASSIFICATION AND COMPENSATION STUDY**
Angela Aitken, Interim Human Resources Director & CFO
- 20 APPROVE: CONSIDERATION OF A RESOLUTION OPPOSING PROPOSITION 6, WHICH WOULD REPEAL SENATE BILL 1**
Alex Clifford, CEO/General Manager
- 21 APPROVE: 2016 LOW OR NO-EMISSION GRANT PRESERVATION REQUEST: APPROVAL OF A LETTER TO THE FEDERAL TRANSIT ADMINISTRATION, REGION 9**
Alex Clifford, CEO/General Manager
- 22 APPROVE: STATE ROUTE 1 BUS ON SHOULDERS FEASIBILITY STUDY**
Barrow Emerson, Planning and Development Director
- 23 APPROVE: CONSIDERATION OF AUTHORIZING METRO TO CONTINUE THE UCSC ARTICULATED BUS PILOT PROJECT AND FOR THE CEO TO EXECUTE AGREEMENT AMENDMENTS WITH SHUTTLE BUS LEASING FOR THE BUSES AND WITH UCSC TO FUND ALL RELATED COSTS OF OPERATIONS**
Barrow Emerson, Planning and Development Director
- 24 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, SEPTEMBER 28, 2018 AT 9:00AM AT SANTA CRUZ CITY COUNCIL CHAMBERS, 809 CENTER STREET, SANTA CRUZ, CA**
Bruce McPherson, Board Chair
- 25 ADJOURNMENT**
Bruce McPherson, Board Chair

COMMUNICATIONS TO THE BOARD

June 25, 2018

Alex Clifford
METRO ParaCruz
2880 Research Park Drive, #160
Soquel, CA 95073

Dear Mr. Clifford:

We would like to thank ParaCruz for the excellent care that our mother, Bessie Blake, received in May.

Mom was transported several times between Pacific Coast Manor in Capitola and her doctors in Watsonville. Scheduling transportation was done very professionally and with great ease with your staff. The drivers were kind and considerate of all of their passengers. One driver in particular, Miguel, provided exemplary customer service.

One thing for your and the board's consideration: on mom's last transport, our sister rode with her to help alleviate mom's anxiety level. Unfortunately, the doctor put mom directly in the hospital, leaving our sister virtually stranded, as her car was back at Pacific Coast Manor. (She's the only one of us who lives in the area.) Apparently in such situations, you have a policy not to transport caregivers *back* to their cars without the person they're accompanying. We are grateful for the kindness of friends who were able to assist our sister in getting her car from Capitola to Watsonville. Thank you for your consideration of this matter for others who were not as fortunate as our sister.

Sincerely,

Audries, Lylace, and Vanessa Blake

██████████
Watsonville, CA 95076
(503) ██████████

RECEIVED
JUL - 2 2018
SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

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WRITTEN COMMUNICATIONS FROM MAC

August 16th, 2018

To the METRO Transit Board,

This letter is on behalf of the METRO Advisory Committee (MAC) and is to thank the METRO Board for soliciting our input to advise on the Passenger Codes of Conduct and Service Suspension/Exclusion Policy (PCCSSEP). To accept our considerate changes is an integral part of our volunteer work for our local transportation system, and is much appreciated. In the PCCSSEP current form; we all appreciate that the PCCSSEP is an essential tool to help improve our METRO service. The PCCSSEP will help keep the METRO as friendly, valuable, and helpful of a transportation service, in our local community, as it has always been.

We also hope to seek thoughtfully & engagingly designed informational signs to help the public understand the new policy.

Thank you again for your time and consideration. We are here to help.



Michael Pisano
MAC Chairperson

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DATE: August 24, 2018
TO: Board of Directors
FROM: Barrow Emerson, Planning & Development Director
SUBJECT: INNOVATION IN TRANSPORTATION PRESENTATION BY JARRETT WALKER

I. RECOMMENDED ACTION

That the Board of Directors receive a presentation from Jarrett Walker, transportation consultant and author

II. SUMMARY

- Jarrett Walker, transportation planning consultant and author, will present his analysis and thoughts on Santa Cruz County transit service planning and policy.

III. DISCUSSION/BACKGROUND

Jarrett Walker, a widely known transportation planning consultant and author, provides innovative advice and services to transit agencies on a range of areas including service planning, policy, and outreach, as well as providing educational workshops to professional staff.

At the request of Director Leopold, Jarrett has reviewed the current Santa Cruz Metropolitan Transit District (METRO) bus services and countywide demographics and will provide his analysis of the current METRO transit service and his thoughts on future service opportunities.

Mr. Walker initially became familiar with Santa Cruz and its issues through his presentation earlier this year as part of the Santa Cruz County Regional Transportation Commission (SCCRTC) speaker series.

Mr. Walker's presentation should provide thought provoking ideas about transit service planning approaches and philosophies, which will relate to topics to be discussed at the Board's Strategic Planning retreat later this year.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The cost of this consultant engagement is \$6,500 and is funded from the Planning Department FY19 Professional/Technical Fees Operating Budget (503031).

V. ALTERNATIVES CONSIDERED

None.

VI. ATTACHMENTS

None

Prepared by: Barrow Emerson, Planning & Development Director

VII. APPROVALS:

Barrow Emerson,
Planning & Development Director



Approved as to fiscal impact:
Angela Aitken, CFO

ok low for AA

Alex Clifford, CEO/General Manager



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DATE: August 24, 2018
TO: Board of Directors
FROM: Shonoa Ruddick, Safety, Security and Risk Director
SUBJECT: RECOMMENDED ACTION ON TORT CLAIMS

I. RECOMMENDED ACTION

That the Board of Directors Approve Staff Recommendations for Claims for the Month of August 2018.

II. SUMMARY

This staff report provides the Board of Directors with recommendations on claims submitted to the Santa Cruz Metropolitan Transit District (METRO).

III. DISCUSSION/BACKGROUND

METRO's Risk Department received one claim for the month of August 2018 for money or damages. As a public entity, METRO must act "within 45 days after the claim has been presented" (Govt C §912.4(a)). See staff recommendations in paragraph VI.

IV. FINANCIAL CONSIDERATIONS/IMPACT

None

V. ALTERNATIVES CONSIDERED

Within the 45-day period, the Board of Directors may take the following actions:

- Reject the claim entirely;
- Allow it in full;
- Allow it in part and reject the balance;
- Compromise it, if the liability or amount due is disputed (Govt C §912.4(a)); or
- Do nothing, and allow the claim to be denied by operation of law (Govt C §912.4 (c)).

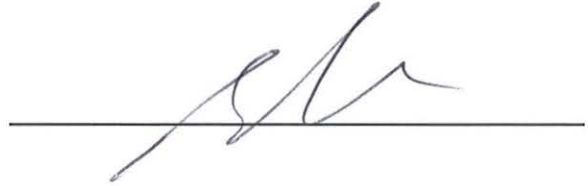
VI. DESCRIPTION OF CLAIMS

Claimant	Claim #	Description	Recommended Action
City of Santa Cruz	18-0014	Claimant alleges that a METRO bus hit and knocked over a fire hydrant. Amount of claim: \$3,316.80.	Reject

Prepared by: Tom Szeszowicki, Safety Specialist

VII. APPROVAL:

Shonoa Ruddick
Safety, Security and Risk Director



Alex Clifford, CEO/General Manager



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DATE: August 24, 2018
TO: Board of Directors
FROM: Angela Aitken, CFO
**SUBJECT: ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL
DETAIL FOR THE MONTHS OF JUNE & JULY 2018**

I. RECOMMENDED ACTION

That the Board of Directors accept and file the preliminary approved Check Journal Detail for the months of June & July 2018

II. SUMMARY

- This staff report provides the Board with a preliminary approved Check Journal Detail for the months of June & July 2018.
- The Finance Department is submitting the check journals for Board acceptance and filing.

III. DISCUSSION/BACKGROUND

This preliminary approved Check Journal Detail provides the Board with a listing of the vendors and amounts paid out on a monthly cash flow basis (Operating and Capital expenses).

All invoices submitted for the months of June & July 2018 have been processed, checks issued and signed by the Finance Manager.

IV. FINANCIAL CONSIDERATIONS/IMPACT

None. The check journal is a presentation of invoices paid in June & July 2018 for purposes of Board review, agency disclosure, accountability and transparency.

V. ALTERNATIVES CONSIDERED

N/A

VI. ATTACHMENTS

Attachment A: Check Journal Detail for the Months of June & July 2018

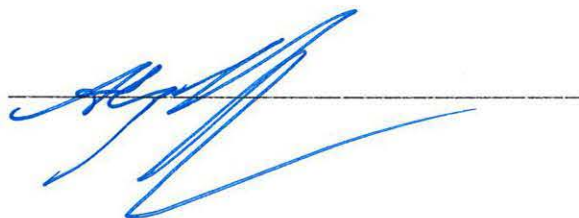
Prepared By: Holly Alcorn, Senior Accounting Technician

VII. APPROVALS:

Angela Aitken, CFO

allow for AA

Alex Clifford, CEO/General Manager



Attachment A

DATE 08/01/18 13:04

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
CHECK JOURNAL DETAIL BY CHECK NUMBER
ALL CHECKS FOR ACCOUNTS PAYABLE

PAGE 1

DATE: 06/01/18 THRU 06/30/18

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
62184	06/27/18	003326	-20.00	NIDAL HALABI & NADA ALGHARIB		86568	NAME PLATE	-20.00	**VOID
62387	06/04/18	003151	45.10	ABC BUS INC		86999	504311-003200 INVENTORY ORDER	20.00	
62388	06/04/18	E636	84.95	AGUIRRE, CIRO		87078	504191-004100 MEETING REIMBURSEMENT	45.10	
62389	06/04/18	002861	15.31	AMERICAN MESSAGING SVCS, LLC		87064	509125-001100 MAY 18 PAGER RENTAL	84.95	
62390	06/04/18	001D	3,044.84	AT&T		87013	512061-002200 4/13-5/12 POINT2POINT	15.31	
62391	06/04/18	002689	64.58	B & B SMALL ENGINE CORP		87065	505031-002200 4/10-5/9 INTERNET	1,828.60	
62392	06/04/18	003185	1,656.80	B&C TRUCK ELECTRIC SERVICE INC		87069	505031-002200 4/19-5/18 OCEAN-SKY	934.79	
62393	06/04/18	001230	3,830.04	CAPITOL CLUTCH & BRAKE, INC.		87029	505031-003200 ENGINE OIL	281.45	
62394	06/04/18	909	6,473.55	CLASSIC GRAPHICS		87001	504409-002200 INVENTORY ORDER	64.58	
62395	06/04/18	075	672.09	COAST PAPER & SUPPLY INC.		87023	504191-004100 INVENTORY ORDER	1,079.10	
62396	06/04/18	002063	59.84	COSTCO		87042	504191-004100 BRAKES	1,079.10	
62397	06/04/18	003116	2,265.49	CUMMINS PACIFIC LLP		87004	504191-004100 MIDLIFE VEH #2805	577.70	
62398	06/04/18	003381	1,260.00	DAN BOYLE & ASSOCIATES INC.		87011	514030-410030 CUSTODIAL SUPPLIES	3,830.04	
62399	06/04/18	002389	87.98	DAVID A RAY	7	87060	504317-002200 CUSTODIAL SUPPLIES	3,830.04	
62400	06/04/18	003250	5,000.00	DAVID G JENSEN S3 INC		87027	504317-002200 5/18 BOD MEETING	6,473.55	
						87031	509125-001100 5/10 BOD MEETING	2,845.45	
						86995	504191-004100 INVENTORY ORDER	3,628.10	
						86996	504191-004100 RPR VEH #1203	554.37	
						86997	504191-004100 INVENTORY ORDER	554.37	
						87072	504191-004100 INVENTORY ORDER	117.72	
						87080	504191-004100 TRANSIT OP ANALYSIS	42.61	
						87056	503031-001600 OFFICE SUPPLIES	17.23	
						87033	504311-001300 COACHING 3 MONTHS	17.23	
								533.25	
								908.45	
								709.32	
								709.32	
								114.47	
								114.47	
								1,260.00	
								1,260.00	
								87.98	
								87.98	
								5,000.00	

Attachment A

DATE 08/01/18 13:04

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
CHECK JOURNAL DETAIL BY CHECK NUMBER
ALL CHECKS FOR ACCOUNTS PAYABLE

PAGE 2

DATE: 06/01/18 THRU 06/30/18

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
62401	06/04/18	900	1,294.87	DEPARTMENT OF TOXIC SUBSTANCE		87066	10/1-12/31 425 FRONT	5,000.00	
62402	06/04/18	003274	4,598.35	EAST BAY TIRE CO.		87044	503031-002200	1,294.87	
						87045	504021-004100	1,021.42	
						87048	504021-004100	962.02	
						87049	504021-004125	733.32	
						87067	504021-004100	733.32	
						87068	504021-004100	962.02	
62403	06/04/18	432	3,526.76	EXPRESS SERVICES INC.		86988	504021-004100	483.59	
						86989	504021-004100	435.98	
						86994	504021-004100	1,103.63	
62404	06/04/18	001172	2,928.06	FERGUSON ENTERPRISES INC. #795		87016	503041-001400	253.13	
						87017	504409-002200	2,170.00	
62405	06/04/18	002952	10,981.71	FLYERS ENERGY LLC		87000	504409-002200	216.64	
62406	06/04/18	117	1,215.98	GILLIG LLC		87043	5/1-5/15 FUEL PC	2,711.42	
62407	06/04/18	282	63.33	GRAINGER		87028	504012-004125	10,981.71	
						87053	504191-004100	1,215.98	
62408	06/04/18	546	175.00	GRANITEROCK COMPANY		87012	504409-002200	55.87	
62409	06/04/18	E021	300.64	HILTNER, THOMAS		87079	LEGAL OFFICE SPLIT	7.46	
62410	06/04/18	003284	3,096.39	KEISH ENVIRONMENTAL PC CORP		87058	509123-001600	175.00	
62411	06/04/18	1117	894.25	KELLEY'S SERVICE INC.		87037	2/1-4/30 OUTFALL MIT	300.64	
						87038	503031-002200	3,096.39	
						87041	504191-004125	475.92	
						87047	504191-004100	98.45	
							INVENTORY ORDER	239.60	
							INVENTORY ORDER	239.60	
							INVENTORY ORDER	80.28	

Attachment A

DATE 08/01/18 13:04

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
CHECK JOURNAL DETAIL BY CHECK NUMBER
ALL CHECKS FOR ACCOUNTS PAYABLE

PAGE 3

DATE: 06/01/18 THRU 06/30/18

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
62412	06/04/18	38.99 036	38.99	KELLY-MOORE PAINT CO., INC.		87050	RPR WALL OPS LOUNGE	80.28	
62413	06/04/18	857.14 001233	857.14	KIMBALL MIDWEST		87025	INVENTORY ORDER	38.99	
62414	06/04/18	281.50 852	281.50	LAW OFFICES OF MARIE F. SANG	7	86992	CL# 2010226708	857.14	
62415	06/04/18	520.42 003293	520.42	MAKAI SOLUTIONS		87009	RPR BAY #9	281.50	
62416	06/04/18	686.25 001145	686.25	MANAGED HEALTH NETWORK		87077	JUN 18 EAP	520.42	
								9.00	
								18.00	
								27.00	
								13.50	
								11.25	
								11.25	
								2.25	
								18.00	
								36.00	
								90.00	
								33.75	
								342.00	
								74.25	
62417	06/04/18	1,709.00 003368	1,709.00	MDC SYSTEMS CORP		87010	RPR HORN STROBE	1,709.00	
62418	06/04/18	1,358.49 001052	1,358.49	MID VALLEY SUPPLY INC.		87055	INVENTORY ORDER	1,709.00	
62419	06/04/18	2,579.78 041	2,579.78	MISSION UNIFORM		87046	UNIFORM SERVICES	1,358.49	
62420	06/04/18	1,439.05 003115	1,439.05	OFFICE TEAM		87057	UNIFORM SERVICES	2,291.03	
62421	06/04/18	32.00 009	32.00	PACIFIC GAS & ELECTRIC		87074	TEMP W/E 5/11/18	288.75	
62422	06/04/18	34.51 023	34.51	PACIFIC TRUCK PARTS, INC.		87076	TEMP W/E 5/18/18	540.27	
								898.78	
								898.78	
								32.00	
								32.00	
								413.46	
								413.46	
								297.00	
								297.00	
								-13.77	
								-13.77	
								-662.18	
								-662.18	
62423	06/04/18	1,783.34 043	1,783.34	PALACE ART & OFFICE SUPPLY		86990	OFFICE SUPPLIES	1,068.79	

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						87018	504311-001100 OFFICE SUPPLIES	1,068.79	
						87030	504311-001300 OFFICE SUPPLIES	91.25	
						87032	504311-001100 OFFICE SUPPLIES	65.33	
						87054	504311-001100 OFFICE SUPPLIES	65.33	
						87075	504311-001300 6/1-5/31/19 LEASE CS	128.28	
						87059	512061-001300 RPR PLUMBING WTC	128.28	
						87008	503351-002200 BUSINESS CARDS	429.69	
						87015	504311-002200 ENVELOPES	429.69	
						87051	504311-001100 RPR WALL OPS LOUNGE	223.32	
						87052	504409-002200 RPR WALL OPS LOUNGE	223.32	
						87061	504409-002200 LEGAL OFFICE SPLIT	216.00	
						87062	504409-002200 LEGAL OFFICE SPLIT	216.00	
						87081	504409-002200 MEETING REIMBURSEMENT	156.96	
							503031-001100	156.96	
							504311-001100	173.31	
							504311-001100	173.31	
							504409-002200	19.61	
							504409-002200	19.61	
							504409-002200	3.42	
							504409-002200	3.42	
							504409-002200	58.85	
							504409-002200	58.85	
							504409-002200	13.72	
							504409-002200	13.72	
							504409-002200	398.49	
							503031-001100	50.00	
							504311-001100	49.05	
							509101-001100	95.26	
							509123-001100	110.95	
							509125-001100	93.23	
							509125-001100	372.00	
							503352-002200	372.00	
							503352-003200	902.76	
							503352-003200	902.76	
							504191-004125	3.21	
							504191-004125	3.21	
							504191-004125	33.13	
							504191-004125	33.13	
							504191-004100	65.50	
							504191-004100	65.50	
							502253-003200	200.00	
							502253-003200	100.00	
							502253-003300	100.00	
							504515-004100	154.26	
							504515-004100	154.26	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
62434	06/04/18	1,684.12 003108		SOUND WAVES INSULTION INC		87024	INVENTORY ORDER	1,684.12	
62435	06/04/18	327.00 003242		THE JANEK CORPORATION		87002	RPR VEH #1305	1,684.12	
62436	06/04/18	3,578.67 003285		TRANSIT HOLDINGS INC		87003	INVENTORY ORDER	327.00	
						87005	INVENTORY ORDER	9.58	
						87006	INVENTORY ORDER	9.58	
						87007	INVENTORY ORDER	2,022.78	
						87008	INVENTORY ORDER	2,022.78	
						87009	INVENTORY ORDER	1,527.19	
						87010	INVENTORY ORDER	1,527.19	
						87011	INVENTORY ORDER	19.12	
						87012	INVENTORY ORDER	19.12	
						87013	INVENTORY ORDER	135.00	
						87014	INVENTORY ORDER	135.00	
						87015	INVENTORY ORDER	135.00	
						87016	INVENTORY ORDER	600.95	
						87017	INVENTORY ORDER	600.95	
						87018	INVENTORY ORDER	21.50	
						87019	INVENTORY ORDER	21.50	
						87020	INVENTORY ORDER	54.49	
						87021	INVENTORY ORDER	54.49	
						87022	INVENTORY ORDER	54.49	
						87023	INVENTORY ORDER	912.24	
						87024	INVENTORY ORDER	912.24	
						87025	INVENTORY ORDER	912.24	
						87026	INVENTORY ORDER	9,706.19	
						87027	INVENTORY ORDER	101.78	
						87028	INVENTORY ORDER	101.78	
						87029	INVENTORY ORDER	177.92	
						87030	INVENTORY ORDER	177.92	
						87031	INVENTORY ORDER	305.35	
						87032	INVENTORY ORDER	305.35	
						87033	INVENTORY ORDER	127.43	
						87034	INVENTORY ORDER	127.43	
						87035	INVENTORY ORDER	127.43	
						87036	INVENTORY ORDER	127.43	
						87037	INVENTORY ORDER	25.65	
						87038	INVENTORY ORDER	25.65	
						87039	INVENTORY ORDER	203.57	
						87040	INVENTORY ORDER	203.57	
						87041	INVENTORY ORDER	432.78	
						87042	INVENTORY ORDER	432.78	
						87043	INVENTORY ORDER	1,145.26	
						87044	INVENTORY ORDER	1,145.26	
						87045	INVENTORY ORDER	407.13	
						87046	INVENTORY ORDER	407.13	
						87047	INVENTORY ORDER	3,916.62	
						87048	INVENTORY ORDER	3,916.62	
						87049	INVENTORY ORDER	916.05	
						87050	INVENTORY ORDER	916.05	
						87051	INVENTORY ORDER	78.36	
						87052	INVENTORY ORDER	78.36	
						87053	INVENTORY ORDER	1,613.43	
						87054	INVENTORY ORDER	1,613.43	
						87055	INVENTORY ORDER	75.00	
						87056	INVENTORY ORDER	75.00	
						87057	INVENTORY ORDER	75.00	
						87058	INVENTORY ORDER	75.00	
						87059	INVENTORY ORDER	36.00	
						87060	INVENTORY ORDER	36.00	
						87061	INVENTORY ORDER	20.00	
						87062	INVENTORY ORDER	20.00	
						87063	INVENTORY ORDER	16.00	
						87064	INVENTORY ORDER	16.00	
						87065	INVENTORY ORDER	6,366.53	
						87066	INVENTORY ORDER	6,366.53	

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62445	06/11/18	2,076.32	003151	ABC BUS INC		87179	504191-004100 INVENTORY ORDER	6,366.53	
						87180	504191-004100 INVENTORY ORDER	1,405.97	
						87098	504191-004100 RPR VEH #1119 PC	1,405.97	
62446	06/11/18	385.00	003089	ACTION AUTO GLASS DBA FOR		87138	503353-004125 DIVIDE LEGAL OFFICE	670.35	
62447	06/11/18	846.00	382	AIRTEC SERVICE INC.		87205	503352-002200 TRAVEL REIMBURSEMENT	670.35	
62448	06/11/18	158.90	E662	ALVEY, ERRON		87200	509123-001900 JUN 18 PAGER RENTAL	385.00	
62449	06/11/18	15.31	002861	AMERICAN MESSAGING SVCS, LLC		87158	512061-002200 5/19-5/18 MAIN ACCT	846.00	
62450	06/11/18	3,758.50	001D	AT&T		87188	505031-002200 4/24-5/23 BUS WIFI	846.00	
62451	06/11/18	981.23	003105	AT&T MOBILITY		87171	505031-004100 OFFICE SUPPLIES	846.00	
62452	06/11/18	858.00	003199	B & H FOTO & ELECTRONICS CORP		87169	201030-000100 504311-001500 CANCELLED FIELD TRIP	158.90	
						87139	401050-000100 4/10-5/15 FIRE WTC	158.90	
62453	06/11/18	105.00	T320	CHAPPELL, HEIDI		87201	505021-002200 4/16-5/22 IRRIG WTC	15.31	
62454	06/11/18	1,569.81	130	CITY OF WATSONVILLE UTILITIES		87202	505021-002200 4/16-5/22 WATER WTC	3,758.50	
						87203	505021-002200 4/16-5/22 WATER WTC	981.23	
						87204	505021-002200 5/24 SOLID WASTE WTC	858.00	
62455	06/11/18	4,744.50	909	CLASSIC GRAPHICS		87159	505021-002200 DECALS VEH #1704 PC	-77.22	
						87160	514030-904000 DECALS VEH #1707 PC	935.22	
62456	06/11/18	59,947.28	001124	CLEAN ENERGY		87142	503352-002200 APR 18 MAINTENANCE	105.00	
						87143	503352-002200 MAY 18 MAINTENANCE	52.65	
						87195	504012-004100 LNG 5/14/18	52.65	
						87196	504012-004100 LNG 5/10/18	40.89	
						87197	504012-004100 LNG 5/8/18	40.89	
							504012-004100	73.62	
								73.62	
								535.71	
								535.71	
								866.94	
								866.94	
								2,372.25	
								2,372.25	
								2,372.25	
								2,372.25	
								14,842.00	
								14,842.00	
								14,842.00	
								14,842.00	
								6,891.61	
								6,891.61	
								5,476.10	
								5,476.10	
								6,841.88	
								6,841.88	

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						87198	LNG 5/4/18	4,961.11	
							504012-004100	4,961.11	
						87199	LNG 5/2/18	6,092.58	
							504012-004100	6,092.58	
62457	06/11/18	21,654.50 003034		COASTAL LANDSCAPING INC. DBA		87206	LANDSCAPING WTC	9,765.23	
							514010-220022	9,765.23	
						87207	LANDSCAPING WTC	11,889.27	
							514010-220022	11,889.27	
62458	06/11/18	17,001.27 003116		CUMMINS PACIFIC LLP		87088	INVENTORY ORDER	572.36	
							504191-004100	572.36	
						87089	INVENTORY ORDER	289.98	
							504191-004100	289.98	
						87090	RPR VEH #1210	170.57	
							504191-004100	170.57	
						87137	RPR VEH #1202	170.57	
							503353-004100	15,968.36	
62459	06/11/18	2,340.98 003381		DAN BOYLE & ASSOCIATES INC.		87187	TRANSIT OP ANALYSIS	2,340.98	
							503031-001600	2,340.98	
62460	06/11/18	2,126.25 002946		DAY WIRELESS SYSTEMS		87095	MAY 18 MAINTENANCE	2,126.25	
							503352-004100	2,126.25	
62461	06/11/18	7,597.71 003274		EAST BAY TIRE CO.		87096	TIRES	762.86	
							504021-004100	762.86	
						87117	TIRES	1,033.60	
							504021-004100	1,033.60	
						87118	TIRES	979.10	
							504021-004100	979.10	
						87119	TIRES	186.26	
							504021-004125	186.26	
						87120	TIRES	555.99	
							504021-004125	555.99	
						87181	TIRES	2,067.20	
							504021-004100	2,067.20	
						87182	TIRES	979.10	
							504021-004100	979.10	
						87183	TIRES	1,033.60	
							504021-004100	1,033.60	
						87194	TEMP W/E 5/13/18	276.00	
							503041-001100	276.00	
						87173	CONNECT GAS DETECTIO	990.00	
							503352-002200	990.00	
						87126	5/1-5/15 FUEL	3,282.95	
							504011-004100	3,282.95	
						87141	JUN 18 SERVICES	277.70	
							503012-001200	277.70	
						87099	REGISTRATION HOLDERS	151.99	
							504421-004100	151.99	

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					87100	INVENTORY ORDER	38.89	
					87101	504191-004100 CLEANER	38.89	
					87102	504421-004100 INVENTORY ORDER	9.03	
					87109	504191-004100 INVENTORY ORDER	12.59	
					87110	504409-002200 RESPIRATOR	12.59	
					87114	504409-002200 INVENTORY ORDER	191.54	
					87114	504409-002200 INVENTORY ORDER	191.54	
					87114	504409-002200 INVENTORY ORDER	58.51	
					87114	504409-002200 INVENTORY ORDER	58.51	
					87128	504409-002200 INVENTORY ORDER	27.96	
					87128	504409-002200 INVENTORY ORDER	27.96	
					87129	504409-002200 INVENTORY ORDER	120.74	
					87129	504409-002200 INVENTORY ORDER	120.74	
					87130	504191-004100 INVENTORY ORDER	14.97	
					87130	504191-004100 INVENTORY ORDER	14.97	
					87131	504191-004100 INVENTORY ORDER	153.69	
					87131	504191-004100 INVENTORY ORDER	153.69	
					87132	504409-002200 INVENTORY ORDER	155.66	
					87132	504409-002200 INVENTORY ORDER	155.66	
					87168	504409-002200 DIVIDE LEGAL OFFICE	224.14	
					87168	504409-002200 DIVIDE LEGAL OFFICE	224.14	
62467	06/11/18	12.54	GRANITEROCK COMPANY		87170	504409-002200 MURAL PROJECT	12.54	
62468	06/11/18	200.38	HILTNER, THOMAS		87170	504409-002200 MURAL PROJECT	200.38	
62469	06/11/18	56.19	IO, RODNEY H		87170	504409-002200 MURAL PROJECT	56.19	
62470	06/11/18	161.95	KELLEY'S SERVICE INC.		87170	504409-002200 MURAL PROJECT	161.95	
					87177	503031-001100 RPR VEH #504	136.29	
					87177	503031-001100 RPR VEH #504	64.09	
					87103	503354-004100 INVENTORY ORDER	56.19	
					87103	503354-004100 INVENTORY ORDER	56.19	
					87122	504191-004125 INVENTORY ORDER	64.27	
					87122	504191-004125 INVENTORY ORDER	64.27	
					87123	504191-004100 INVENTORY ORDER	45.04	
					87123	504191-004100 INVENTORY ORDER	45.04	
					87124	504191-004100 INVENTORY ORDER	33.50	
					87124	504191-004100 INVENTORY ORDER	33.50	
					87136	504191-004100 TOWING VEH #1207	19.14	
					87136	504191-004100 TOWING VEH #1207	19.14	
					87087	503353-004100 MURAL WORKSHOP ADV	396.00	
					87087	503353-004100 MURAL WORKSHOP ADV	396.00	
					87178	503031-001100 UNIFORM SERVICES	200.00	
					87178	503031-001100 UNIFORM SERVICES	200.00	
					87193	503162-004100 UNIFORM SERVICES	268.29	
					87193	503162-004100 UNIFORM SERVICES	268.29	
					87086	503162-001900 NAME PLATES	22.50	
					87086	503162-001900 NAME PLATES	22.50	
62471	06/11/18	396.00	KJRB INC		87086	503162-001900 NAME PLATES	43.60	
62472	06/11/18	200.00	LA GANGA ESPECIAL CNP		87086	503162-001900 NAME PLATES	43.60	
62473	06/11/18	290.79	MISSION UNIFORM		87086	503162-001900 NAME PLATES	43.60	
62474	06/11/18	59.95	NIDAL HALABI & NADA ALGHARIB		87086	503162-001900 NAME PLATES	43.60	

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62475	06/11/18	14,879.13	009	PACIFIC GAS & ELECTRIC		87186	504215-001100 NAME PLATES	43.60	
						87172	504311-001300 4/6-5/7 PARACRUZ	16.35	
						87190	505011-003100 4/24-5/22 1200B RIVE	767.25	
						87191	505011-002200 4/24-5/22 GOLF CLUB	2,126.49	
						87192	505011-002200 4/24-5/22 VERNON	2,126.49	
						87111	505011-002200 OFFICE SUPPLIES	6,428.91	
						87112	504311-001900 OFFICE SUPPLIES	6,428.91	
						87113	504311-001900 OFFICE SUPPLIES	5,556.48	
						87133	504311-003200 MAY18 PEST KIOSK SMC	5,556.48	
						87134	503351-002200 MAY 18 PEST BETTYS	69.14	
						87135	503351-002200 MAY 18 PEST METROMKT	69.14	
						87104	503351-002200 RPR RADIATOR	163.43	
						87125	503353-004100 RPR VEH #1210	163.43	
						87115	504191-004100 RPR HOT WATER HEATER	390.66	
						87097	503351-002200 BUSINESS CARDS	390.66	
						87154	504215-001300 RPR SINK RESTROOM	40.00	
						87155	504409-002200 DIVIDE LEGAL OFFICE	60.00	
						87156	504409-002200 RPR RESTROOM SMC	60.00	
						87157	504409-002200 RPR RESTROOM SMC	55.50	
						87161	504409-002200 DIVIDE LEGAL OFFICE	314.50	
						87162	504409-002200 DIVIDE LEGAL OFFICE	314.50	
						87163	504409-002200 RPR DOOR RESTROOM	200.00	
						87164	504409-002200 PLUMBING SUPPLIES	200.00	
62476	06/11/18	623.23	043	PALACE ART & OFFICE SUPPLY		87104	503353-004100 RPR RADIATOR	990.00	
62477	06/11/18	155.50	481	PIED PIPER EXTERMINATORS, INC.		87125	504191-004100 RPR VEH #1210	990.00	
62478	06/11/18	514.50	187	POLAR RADIATOR SERVICE INC		87115	503351-002200 RPR HOT WATER HEATER	990.00	
62479	06/11/18	990.00	001149	PREFERRED PLUMBING, INC.		87097	503351-002200 BUSINESS CARDS	183.12	
62480	06/11/18	183.12	882	PRINT SHOP SANTA CRUZ	7	87154	504215-001300 RPR SINK RESTROOM	183.12	
62481	06/11/18	422.72	107A	PROBUILD COMPANY LLC		87154	504215-001300 RPR SINK RESTROOM	5.28	

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						87165	504409-002200 DIVIDE LEGAL OFFICE	54.09	
						87166	504409-002200 DIVIDE LEGAL OFFICE	10.77	
						87167	504409-002200 RPR RESTROOM	10.77	
						87174	504409-002200 MAGNET SCREWS	47.36	
62482	06/11/18	187.18 536		RIVERSIDE LIGHTING & ELECTRIC		87174	504409-002200 MAGNET SCREWS	47.36	
						87175	504409-002200 DIVIDE LEGAL OFFICE	21.57	
						87176	504409-002200 DIVIDE LEGAL OFFICE	68.98	
						87176	504409-002200 DIVIDE LEGAL OFFICE	68.98	
						87185	504409-002200 FILM I.D. CARDS	31.52	
62483	06/11/18	438.78 001286		SAFE-CARD ID SERVICES, INC		87185	504409-002200 FILM I.D. CARDS	31.52	
						87105	201030-000100 INVENTORY ORDER	86.68	
						87106	504217-001300 INVENTORY ORDER	438.78	
62484	06/11/18	254.41 135		SANTA CRUZ AUTO PARTS, INC.		87105	504217-001300 INVENTORY ORDER	-39.49	
						87107	504191-004125 RPR VEH #1125 PC	478.27	
						87108	504191-004125 INVENTORY ORDER	65.10	
						87121	504191-004125 INVENTORY ORDER	65.10	
62485	06/11/18	10,472.08 079		SANTA CRUZ MUNICIPAL UTILITIES		87107	504191-004125 INVENTORY ORDER	122.47	
						87144	504191-004125 CREDIT	122.47	
						87145	504191-004125 RPR VEH #1125 PC	35.70	
						87146	504191-004125 INVENTORY ORDER	-21.70	
						87147	504191-004125 INVENTORY ORDER	-21.70	
						87148	504191-004125 INVENTORY ORDER	52.84	
						87149	4/6-5/7 1200A RIVER	52.84	
						87150	4/6-5/7 1200A RIVER	294.14	
						87151	505021-002200	294.14	
						87152	4/6-5/7 1200 IRRIG	101.01	
						87153	505021-002200	101.01	
						87153	4/6-5/7 GOLF CLUB	10.53	
						87153	505021-002200	10.53	
						87153	4/6-5/7 PACIFIC ISL	54.03	
						87153	505021-002200	54.03	
						87153	4/6-5/7 PACIFIC SMC	4,015.81	
						87153	505021-002200	4,015.81	
						87153	4/6-5/7 CEDAR-WALNUT	1,000.56	
						87153	505021-002200	1,000.56	
						87153	4/6-5/7 1200B RIVER	3,122.88	
						87153	505021-002200	3,122.88	
						87153	4/6-5/7 GOLF CLUB	1,353.31	
						87153	505021-002200	1,353.31	
						87153	4/6-5/7 VERNON	508.19	
						87153	505021-002200	508.19	
						87153	4/6-5/7 VERNON IRRIG	11.62	
						87153	505021-002200	11.62	

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62486	06/11/18	001292	240.00	SANTA CRUZ RECORDS MNGMT INC		87140	MAY 18 SHREDDING	240.00	
62487	06/11/18	002459	27.63	SCOTT'S VALLEY WATER DISTRICT		87189	MAY 18 RECYCLE WATER	240.00	
62488	06/11/18	E239	7,063.80	SLATER, ROBYN		87208	505021-002200 EE CONTRIB REFUND	27.63	
62489	06/11/18	003285	580.31	TRANSIT HOLDINGS INC		87091	502021-001400 INVENTORY ORDER	7,063.80	
62490	06/11/18	003268	560.46	TWO GO LLC DBA MONTEREY BAY		87127	504191-004100 RPR VEH #1124 PC	7,063.80	
62491	06/11/18	007	57.94	UNITED PARCEL SERVICE		87184	504191-004125 FREIGHT	580.31	
62492	06/11/18	002829	4,440.81	VALLEY POWER SYSTEMS, INC.		87092	504205-004100 INVENTORY ORDER	560.46	
62493	06/11/18	001506	5,330.80	WESTERN STATES OIL CO.		87093	504191-004100 RPR VEH #2221	57.94	
62494	06/18/18	003151	1,233.38	ABC BUS INC		87094	504191-004100 INVENTORY ORDER	18.64	
62495	06/18/18	003330	675.00	ACTION TOWING & ROAD SVC CORP		87380	504191-004100 TOWING VEH #2308	380.97	
62496	06/18/18	003389	1,518.00	ADVANCED COMPUTER TRAINING INC		87265	503353-004100 SEXUAL HARASS TRAIN	4,041.20	
62497	06/18/18	192	83.64	ALWAYS UNDER PRESSURE		87250	509121-001300 SPRAY WAND	4,041.20	
62498	06/18/18	001D	574.90	AT&T		87317	509121-001300 MAY 18 POINT2POINT	5,330.80	
62499	06/18/18	001348	4,927.41	ATHENS INSURANCE SERVICE, INC.		87302	509121-001200 JUN 18 TPA FEES	260.59	
							509121-001900 SPRAY WAND	260.59	
							504409-002200 SPRAY WAND	972.79	
							504409-002200 MAY 18 POINT2POINT	972.79	
							505031-002200 JUN 18 TPA FEES	207.00	
							502081-001100	414.00	
							502081-001200	138.00	
							502081-001300	41.82	
							502081-001400	41.82	
								41.82	
								574.90	
								574.90	
								4,927.41	
								63.58	
								127.16	
								174.84	
								95.37	

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							502081-001500	79.47	
							502081-001600	95.37	
							502081-001800	15.89	
							502081-001900	127.16	
							502081-002200	254.32	
							502081-003100	651.69	
							502081-003200	238.42	
							502081-003300	2,463.71	
							502081-004100	540.43	
62500	06/18/18	75.83 002689		B & B SMALL ENGINE CORP		87260	INVENTORY ORDER	75.83	
62501	06/18/18	5,344.86 588		CALTIP		87310	MAY 18 CODE = 5100	5,344.86	
62502	06/18/18	142.39 001159		CATTO'S GRAPHICS, INC.		87348	STICKERS	142.39	
62503	06/18/18	114.59 001346		CITY OF SANTA CRUZ-FINANCE		87363	MAY 18 LANDFILL	114.59	
62504	06/18/18	129.70 667		CITY OF SCOTTS VALLEY		87259	3/15-5/15 SEWER SVTC	129.70	
62505	06/18/18	8,662.00 909		CLASSIC GRAPHICS		87334	DECALS VEH #1703	2,372.25	
							514030-904000	2,372.25	
							514030-904000	1,545.25	
							514030-904000	1,545.25	
							514030-904000	2,372.25	
							514030-904000	2,372.25	
							514030-904000	2,372.25	
62506	06/18/18	2,449.95 075		COAST PAPER & SUPPLY INC.		87229	CUSTODIAL SUPPLIES	248.52	
							504191-004100	248.52	
							504191-004100	136.25	
							504191-004100	136.25	
							504317-002200	503.21	
							504317-002200	503.21	
							504317-002200	241.98	
							504317-002200	241.98	
62507	06/18/18	10,595.30 003116		CUMMINS PACIFIC LLP		87377	CUSTODIAL SUPPLIES	1,319.99	
							504409-002200	1,319.99	
							504191-004100	2,897.25	
							504191-004100	2,897.25	
							INVENTORY ORDER	3,308.12	
							504191-004100	3,308.12	
							INVENTORY ORDER	321.14	
							504191-004100	321.14	
							INVENTORY ORDER	4,068.79	
							504191-004100	4,068.79	
62508	06/18/18	590.28 001501		D & G SANITATION		87281	PARTITIONS	590.28	

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62509	06/18/18	002567	64.00	DEPARTMENT OF JUSTICE			87306	MAY 18 FINGERPRINTIN	590.28	
								503034-001400	64.00	
62510	06/18/18	003274	7,862.00	EAST BAY TIRE CO.			87221	TIRES	576.79	
							87222	TIRES	576.79	
							87226	TIRES	555.99	
							87227	TIRE PRESSURE SENSOR	452.93	
							87228	TIRES	70.45	
							87241	TIRES	508.58	
							87242	TIRES	508.58	
							87243	TIRES	452.93	
							87244	TIRES	452.93	
							87346	TIRES	1,958.20	
							87305	APR 18 MERCHANT FEES	1,033.60	
							87349	5/16-5/31 FUEL	185.33	
							87383	5/16-5/31 FUEL PC	185.33	
							87209	JUN 18 VAULT SERVICE	2,067.20	
							87387	INVENTORY ORDER	1,578.12	
							87257	INVENTORY ORDER	1,390.12	
							87359	INVENTORY ORDER	188.00	
							87341	FILE CABINET FINANCE	3,313.99	
							87225	INVENTORY ORDER	10,344.75	
							87236	INVENTORY ORDER	42.96	
							87237	INVENTORY ORDER	10,301.79	
								504021-004100	8,731.68	
								504011-004125	8,731.68	
								504012-004125	119.63	
								504191-004100	119.63	
								504191-004100	1,960.11	
								504191-004100	1,960.11	
								504191-004100	216.11	
								504191-004100	216.11	
								514041-905000	2,361.74	
								504191-004100	221.32	
								504191-004100	221.32	
								504191-004100	75.35	
								504191-004100	75.35	
								INVENTORY ORDER	97.56	

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						87240	504191-004100 AA BATTERIES	97.56	
						87311	504311-001500 HARD HATS	13.20	
						87319	504409-002200 INVENTORY ORDER	13.20	
						87321	504409-002200 INVENTORY ORDER	91.14	
						87322	504409-002200 TRAFFIC CONES	91.14	
						87323	504409-002200 LIGHTING RR TRACK	967.25	
						87324	504409-002200 CREDIT	152.46	
						87325	504409-002200 INVENTORY ORDER	152.46	
						87329	504409-002200 CLEANING SUPPLIES	98.81	
						87342	504317-003100 EVERPURE CARTRIDGE	98.81	
						87350	504409-002200 INVENTORY ORDER	174.60	
						87351	504421-004100 INVENTORY ORDER	174.60	
						87352	504315-004100 SOUND METER	-126.43	
						87353	504511-004100 INVENTORY ORDER	-126.43	
						87388	504191-004100 INVENTORY ORDER	26.10	
62518	06/18/18	GRANITEROCK COMPANY	190.74			87235	504409-002200 BASE ROCK	110.68	
						87298	504409-002200 BASE ROCK	110.68	
						87299	504409-002200 DIVIDE LEGAL OFFICE	894.01	
						87318	504409-002200 DIVIDE LEGAL OFFICE	894.01	
						87333	504409-002200 MAY 18 WASTE PARACRU	29.01	
						87366	505021-003100 MAY 18 WASTE LOM-9	20.01	
						87367	505021-002200 MAY 18 WASTE BBASIN	148.82	
						87368	505021-002200 MAY 18 AIRPORT-FREED	148.82	
62519	06/18/18	GREENWASTE RECOVERY, INC.	1,180.53			87388	504409-002200 INVENTORY ORDER	57.29	
						87235	504409-002200 BASE ROCK	57.29	
						87298	504409-002200 BASE ROCK	291.65	
						87299	504409-002200 DIVIDE LEGAL OFFICE	64.75	
						87318	504409-002200 DIVIDE LEGAL OFFICE	64.75	
						87333	504409-002200 MAY 18 WASTE PARACRU	54.61	
						87366	505021-003100 MAY 18 WASTE LOM-9	54.61	
						87367	505021-002200 MAY 18 WASTE BBASIN	18.74	
						87368	505021-002200 MAY 18 AIRPORT-FREED	18.74	

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						87369	MAY 18 HWY9-BOULDER	51.88	
							505021-002200	155.64	
						87370	MAY 18 FREED-BOWKER	51.88	
							505021-002200	51.88	
						87371	MAY 18 FREEDOM	51.88	
							505021-002200	51.88	
						87372	MAY 18 SOQUEL-COTTON	51.88	
							505021-002200	51.88	
						87373	MAY 18 SOQUEL-COTTON	51.88	
							505021-002200	51.88	
						87374	MAY 18 GREENVLY-CARN	51.88	
							505021-002200	51.88	
						87375	MAY 18 MT. HERM-SVTC	21.04	
							505021-002200	21.04	
						87376	MAY 18 WASTE SVTC	269.80	
							505021-002200	269.80	
62520	06/18/18		322.50	IO, RODNEY H		87289	RPR VEH #1123 PC	322.50	
62521	06/18/18		4,112.50	KEISH ENVIRONMENTAL PC CORP		87378	OUTFALL MITIGATION	4,112.50	
62522	06/18/18		1,138.58	KELLEY'S SERVICE INC.		87214	CREDIT	4,112.50	
							504191-004125	-16.35	
						87232	INVENTORY ORDER	-16.35	
							504191-004125	204.91	
						87233	PLATE FRAME	204.91	
							504191-004125	5.00	
						87239	INVENTORY ORDER	5.00	
							504191-004125	504.26	
						87246	INVENTORY ORDER	504.26	
							504191-004125	80.00	
						87247	INVENTORY ORDER	80.00	
							504191-004125	50.88	
						87248	RPR VEH #1118 PC	50.88	
							504191-004125	148.82	
						87347	INVENTORY ORDER	148.82	
							504191-004125	161.06	
						87269	BUS BENCH PAINT	161.06	
							504409-002200	1,073.87	
62523	06/18/18		1,073.87	KELLY-MOORE PAINT CO., INC.		87339	JUN 18 LEASE	1,073.87	
62524	06/18/18		23,627.38	KEY GOVERNMENT FINANCE INC			523000-121101	23,627.38	
							523001-121101	19,943.19	
62525	06/18/18		396.00	KJRB INC		87252	RPR VEH #1206	3,684.19	
62526	06/18/18		200.00	LA GANGA ESPECIAL CNP		87224	MURAL PROJECT AD	396.00	
							503031-001100	200.00	

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62527	06/18/18	244.24 216	244.24	**DO NOT USE LABOR READY, INC.		87365	TEMP W/E 5/13/18	244.24	VOIDED
62527	06/18/18	-244.24 216	-244.24	**DO NOT USE LABOR READY, INC.		87365	TEMP W/E 5/13/18	244.24	**VOID
62528	06/18/18	157.36 003059	157.36	MAILFINANCE INC		87223	5/28-6/27 LEASE ADM	157.36	
62529	06/18/18	21,364.55 003017	21,364.55	MANSFIELD OIL CO OF GAINSVILLE		87384	DIESEL 5/24/18	21,364.55	
62530	06/18/18	155.00 003249	155.00	MAXIMUM OIL SERVICE LLC		87270	WASTE OIL	155.00	
62531	06/18/18	11.67 980	11.67	MCMMASTER-CARR SUPPLY CO		87254	INVENTORY ORDER	11.67	
62532	06/18/18	2,116.21 001052	2,116.21	MID VALLEY SUPPLY INC.		87262	CUSTODIAL SUPPLIES	2,116.21	
62533	06/18/18	616.94 041	616.94	MISSION UNIFORM		87290	LAUNDRY SERVICE	266.40	
						87291	LAUNDRY SERVICE	305.54	
						87326	LAUNDRY SERVICE	305.54	
						87327	LAUNDRY SERVICE	22.50	
62534	06/18/18	400.00 003061	400.00	NEOFUNDS BY NEOPOST DBA		87210	*****-***-1598	400.00	
62535	06/18/18	109.98 002721	109.98	NEXTEL COMMUNICATIONS/SPRINT		87249	4/26-5/25 TVM WIRELE	400.00	
62536	06/18/18	1,447.50 002940	1,447.50	OJO TECHNOLOGY, INC.		87267	RPR SMC VIDEO CAMERA	1,447.50	
62537	06/18/18	6,512.65 009	6,512.65	PACIFIC GAS & ELECTRIC		87316	4/28-5/29 PACIFIC	3,169.13	
						87360	4/27-5/28 1200A RIVE	3,169.13	
						87218	OFFICE SUPPLIES	3,343.52	
62538	06/18/18	2,153.26 043	2,153.26	PALACE ART & OFFICE SUPPLY		87219	OFFICE SUPPLIES	78.13	
						87238	OFFICE SUPPLIES	129.40	
						87280	OFFICE SUPPLIES	66.29	
						87304	OFFICE SUPPLIES	388.86	
						87328	OFFICE SUPPLIES	388.86	
						87389	OFFICE SUPPLIES	497.07	
							OFFICE SUPPLIES	774.52	
							OFFICE SUPPLIES	774.52	
							OFFICE SUPPLIES	218.99	
							OFFICE SUPPLIES	218.99	

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62539	06/18/18	002947	1,925.00	PEDALERS EXPRESS	7	87312	MAY 18 COURIER SVC	1,925.00	
62540	06/18/18	003307	976.96	PEOPLE READY INC		87379	503031-001100 TEMP W/E 5/20/18	976.96	
62541	06/18/18	481	75.50	PIED PIPER EXTERMINATORS, INC.		87315	503041-002200 MAR 18 PEST WTC	75.50	
62542	06/18/18	107A	272.30	PROBUILD COMPANY LLC		87294	503351-002200 DIVIDE LEGAL OFFICE	28.06	
						87295	504409-002200 DIVIDE LEGAL OFFICE	28.06	
						87343	504409-002200 DIVIDE LEGAL OFFICE	84.50	
						87344	504409-002200 LIGHTS RR AREA	11.33	
						87345	504409-002200 DIVIDE LEGAL OFFICE	11.33	
						87303	504409-002200 DIVIDE LEGAL OFFICE	64.30	
62543	06/18/18	003020	150.30	QUEST DIAGNOSTIC INC.		87345	504409-002200 DIVIDE LEGAL OFFICE	64.30	
62544	06/18/18	003266	30.02	REFLECTIVE APPAREL FACTORY INC		87303	504409-002200 DOT DRUG TESTS	84.11	
62545	06/18/18	061	898.00	REGISTER PAJARONIAN LLC		87253	503031-001400 REFLECTIVE VESTS	150.30	
62546	06/18/18	003024	8,883.65	RICOH USA, INC CA		87308	201030-000100 504315-004100 MURAL WORKSHOP AD	150.30	
62547	06/18/18	215	267.05	RICOH USA, INC. TX		87309	503031-001100 MURAL WORKSHOP AD	-2.70	
62548	06/18/18	536	95.20	RIVERSIDE LIGHTING & ELECTRIC		87217	503031-001100 MURAL WORKSHOP AD	32.72	
						87340	503031-001100 2/14-5/13 IMAGES PC	449.00	
						87314	504215-003100 NEW COPIER OPS	449.00	
						87282	514020-320045 5/26-6/25 LEASE C/S	163.65	
						87283	512061-001300 CLIPS	163.65	
						87284	504409-002200 DIVIDE LEGAL OFFICE	8,720.00	
						87285	504409-002200 LIGHT SLEEVES	267.05	
						87286	504409-002200 LIGHT SLEEVE	267.05	
						87287	504409-002200 LIGHT SLEEVE	18.53	
						87288	504409-002200 DIVIDE LEGAL OFFICE	18.53	
62549	06/18/18	045	18.98	ROYAL WHOLESALE ELECTRIC		87261	504409-002200 DIVIDE LEGAL OFFICE	8.00	
						87261	504409-002200 DIVIDE LEGAL OFFICE	8.00	
						87261	504409-002200 DIVIDE LEGAL OFFICE	7.59	
						87261	504409-002200 DIVIDE LEGAL OFFICE	7.59	
						87261	504409-002200 DIVIDE LEGAL OFFICE	32.53	
						87261	504409-002200 DIVIDE LEGAL OFFICE	32.53	
						87261	504409-002200 DIVIDE LEGAL OFFICE	16.82	
						87261	504409-002200 DIVIDE LEGAL OFFICE	16.82	
						87261	504409-002200 DIVIDE LEGAL OFFICE	8.79	
						87261	504409-002200 DIVIDE LEGAL OFFICE	8.79	
						87261	504409-002200 DIVIDE LEGAL OFFICE	2.94	
						87261	504409-002200 DIVIDE LEGAL OFFICE	2.94	
						87261	504409-002200 DIVIDE LEGAL OFFICE	18.98	

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62550	06/18/18	1,829.31 002099		SANDMAN GLASS INC		87263	504409-002200 STOREFRONT GLASS RPL	18.98	
						87264	503351-002200 TRANSPARENT GLASS WT	1,141.05	
						87268	503351-002200 RPR GLASS WTC	476.00	
						87234	503351-002200 INVENTORY ORDER	212.26	
						87301	504191-004125 MAY 18 W/C REPLENISH	64.94	
							502081-001300	64.94	
							502081-002200	29,216.89	
							502081-003100	10.01	
							502081-003200	14,747.82	
							502081-003300	4,267.46	
							502081-004100	197.24	
							502081-004100	8,709.55	
							505021-003100	1,284.81	
							503031-003100	337.95	
							503352-001300	337.95	
							504211-001300	80.00	
							504311-001300	80.00	
							507201-001300	79.10	
							YEAR END REPLENISHME	3.27	
							YEAR END REPLENISHME	5.79	
							YEAR END REPLENISHME	50.04	
							YEAR END REPLENISHME	20.00	
							YEAR END REPLENISHME	251.62	
							YEAR END REPLENISHME	45.00	
							YEAR END REPLENISHME	45.17	
							YEAR END REPLENISHME	15.24	
							YEAR END REPLENISHME	26.14	
							YEAR END REPLENISHME	17.89	
							YEAR END REPLENISHME	38.14	
							YEAR END REPLENISHME	64.04	
							YEAR END REPLENISHME	2,500.00	
							YEAR END REPLENISHME	2,500.00	
							YEAR END REPLENISHME	152.11	
							YEAR END REPLENISHME	152.11	
							YEAR END REPLENISHME	441.26	
							YEAR END REPLENISHME	-39.71	
							YEAR END REPLENISHME	480.97	
							YEAR END REPLENISHME	514.30	
							YEAR END REPLENISHME	514.30	
							YEAR END REPLENISHME	132.35	
							YEAR END REPLENISHME	132.35	
							YEAR END REPLENISHME	705.01	
							YEAR END REPLENISHME	705.01	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
						87212	RPR VEH #1306	4,698.43	
							504191-004100	4,698.43	
						87271	INVENTORY ORDER	2,075.58	
							504191-004100	2,075.58	
						87272	INVENTORY ORDER	2,104.85	
							504191-004100	2,104.85	
						87273	INVENTORY ORDER	95.98	
							504191-004100	95.98	
						87274	INVENTORY ORDER	1,703.04	
							504191-004100	1,703.04	
						87275	INVENTORY ORDER	1,284.97	
							504191-004100	1,284.97	
						87276	INVENTORY ORDER	28.14	
							504191-004100	28.14	
						87277	INVENTORY ORDER	31.27	
							504191-004100	31.27	
						87278	INVENTORY ORDER	17.42	
							504191-004100	17.42	
						87279	INVENTORY ORDER	32.99	
							504191-004100	32.99	
						87385	INVENTORY ORDER	50.41	
							504191-004100	50.41	
62563	06/18/18		392.49	TWO GO LLC		87231	RPR VEH #1123PC	392.49	
				DBA MONTEREY BAY			504191-004125	392.49	
62564	06/18/18		6,538.57	VALLEY POWER SYSTEMS, INC.		87255	INVENTORY ORDER	1,067.08	
							504191-004100	1,067.08	
						87354	INVENTORY ORDER	133.36	
							504191-004100	133.36	
						87355	INVENTORY ORDER	371.37	
							504191-004100	371.37	
						87356	INVENTORY ORDER	1,055.86	
							504191-004100	1,055.86	
						87357	INVENTORY ORDER	3,848.43	
							504191-004100	3,848.43	
						87386	INVENTORY ORDER	62.47	
							504191-004100	62.47	
62565	06/18/18		530.64	VERIZON WIRELESS		87332	5/2-6/1 PARACRUZ	308.88	
					0		505031-003100	308.88	
						87362	5/2-6/1 PUSH2TALK	221.76	
							505031-002200	221.76	
62566	06/18/18		150.00	VU, THANH DR. MD		87215	DMV EXAM	75.00	
					7		502251-003100	75.00	
						87330	DMV EXAM	75.00	
							502251-003100	75.00	
62567	06/18/18		237.50	WORKIN.COM, INC.		87307	JOB PLACEMENT AD	237.50	
							503221-001400	237.50	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
62568	06/18/18	1,738.55 192	1,738.55	ALWAYS UNDER PRESSURE		87390	LANDA SURFACE CLEANER	1,738.55	
62569	06/18/18	320.00 002035	320.00	BOWMAN & WILLIAMS INC		87392	MAR 18 FIRE EGRESS	320.00	
62570	06/18/18	82.84 T321	82.84	LORD, MEGAN		87391	TRAVEL REIMBURSEMENT	82.84	
62571	06/18/18	244.24 003307	244.24	PEOPLE READY INC		87393	TEMP W/E 5/13/18	244.24	
62572	06/25/18	1,980.27 003151	1,980.27	ABC BUS INC		87415	INVENTORY ORDER	87.20	
						87416	INVENTORY ORDER	1,893.07	
						87441	CREDIT	1,893.07	
62573	06/25/18	25,238.00 003362	25,238.00	APOLLO VIDEO TECHNOLOGY LLC		87442	VIDEO CAMERA PROJECT	-2,271.43	
62574	06/25/18	556.54 001268	556.54	BUDGET BLINDS OF SANTA CRUZ	7	87513	BLINDS	27,509.43	
62575	06/25/18	242.57 914	242.57	CALTRONICS BUSINESS SYSTEMS		87432	OFFICE SUPPLIES	556.54	
62576	06/25/18	88.90 M022	88.90	CAPELLA, KATHLEEN	0	87494	JUL 18 RETIREE SUPP	242.57	
62577	06/25/18	8,941.25 001159	8,941.25	CATTO'S GRAPHICS, INC.		87422	SUMMER BUS STOP STIC	88.90	
						87525	6/1-6/17 ARTIC LEASE	1,441.25	VOIDED
62578	06/25/18	10,556.21 002627	10,556.21	CDW GOVERNMENT, INC.		87525	6/1-6/17 ARTIC LEASE	1,441.25	
62579	06/25/18	30.00 003245	30.00	CITY OF WATSONVILLE PARKS AND		87422	SUMMER BUS STOP STIC	7,500.00	
62580	06/25/18	17,704.01 909	17,704.01	CLASSIC GRAPHICS		87525	6/1-6/17 ARTIC LEASE	7,500.00	**VOID
						87462	HP WORKSTATIONS	7,500.00	
						87428	REGISTRATION 4THJULY	10,556.21	
						87410	DECALS VEH #1706 PC	30.00	
						87411	DECALS VEH #1709 PC	2,372.25	
						87424	REPAINT BUS #9810	2,372.25	
						87425	REPAINT VEH #9816	6,473.55	
						87499	JUN 18 MAINTENANCE	2,845.45	
							503352-002200	3,628.10	
							503353-004100	6,485.96	
							503353-004100	2,857.86	
							503352-002200	3,628.10	
							503352-002200	14,842.00	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
62588	06/25/18	39,490.22 002295	FIRST ALARM			87479	MAY 18 SECURITY	800.00	
							503171-003200	800.00	
62589	06/25/18	66.75 003279	FRONTIER COMMUNICATIONS CORP			87526	MAY 18 SECURITY ALL	38,690.22	
							503171-003200	38,690.22	
62590	06/25/18	381.82 001189	GARY KENVILLE LOCKSMITH		7	87443	6/13-7/12 SKY-OCEAN	66.75	
							505031-003200	66.75	
62591	06/25/18	943.45 117	GILLIG LLC			87473	KEYS	381.82	
							504409-002200	381.82	
62592	06/25/18	44.45 M041	GOUVEIA, ROBERT		0	87409	INVENTORY ORDER	935.47	
							504191-004100	935.47	
62593	06/25/18	36,316.54 003109	HANSON BRIDGETT LLP			87457	INVENTORY ORDER	7.98	
							504191-004100	7.98	
						87489	JUL 18 RETIREE SUPP	44.45	
							502999-009005	44.45	
						87394	MAY 18 RETAINER	24,000.00	
							503033-001700	24,000.00	
						87395	M# 032117.003001	3,773.00	
							503033-001700	3,773.00	
						87396	M# 032117.006003	616.00	
							503033-001700	616.00	
						87397	M# 032117.006006	1,674.00	
							503033-001700	1,674.00	
						87398	M# 032117.006008	938.04	
							503033-001700	938.04	
						87399	M# 032117.006009	4,622.50	
							503033-001700	4,622.50	
						87400	M# 032117.008001	231.00	
							503033-001700	231.00	
						87401	M# 032117.008002	462.00	
							503033-001700	462.00	
62594	06/25/18	15,320.06 001745	HARTFORD LIFE AND ACCIDENT INS			87477	JUN 18 LTD	11,105.61	
							502061-001100	208.38	
							502061-001200	270.50	
							502061-001300	322.22	
							502061-001400	153.53	
							502061-001500	77.96	
							502061-001600	117.00	
							502061-001800	39.00	
							502061-001900	179.44	
							502061-002200	386.83	
							502061-003100	1,262.67	
							502061-003200	576.83	
							502061-003300	6,192.21	
							502061-004100	1,319.04	
							502061-AD&D	4,214.45	
							502051-001100	61.98	

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62595	06/25/18	1,133.47 166		HOSE SHOP, THE INC		87463	INVENTORY ORDER	32.56	
							50421-004100	32.56	
						87464	INVENTORY ORDER	60.04	
							50421-004100	60.04	
						87465	RPR VEH #2212	312.21	
							50421-004100	312.21	
						87466	INVENTORY ORDER	728.66	
							50421-004100	728.66	
						87408	RPR VEH #2604 PC	224.74	
				IO, RODNEY H			503353-004125	224.74	
						87449	INVENTORY ORDER	7.13	
				KELLEY'S SERVICE INC.			504191-004100	7.13	
						87450	INVENTORY ORDER	9.77	
							504191-004125	9.77	
						87451	INVENTORY ORDER	111.31	
							504191-004125	111.31	
						87483	CREDIT	-16.35	
							504191-004125	-16.35	
						87484	INVENTORY ORDER	124.26	
							504191-004100	124.26	
						87485	RPR VEH #1124 PC	80.32	
							504191-004125	80.32	
						87505	INVENTORY ORDER	70.24	
							504191-004100	70.24	
						87506	INVENTORY ORDER	115.78	
							504191-004125	115.78	
						87423	ROUTE 79 MAP	42.67	
							503031-001600	42.67	
						87433	HEADWAYS	1,013.51	
							504215-001600	1,013.51	
						87434	POSTERS	1,171.48	
							504215-001600	1,171.48	
						87406	TOWING VEH #1126 PC	108.00	
							504215-001600	108.00	

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						87407	503353-004125 TOWING VEH #2801	108.00	
							503353-004100	432.00	
						87412	RPR VEH #1210	432.00	
							503353-004100	324.00	
62600	06/25/18	2,066.00 003273		MGP XI REIT LLC		87444	JULY 18 RENT	324.00	
62601	06/25/18	44.30 041		MISSION UNIFORM		87445	LAUNDRY SERVICE	2,066.00	
							503162-001900	22.50	
						87497	LAUNDRY SERVICE	22.50	
							503162-002200	21.80	
						87515	DIVIDE LEGAL OFFICE	21.80	
62602	06/25/18	1,822.90 003356		MORA DOOR INC.			504409-002200	760.29	
						87516	DOOR SMC	760.29	
							504409-002200	1,062.61	
62603	06/25/18	2,636.39 009		PACIFIC GAS & ELECTRIC		87495	5/3-6/3 SVT WTC PNR	1,062.61	
							505011-002200	2,569.21	
						87496	5/3-6/3 SVTC	2,569.21	
							505011-002200	67.18	
62604	06/25/18	4,335.09 043		PALACE ART & OFFICE SUPPLY		87430	OFFICE FURNITURE	67.18	
							504311-001300	2,564.94	
						87431	OFFICE SUPPLIES	2,564.94	
							504311-001300	930.41	
						87447	OFFICE SUPPLIES	930.41	
							504311-003100	254.16	
						87448	OFFICE SUPPLIES	254.16	
							504311-003100	454.72	
						87482	OFFICE SUPPLIES	454.72	
							504311-001300	34.30	
						87508	OFFICE SUPPLIES	34.30	
							504311-004100	62.57	
						87510	CREDIT	62.57	
							504311-003200	-25.96	
						87512	OFFICE SUPPLIES	-25.96	
							504311-003200	59.95	
						87490	JUL 18 RETIREE SUPP	59.95	
							502999-009005	44.45	
						87500	JUN 18 PEST OPS CREE	44.45	
							503351-002200	105.00	
						87501	JUN 18 PEST VERNON	105.00	
							503351-002200	190.50	
						87502	JUN 18 PEST GOLF	190.50	
							503351-002200	67.50	
						87503	JUN 18 PEST OPS PARK	67.50	
							503351-002200	62.50	
						87514	MAY 18 PEST WTC	62.50	
							503351-002200	75.50	

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62607	06/25/18	85.02 882	PRINT SHOP	SANTA CRUZ	7	87446	BUSINESS CARDS	75.50	
62608	06/25/18	556.39 107A	PROBUILD COMPANY LLC			87474	RPR CALL CENTER SMC	85.02	
						87475	RPR TP DISPENSER WTC	484.98	
						87476	RPR TP DISPENSER WTC	19.15	
						87480	RPR PLUMBING WTC	1.11	
						87504	DIVIDE LEGAL OFFICE	21.47	
						87511	SAFETY VESTS	29.68	
62609	06/25/18	317.90 003266	REFLECTIVE APPAREL FACTORY INC			87402	PUBLIC NOTICE	317.90	
62610	06/25/18	139.01 061	REGISTER PAJARONIAN LLC			87429	JUN 18 LEASE OPS	139.01	
62611	06/25/18	110.09 003024	RICOH USA, INC CA			87491	JUL 18 RETIREE SUPP	110.09	
62612	06/25/18	88.90 M085	ROSSI, DENISE		0	87492	JUL 18 RETIREE SUPP	88.90	
62613	06/25/18	44.45 M030	ROWE, RUBY			87528	BLANK ID CARDS	44.45	
62614	06/25/18	613.06 001286	SAFE-CARD ID SERVICES, INC			87452	CREDIT	613.06	
62615	06/25/18	109.32 135	SANTA CRUZ AUTO PARTS, INC.			87453	INVENTORY ORDER	-55.18	
						87454	INVENTORY ORDER	668.24	
						87455	INVENTORY ORDER	-3.24	
						87486	INVENTORY ORDER	3.24	
62616	06/25/18	3,600.00 001277	SUB GLOBALNET, INC.			87487	MAY 18 SERVICES	11.16	
62617	06/25/18	15,480.94 001075	SOQUEL III ASSOCIATES		7	87488	JUN 18 SERVICES	11.16	
62618	06/25/18	813.53 001976	SPORTWORKS NORTHWEST, INC.			87527	JULY 18 RENT	58.81	
62619	06/25/18	117.00 003010	TOYOTA MATERIAL HANDLING		7	87417	INVENTORY ORDER	58.81	
						87456	RPR FORKLIFT #704	39.35	
								39.35	
								1,800.00	
								1,800.00	
								1,800.00	
								15,480.94	
								15,480.94	
								813.53	
								-73.22	
								886.75	
								117.00	

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62620	06/25/18	6,951.23 003285		TRANSIT HOLDINGS INC		87405	503352-004100 INVENTORY ORDER	117.00	
						87413	504191-004100 INVENTORY ORDER	22.38	
						87414	504191-004100 RPR VEH #2211	22.38	
						87468	504191-004100 INVENTORY ORDER	810.35	
						87469	504191-004100 INVENTORY ORDER	810.35	
						87470	504191-004100 INVENTORY ORDER	26.63	
						87471	504191-004100 RPR VEH #1306	1,284.97	
						87418	504191-004100 FREIGHT	1,284.97	
						87461	504205-004100 INVENTORY ORDER	897.30	
						87426	504191-004100 MAY 18 CHEM TESTING	897.30	
						87460	503352-002200 2USER SERVICE AGREEM	2,924.32	
						87404	509011-004100 INVENTORY ORDER	2,924.32	
						87507	504012-004100 INVENTORY ORDER	985.28	
						87493	504191-004100 JUL 18 RETIREE SUPP	53.16	
						87529	502999-009005 JUN 18 ARTIC LEASE	53.16	
							512200-001600	53.16	
TOTAL		744,246.64		ACCOUNTS PAYABLE			TOTAL CHECKS	744,246.64	

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62629	07/02/18	1,155.20 003151	ABC BUS INC	87585	INVENTORY ORDER	504191-004100	955.08		
62630	07/02/18	4,966.40 382	AIRTEC SERVICE INC.	87586	INVENTORY ORDER	504191-004100	955.08		
62631	07/02/18	750.00 001016	ALLARD'S SEPTIC SERVICE	7	JUN 18 MAINTENANCE	503352-003100	200.12		
62632	07/02/18	217.80 E930	ALMANZA, CANDIS	87553	QTRLY HVAC MAINTENAN	503352-002200	247.00		
62633	07/02/18	39,250.00 497B	APTA	87555	QTRLY HVAC MAINTENAN	503352-002200	247.00		
62634	07/02/18	3,001.32 001D	AT&T	87556	HVAC MAINTENANCE VER	503352-002200	927.97		
62635	07/02/18	4,218.00 003185	B&C TRUCK ELECTRIC SERVICE INC	87559	GREASE PUMPOUT SMC	503363-002200	2,900.00		
62636	07/02/18	5,253.80 001089	CASEY PRINTING, INC	87625	GREASE PUMPOUT WTC	503363-002200	2,900.00		
62637	07/02/18	39.24 E441	CASTILLO, ANTONIO	87626	GREASE PUMPOUT WTC	503363-002200	891.43		
62638	07/02/18	1,925.40 001159	CATTO'S GRAPHICS, INC.	87573	TRAVEL REIMBURSEMENT	509123-003100	891.43		
62639	07/02/18	106.35 E1006	CHURCH, JOLENE	87575	7/1-6/30/19 MEMBERSH	151010-000100	375.00		
62640	07/02/18	52.65 130	CITY OF WATSONVILLE UTILITIES	87577	5/19-6/18 SKYLINE	505031-003200	375.00		
62641	07/02/18	50,289.19 001124	CLEAN ENERGY	87578	5/13-6/12 POINT2POIN	505031-002200	375.00		
				87579	5/10-6/9 INTERNET	505031-002200	375.00		
				87559	INVENTORY ORDER	504191-004100	3,139.00		
				87561	INVENTORY ORDER	504191-004100	3,139.00		
				87569	SUMMER 2018 HEADWAYS	504215-001600	1,079.00		
				87535	TRAVEL REIMBURSEMENT	509123-004100	1,079.00		
				87570	BUS ID STICKERS	504215-001600	5,253.80		
				87577	BUS STOP STICKERS	504215-001600	39.24		
				87580	HATS FAC/CUSTODIANS	503162-002200	81.75		
				87628	LACTATION ROOM SUPPL	504409-002200	81.75		
				87571	5/15-6/12 WATER WTC	509123-001600	1,441.25		
				87540	LNG 6/6/18	505021-002200	1,441.25		
							402.40		
							106.35		
							60.73		
							45.62		
							52.65		
							52.65		
							5,900.28		

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62642	07/02/18	640.60	E957		87541	504012-004100 LNG 6/4/18	5,900.28	
					87542	504012-004100 LNG 5/31/18	7,086.88	
					87543	504012-004100 LNG 5/29/18	5,820.09	
					87544	504012-004100 LNG 5/16/18	5,820.09	
					87545	504012-004100 LNG 5/18/18	6,902.51	
					87546	504012-004100 LNG 5/22/18	5,707.02	
					87547	504012-004100 LNG 5/24/18	5,089.86	
					87537	504012-004100 TRAVEL REIMBURSEMENT	6,906.60	
					87538	509123-001100 4/25-6/6 REIMBURSEME	6,875.95	
					87581	509125-001100 CUSTODIAL SUPPLIES	428.58	
					87603	504317-002200 5/18 BOD MEETING	212.02	
					87632	509125-001100 FY19 MEMBERSHIP	449.62	
					87565	509011-001100 BOD MEETING	449.62	
					87548	509125-001100 INVENTORY ORDER	374.00	
					87549	504191-004100 INVENTORY ORDER	3,800.00	
					87550	504191-004100 RPR VEH 1001, 3, 4	24.33	
					87613	504191-004100 BUY AMERICA AUDIT	24.33	
					87614	514030-904000 TEMP W/E 6/17/18	165.20	
					87627	503031-001600 TEMP W/E 6/17/18	676.66	
					87631	503041-002200 TEMP W/E 5/27/18	268.98	
					87617	503041-001100 INVENTORY ORDER	268.98	
					87618	504191-004100 INVENTORY ORDER	2,700.00	
					87590	504191-004100 INVENTORY ORDER	2,700.00	
							521.44	
							521.44	
							1,269.20	
							1,269.20	
							1,021.20	
							1,021.20	
							73.19	
							73.19	
							32.46	
							32.46	
							485.50	
							485.50	

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CHECK #	START THRU	9999999	DATE	CHECK DATE	CHECK VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
62652	07/02/18	106,349.65	380		GOLDEN BAY FENCE PLUS IRON INC		87576		504191-004100 GC MECH PLATFORM	485.50	
									205040-000100	106,349.65	
									514010-120003	-5,597.35	
62653	07/02/18	52.18	546		GRANITEROCK COMPANY		87582		DIVIDE LEGAL OFFICE	111,947.00	
									504409-002200	38.67	
									DIVIDE LEGAL OFFICE	38.67	
62654	07/02/18	261.56	003380		HEARST STATIONS INC		87583		DIVIDE LEGAL OFFICE	13.51	
									504409-002200	13.51	
62655	07/02/18	64.11	166		HOSE SHOP, THE INC		87564		5/1-5/21 PSA ADS	261.56	
									503031-001100	261.56	
									RPR VEH #1306	12.55	
									504421-004100	12.55	
									INVENTORY ORDER	51.56	
62656	07/02/18	700.40	1117		KELLEY'S SERVICE INC.		87607		INVENTORY ORDER	51.56	
									504409-002200	51.56	
									INVENTORY ORDER	68.93	
									504191-004100	68.93	
									RPR VEH #701	101.88	
									504191-004100	101.88	
									INVENTORY ORDER	137.86	
									504191-004100	137.86	
									CREDIT	-137.86	
									504191-004100	-137.86	
									INVENTORY ORDER	443.90	
									504191-004125	443.90	
									INVENTORY ORDER	22.98	
									504191-004100	22.98	
									RPR VEH #1124 PC	62.71	
62657	07/02/18	179.52	039		KINKO'S INC.		87601		504191-004125	62.71	
									JUN APTA CONFERENCE	179.52	
									509081-001600	179.52	
									INTERPRETATION	900.00	
62658	07/02/18	900.00	003195		LANDAVERY, CARLOS G.		87630		503031-001100	900.00	
									TRAVEL REIMBURSEMENT	900.00	
62659	07/02/18	524.96	E993		LEONARD, CHRISTOPHER		87532		509123-004100	524.96	
									TRAVEL REIMBURSEMENT	524.96	
62660	07/02/18	52.32	E627		MACDONELL, RYAN		87536		509123-001900	52.32	
									DIESEL 6/6/18	52.32	
62661	07/02/18	21,111.14	003017		MANSFIELD OIL CO OF GAINSVILLE		87557		504012-004100	21,111.14	
									PROF SVCS THRU 5/25	21,111.14	
62662	07/02/18	450.00	406		MESITI-MILLER ENGINEERING, INC 0		87574		514010-120003	450.00	
									PUBLIC OUTREACH	450.00	
62663	07/02/18	3,718.75	003361		MILLER MAXFIELD INC		87563		503031-001100	3,718.75	
									RESTOCKING CHARGE	3,718.75	
62664	07/02/18	455.15	041		MISSION UNIFORM		87558		503162-004100	55.00	
									RESTOCKING CHARGE	55.00	
									503162-004100	60.00	
									RESTOCKING CHARGE	60.00	
									503162-004100	60.00	

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CHECK #	START DATE	THRU DATE	CHECK NUMBER	CHECK DATE	VENDOR NAME	CHECK AMOUNT	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	DATE	TRANSACTION AMOUNT	COMMENT
62665	07/02/18		20.00	003326	NIDAL HALABI & NADA ALGHARIB			87602	LAUNDRY SERVICE	07/01/18	340.15	
62666	07/02/18		701.40	009	PACIFIC GAS & ELECTRIC			87629	NAME PLATE	07/31/18	340.15	
62667	07/02/18		604.32	023	PACIFIC TRUCK PARTS, INC.			87552	5/8-6/6 PARACRUZ		20.00	
62668	07/02/18		8.71	043	PALACE ART & OFFICE SUPPLY			87587	INVENTORY ORDER		701.40	
62669	07/02/18		233.00	481	PIED PIPER EXTERMINATORS, INC.			87572	OFFICE SUPPLIES		701.40	
								87596	JUN 18 PEST METROMKT		604.32	
								87597	JUN 18 PEST PACIFIC		604.32	
								87598	JUN 18 PEST BETTYS		8.71	
								87609	JUN 18 PEST WTC		8.71	
								87611	JUN 18 DENTAL		55.50	
62670	07/02/18		36,804.50	002939	PREFERRED BENEFIT						55.50	
											40.00	
											40.00	
											60.00	
											60.00	
											77.50	
											77.50	
											36,804.50	
											394.47	
											689.54	
											1,183.41	
											493.86	
											493.86	
											99.39	
											788.94	
											1,677.27	
											4,438.55	
											1,577.87	
											15,179.26	
											3,550.22	
											711.80	
											5,032.20	
											688.88	
											688.88	
62671	07/02/18		688.88	882	PRINT SHOP SANTA CRUZ		7	87584	FORMS		42.08	
62672	07/02/18		200.72	107A	PROBUILD COMPANY LLC			87554	CALL CENTER PACIFIC		42.08	
								87600	LACTATION ROOM SMC		22.54	
								87605	DIVIDE LEGAL OFFICE		86.10	
								87608	CALL CENTER OFFICE		86.10	
								87539	MEDICAL EQUIP REIMBU		50.00	
											4,500.00	
											4,500.00	

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CHECK #	START DATE	THRU DATE	CHECK #	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	DATE	TRANSACTION AMOUNT	COMMENT
62674	07/02/18		593.25	001153	REPUBLIC ELEVATOR COMPANY INC		87604	JUN 18 MAINTENANCE	07/01/18	593.25	
62675	07/02/18		512.27	E334	ROCHA, LUIS		87531	TRAVEL REIMBURSEMENT		593.25	
62676	07/02/18		45.00	E1012	RUIZ CHAVEZ, LEONEL		87566	DMV REIMBURSEMENT		512.27	
62677	07/02/18		83.15	135	SANTA CRUZ AUTO PARTS, INC.		87568	INVENTORY ORDER		45.00	
62678	07/02/18		9,388.94	079	SANTA CRUZ MUNICIPAL UTILITIES		87619	5/8-6/5 PACIFIC		45.00	
							87620	5/8-6/5 WATER OCEAN		83.15	
							87621	5/8-6/5 1200 RIVER B		3,678.09	
							87622	5/8-6/5 GOLF CLUB		3,678.09	
							87623	5/8-6/5 VERNON		1,000.56	
							87624	5/8-6/5 VERNON IRRIG		1,000.56	
62679	07/02/18		538.14	E917	THORN, MIKE		87530	TRAVEL REIMBURSEMENT		2,894.24	
62680	07/02/18		26.64	003285	TRANSIT HOLDINGS INC		87562	RPR VEH #2211		2,894.24	
							87615	CREDIT		1,310.44	
							87616	INVENTORY ORDER		493.99	
							87610	*****5056		493.99	
62681	07/02/18		6,147.12	057	U.S. BANK		87610	201030-000100		11.62	
								503031-001100		11.62	
								503221-001400		538.14	
								504311-001100		538.14	
								504311-001900		26.64	
								504311-003200		26.64	
								504409-002200		26.64	
								509121-001800		26.64	
								509122-001100		26.64	
								509123-001600		26.64	
								509123-001900		26.64	
								509123-003100		26.64	
								509123-003200		26.64	
								509125-004100		26.64	
								509125-001100		26.64	

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62682	07/02/18		912.24	434	VERIZON WIRELESS	0	87551	5/13-6/12	FLEET	514010-120003	1,150.00	
62683	07/02/18		3,475.00	001353	VISION COMMUNICATIONS		87612	VEH RADIO	INSTALL	505031-004100	912.24	
62684	07/02/18		1,220.71	E329	ZARAGOZA, DANIEL		87534	TRAVEL REIMBURSEMENT		514030-904000	3,475.00	
62685	07/02/18		187.36	148	ZEP SALES & SERVICE INC.		87588	INVENTORY ORDER		514070-140002	2,780.00	
62686	07/05/18		4,694.31	003034	COASTAL LANDSCAPING INC. DBA		87633	EMERGENCY DRAIN RPR		509123-003100	695.00	
62687	07/09/18		203.06	003151	ABC BUS INC		87650	INVENTORY ORDER		504191-004100	1,220.71	
62688	07/09/18		1,299.51	382	AIRTEC SERVICE INC.		87643	QTRLY MAINTENANCE SV		514010-120003	1,220.71	
62689	07/09/18		105.75	E437	AITKEN, ANGELA		87646	HVAC MAINTENANCE		503352-002200	187.36	
62690	07/09/18		5,000.00	1114	ALLIANT INSURANCE SERVICES INC		87713	7/1/18 WC BROKER FEE		503352-002200	187.36	
62691	07/09/18		349.94	003199	B & H FOTO & ELECTRONICS CORP		87705	OFFICE SUPPLIES		504191-004100	4,694.31	
62692	07/09/18		293.21	003185	B&C TRUCK ELECTRIC SERVICE INC		87665	INVENTORY ORDER		503352-002200	203.06	
62693	07/09/18		226.92	003248	BAY ALARM COMPANY		87714	7/1-10/1 ELEV VERNON		503352-002200	207.00	
62694	07/09/18		9,540.55	588	CALTIP		87717	JUN 18 CODE = 5100		509123-001200	242.00	
62695	07/09/18		5,250.00	001324	CAPITALEdge ADVOCACY, INC.		87688	JUN 18 LEGISLATE SVC		503352-002200	336.78	
62696	07/09/18		1,556.24	130	CITY OF WATSONVILLE UTILITIES		87682	5/22-6/19 IRRIG WTC		151025-000100	513.73	
							87683	5/22-6/19 WATER WTC		201030-000100	513.73	
							87684	5/22-6/19 WATER WTC		504311-001300	207.00	
							87685	6/21/18 WASTE WTC		504191-004100	105.75	
										503352-002200	5,000.00	
										151025-000100	5,000.00	
										201030-000100	349.94	
										504311-001300	-31.50	
										504191-004100	381.44	
										503352-002200	293.21	
										509123-001200	226.92	
										503352-002200	226.92	
										506123-001800	9,540.55	
										503352-002200	9,540.55	
										503032-001100	5,250.00	
										505021-002200	5,250.00	
										505021-002200	196.42	
										505021-002200	196.42	
										505021-002200	73.42	
										505021-002200	73.42	
										505021-002200	419.46	
										505021-002200	419.46	
										505021-002200	866.94	
										505021-002200	866.94	

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62697	07/09/18			11,703.05	CLASSIC GRAPHICS		87639	DECALS VEH #1712 PC	07/31/18	2,372.25	
							87640	DECAL VEH #1711 PC		2,372.25	
							87641	REPAINT VEH #9826		6,473.55	
							87676	POWDER COATING		485.00	
							87675	TRAVEL REIMBURSEMENT		202.69	
62698	07/09/18			202.69	CLIFFORD, ALEX		87694	HR TRAINING		184.00	
62699	07/09/18			736.00	CPS - HUMAN RESOURCE SERVICES		87695	HR TRAINING		184.00	
							87696	HR TRAINING		184.00	
							87697	HR TRAINING		184.00	
62700	07/09/18			156,418.00	CSAC EXCESS INSURANCE AUTHORITY		87712	FY19 W/C INSURANCE		156,418.00	
62701	07/09/18			80.00	CSMFO		87637	7/12 MEETING		40.00	
							87638	7/12 MEETING		40.00	
62702	07/09/18			2,211.88	EAST BAY TIRE CO.		87654	TIRES		486.28	
							87655	TIRES		137.48	
							87656	TIRES		185.33	
							87657	TIRES		155.90	
							87658	TIRES		155.90	
							87659	TIRES		1,017.15	
62703	07/09/18			50.00	ERGOMETRICS & APPLIED PERSONNEL		87698	PC OPERATOR TEST		229.74	
62704	07/09/18			7,052.50	EXPRESS SERVICES INC.		87689	TEMP W/E 4/15/18		50.00	
							87690	TEMP W/E 4/8/18		1,627.50	
							87691	TEMP W/E 4/22/18		2,170.00	
							87692	TEMP W/E 4/29/18		1,627.50	

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62705	07/09/18		12,588.15	002952	FLYERS ENERGY LLC		87651	503041-001400 PROPANE	07/01/18	07/31/18	1,627.50	
							87661	504011-004100 6/1-6/15 FUEL			29.85	
							87671	504011-004100 6/1-6/15 FUEL PC			3,227.09	
								504011-004125 504012-004125			9,331.21	
62706	07/09/18		57.72	003279	FRONTIER COMMUNICATIONS CORP		87711	6/16-7/15 SKY-RIVER			57.72	
62707	07/09/18		112.37	003327	IO, RODNEY H		87677	RPR VEH #1119 PC			112.37	
62708	07/09/18		67.09	1117	KELLEY'S SERVICE INC.		87647	503353-004125 CREDIT			-16.35	
							87648	504191-004100 CREDIT			-16.35	
							87649	504191-004125 CREDIT			-16.35	
							87660	504191-004125 INVENTORY ORDER			109.56	
62709	07/09/18		3,779.33	001233	KIMBALL MIDWEST		87710	504191-004125 INVENTORY ORDER			2,352.95	
							87715	504421-004100 INVENTORY ORDER			2,352.95	
62710	07/09/18		56.54	E635	KINSLOW, DEBBIE		87702	504409-002200 MEETING EXPENSE			56.54	
62711	07/09/18		3,000.00	003195	LANDAVERY, CARLOS G.		87674	509125-001100 INTERPRETATION SVC			56.54	
							87707	503031-001600 MAR18 BILINGUAL TEST			1,275.00	
62712	07/09/18		1,310.00	852	LAW OFFICES OF MARIE F. SANG	7	87693	503031-001400 CL# 11000452 1281			1,725.00	
62713	07/09/18		688.50	001145	MANAGED HEALTH NETWORK		87634	502081-003300 JUL 18 EAP			1,310.00	
								502999-001100			688.50	
								502999-001200			9.00	
								502999-001300			18.00	
								502999-001400			29.25	
								502999-001500			13.50	
								502999-001600			11.25	
								502999-001800			11.25	
								502999-001900			4.50	
								502999-002200			15.75	
								502999-003100			36.00	
								502999-003200			90.00	
								502999-003300			33.75	
								502999-004100			342.00	
								502999-004100			74.25	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
62714	07/09/18	29,300.23 003351		MARSH USA INC		87681	7/1-7/1/19 CL EPLI	29,300.23	
62715	07/09/18	313.79 041		MISSION UNIFORM		87652	151025-000100 UNIFORM SERVICES	29,300.23	
							503162-004100	259.79	
						87653	UNIFORM SERVICES	38.00	
							503162-004100	38.00	
						87666	CUSTODIAL SUPPLIES	16.00	
							503162-001900	16.00	
						87706	NAME PLATE	34.88	
							504311-001300	34.88	
						87686	5/24-6/22 1200B RIVE	26.10	
							505011-002200	26.10	
						87662	INVENTORY ORDER	165.63	
							504191-004100	165.63	
						87642	DIVIDE LEGAL OFFICE	56.59	
							504409-002200	56.59	
						87663	CALL CENTER RPR	32.69	
							504409-002200	32.69	
						87664	DIVIDE LEGAL OFFICE	115.10	
							504409-002200	115.10	
						87716	SALT	125.35	
							503352-002200	125.35	
						87679	3/24-6/23 IMAGES FLT	44.77	
							503352-004100	44.77	
						87667	5/8-6/5 1200A RIVER	265.74	
							505021-002200	265.74	
						87668	5/8-6/5 1200 RIVER	10.63	
							505021-002200	10.63	
						87669	5/8-6/5 GOLF CLUB	10.53	
							505021-002200	10.53	
						87670	5/8-6/5 PACIFIC	54.03	
							505021-002200	54.03	
						87673	6/22 PUBLIC NOTICE	206.40	
							503221-001100	206.40	
						87687	PSA ROUTE CHANGES	275.20	
							503031-001100	275.20	
						87703	NOTICE OF AUCTION	86.40	
							503221-001100	86.40	
						87680	PSA ADVERTISEMENT	208.12	
							503031-001600	208.12	
						87672	RPR VEH #1204	1,166.55	
							504191-004100	1,166.55	
						87704	RPR VEH #1003	20.76	
							504191-004100	20.76	
						87708	INVENTORY ORDER	31.27	
							504191-004100	31.27	

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62727	07/09/18			27.05	UNITED PARCEL SERVICE		87709	INVENTORY ORDER	07/01/18	07/31/18	54.29	
							87678	FREIGHT			54.29	
62728	07/09/18			352.00	UPS STORE #1128		87718	3/24-5/17 FINGERPRIN			27.05	
							87635	JUL 18 VISION			352.00	
62729	07/09/18			9,296.43	VISION SERVICE PLAN						352.00	
											9,296.43	
											95.93	
											167.69	
											287.79	
											120.10	
											120.10	
											24.17	
											191.86	
											407.88	
											1,079.38	
											383.71	
											3,691.35	
											863.36	
											78.36	
											1,664.65	
62730	07/09/18			24.00	WORKFORCEQA LLC		87699	DOT DRUG TEST			24.00	
											24.00	
62731	07/09/18			832.00	WORKIN.COM, INC.		87700	JOB PLACEMENT AD			377.00	
											377.00	
62732	07/13/18			974.94	ABC BUS INC		87701	JOB PLACEMENT AD			455.00	
							87754	INVENTORY ORDER			455.00	
											271.34	
											271.34	
62733	07/13/18			780.00	ACTION TOWING & ROAD SVC CORP		87785	INVENTORY ORDER			703.60	
											703.60	
62734	07/13/18			2,250.00	ADVANCED COMPUTER TRAINING INC		87788	BUS WRITING TRAINING			780.00	
											780.00	
											1,350.00	
											225.00	
											450.00	
											225.00	
											450.00	
											225.00	
											225.00	
											675.00	
											450.00	
62735	07/13/18			2,771.00	AMERICAN BUSINESS SYSTEMS, INC		87761	FY19 MAINTENANCE			2,771.00	
											2,771.00	
											2,771.00	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
62736	07/13/18	15.31 002861	15.31	AMERICAN MESSAGING SVCS, LLC		87877	JUL 18 PAGER SVC	15.31	
62737	07/13/18	4,276.56 001D	4,276.56	AT&T		87719	5/19-6/18 MAIN	15.31	
							505031-002200	3,973.64	
						87798	5/19-6/18 CEMENT	165.13	
							505031-003200	165.13	
62738	07/13/18	998.62 003105	998.62	AT&T MOBILITY		87830	5/19-6/18 ELEV OPS	137.79	
							505031-002200	137.79	
62739	07/13/18	508,887.00 588	508,887.00	CALTIP		87720	5/24-6/23 WIFI BUSES	998.62	
							505031-004100	998.62	
62740	07/13/18	5,250.00 001324	5,250.00	CAPITALEGE ADVOCACY, INC.		87872	5/1-5/1/19 LIAB INSU	508,887.00	
							151025-000100	508,887.00	
62741	07/13/18	2,618.29 001230	2,618.29	CAPITALEGE ADVOCACY, INC.		87855	JUL 18 LEGISLATE SVC	5,250.00	
							503032-001100	5,250.00	
62742	07/13/18	449.63 001159	449.63	CAPITOL CLUTCH & BRAKE, INC.		87883	INVENTORY ORDER	2,618.29	
							504191-004100	2,618.29	
62743	07/13/18	5,591.28 003320	5,591.28	CATTO'S GRAPHICS, INC.		87796	UCSC BUS STICKERS	449.63	
							504215-001600	449.63	
62744	07/13/18	4,791.15 001346	4,791.15	CENTER FOR TRANSPORTATION AND		87762	APR 18 EV LONO PMC	3,752.49	
							514030-121101	3,752.49	
						87763	MAY 18 EV LONO PMC	1,838.79	
							514030-121101	1,838.79	
						87766	QTRLY DEFICIENCY FEE	671.18	
							507999-002200	671.18	
						87767	QTRLY DEFICIENCY FEE	637.50	
							507999-002200	637.50	
						87873	7/1 COOP MANAGEMENT	3,482.47	
							507999-002200	3,482.47	
62745	07/13/18	21,924.61 001124	21,924.61	CLEAN ENERGY		87741	JUL 18 MAINTENANCE	14,842.00	
							503352-002200	14,842.00	
						87753	LNG 6/12/18	7,082.61	
							504012-004100	7,082.61	
62746	07/13/18	440.27 075	440.27	COAST PAPER & SUPPLY INC.		87832	INVENTORY ORDER	349.60	
							504317-002200	349.60	
						87849	CUSTODIAL SUPPLIES	36.05	
							504317-002200	36.05	
						87882	INVENTORY ORDER	54.62	
							504191-004100	54.62	
62747	07/13/18	4,860.00 003381	4,860.00	DAN BOYLE & ASSOCIATES INC.		87778	TRANSIT OP ANALYSIS	4,860.00	
							503031-001600	4,860.00	
62748	07/13/18	2,126.25 002946	2,126.25	DAY WIRELESS SYSTEMS		87847	JUN 18 MAINTENANCE	2,126.25	
							503352-004100	2,126.25	
62749	07/13/18	3,592.93 003274	3,592.93	EAST BAY TIRE CO.		87795	TIRES	508.58	
							504021-004100	508.58	
						87844	TIRES	1,017.15	
							504021-004100	1,017.15	

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								TIRES	07/01/18	1,033.60	
								TIRES		1,033.60	
								TIRES		1,033.60	
62750	07/13/18			10,274.55	002953			7/1-6/30/19 MAINTENANCE		10,274.55	
								151010-000100		10,274.55	
62751	07/13/18			20,686.36	432			TEMP W/E 6/24/18		1,269.20	
								503041-002200		1,269.20	
								TEMP W/E 6/24/18		1,344.64	
								503041-001300		1,344.64	
								TEMP W/E 6/17/18		1,344.64	
								503041-001300		1,344.64	
								TEMP W/E 6/10/18		1,012.40	
								503041-001300		1,012.40	
								TEMP W/E 6/3/18		809.92	
								503041-001300		809.92	
								TEMP W/E 5/27/18		1,012.40	
								503041-001300		1,012.40	
								TEMP W/E 5/20/18		1,012.40	
								503041-001300		1,012.40	
								TEMP W/E 5/13/18		1,012.40	
								503041-001300		1,012.40	
								TEMP W/E 5/6/18		1,012.40	
								503041-001300		1,012.40	
								TEMP W/E 5/6/18		1,012.40	
								503041-001300		1,012.40	
								TEMP W/E 4/22/18		1,886.00	
								503041-001300		1,886.00	
								TEMP W/E 4/22/18		1,050.37	
								503041-001300		1,050.37	
								TEMP W/E 4/22/18		1,050.37	
								503041-001300		1,050.37	
								TEMP W/E 4/15/18		202.48	
								503041-001300		202.48	
								TEMP W/E 4/15/18		1,012.40	
								503041-001300		1,012.40	
								TEMP W/E 4/15/18		1,012.40	
								503041-001300		1,012.40	
								TEMP W/E 4/15/18		1,012.40	
								503041-001300		1,012.40	
								TEMP W/E 4/15/18		837.20	
								503041-001300		837.20	
								TEMP W/E 4/8/18		1,582.40	
								503041-001300		1,582.40	
								TEMP W/E 6/24/18		1,007.44	
								503031-001600		1,007.44	
								TEMP W/E 7/1/18		202.50	
								503031-001600		202.50	

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62752	07/13/18		39,713.33	002295	FIRST ALARM		87784	JUN 18 SECURITY ALL	07/01/18	07/31/18	38,913.33	
							87790	503171-003200			38,913.33	
								JUN 18 SECURITY OPS			800.00	
								503171-003200			800.00	
62753	07/13/18		20.06	647	GENFARE A DIV OF SPX CORP		87812	INVENTORY ORDER			20.06	
								504191-004100			20.06	
62754	07/13/18		493.74	282	GRAINGER		87797	CREDIT			-148.82	
								504511-004100			-148.82	
							87833	LED LAMP			129.80	
								504409-002200			129.80	
							87834	INVENTORY ORDER			226.61	
								504409-002200			226.61	
							87835	INVENTORY ORDER			163.26	
								504191-004100			163.26	
							87864	CREDIT			-35.92	
								504315-004100			-35.92	
							87865	INVENTORY ORDER			5.64	
								504421-004100			5.64	
							87866	INVENTORY ORDER			125.03	
								504191-004100			125.03	
							87867	LAMP			4.00	
								504421-004100			4.00	
							87868	GLOVES			35.92	
								504315-004100			35.92	
							87869	CREDIT			-11.78	
								504191-004100			-11.78	
62755	07/13/18		48.00	T322	GUERRERO, RAUL		87823	12 @ \$4.00/EA			48.00	
								401080-000100			48.00	
62756	07/13/18		277.55	166	HOSE SHOP, THE INC		87726	RPR STEAM CLEANER			145.34	
								504409-002200			145.34	
							87863	SHOP AIR HOSE RPLC			132.21	
								504421-004100			132.21	
62757	07/13/18		6,270.07	002979	HUNT & SONS, INC.		87842	INVENTORY ORDER			6,270.07	
								504012-004100			6,270.07	
62758	07/13/18		3,280.00	003220	INFINISOURCE, INC		87760	FY19 ANNUAL CONTRACT			3,280.00	
								503352-001500			3,280.00	
62759	07/13/18		1,795.00	003284	KEISH ENVIRONMENTAL PC CORP		87876	JUN 18 OUTFALL MITIG			1,795.00	
								503031-002200			1,795.00	
62760	07/13/18		1,771.94	1117	KELLEY'S SERVICE INC.		87829	INVENTORY ORDER			953.21	
								504409-002200			953.21	
							87839	INVENTORY ORDER			59.79	
								504191-004125			59.79	
							87858	INVENTORY ORDER			443.90	
								504191-004125			443.90	
							87881	INVENTORY ORDER			315.04	
								504191-004100			315.04	

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62761	07/13/18			52.60	KELLY-MOORE PAINT CO., INC.		87879	DIVIDE LEGAL OFFICE			52.60	
62762	07/13/18			23,627.38	KEY GOVERNMENT FINANCE INC		87816	JUL 18 LEASE			23,627.38	
62763	07/13/18			1,260.00	KJRB INC		87887	TOWING VEH #2811			504.00	
							87888	TOWING VEH #1209			396.00	
							87889	TOWING VEH #2808			396.00	
62764	07/13/18			431.25	LANDAVERY, CARLOS G.		87792	6/6 BILINGUAL TEST			431.25	
62765	07/13/18			157.36	MAILFINANCE INC		87857	6/28-7/27 LEASE ADM			157.36	
62766	07/13/18			375.00	MAXIMUM OIL SERVICE LLC		87890	WASTE OIL			375.00	
62767	07/13/18			475.50	MESITI-MILLER ENGINEERING, INC 0		87764	6/25 MECHANICAL PLAT			475.50	
62768	07/13/18			2,066.00	MGP XI REIT LLC		87809	AUG 18 RENT			2,066.00	
62769	07/13/18			3,491.88	MILLER MAXFIELD INC		87776	PUBLIC OUTREACH			3,491.88	
62770	07/13/18			664.50	MISSION UNIFORM		87799	CUSTODIAL SUPPLIES			16.00	
							87810	CUSTODIAL SUPPLIES			18.00	
							87811	CUSTODIAL SUPPLIES			18.00	
							87840	CUSTODIAL SUPPLIES			38.00	
							87841	LAUNDRY SERVICE			251.42	
							87859	TOWELS			38.00	
							87860	LAUNDRY SERVICE			285.08	
62771	07/13/18			3,968.00	MSDS ONLINE INC.		87759	7/16-7/15 RENEWAL			3,968.00	
62772	07/13/18			202.79	NEW HAVEN MOVING EQUIPMENT		87781	SECURE STRAPS PC			202.79	
62773	07/13/18			109.98	NEXTEL COMMUNICATIONS/SPRINT		87730	5/26-6/25 TVM			109.98	
62774	07/13/18			551.01	NORTH BAY FORD LINC-MERCURY		87843	VEH #1725 KEYS			139.17	
							87884	INVENTORY ORDER			133.41	

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NUMBER	DATE	DATE	AMOUNT	DATE	DATE	NAME	AMOUNT	NAME	TYPE	NUMBER	DESCRIPTION	AMOUNT
62775	07/13/18		4,968.20	003115		OFFICE TEAM				87731	TEMP W/E 6/22/18	1,231.20
										87732	TEMP W/E 6/15/18	1,243.20
										87733	TEMP W/E 6/15/18	1,235.36
										87782	TEMP W/E 6/29/18	1,235.36
										87848	SURVEILLANCE SYS RPR	1,258.44
62776	07/13/18		1,261.11	002940		OJO TECHNOLOGY, INC.				87771	5/23-6/21 VERNON	1,261.11
62777	07/13/18		14,556.29	009		PACIFIC GAS & ELECTRIC				87772	5/23-6/21 1200B RIVE	6,090.52
										87773	5/23-6/21 GOLF CLUB	2,016.68
										87871	OFFICE SUPPLIES	6,449.09
62778	07/13/18		282.09	043		PALACE ART & OFFICE SUPPLY				87856	JUN 18 COURIER SVC	282.09
62779	07/13/18		1,820.00	002947		PEDALERS EXPRESS			7	87783	7/1-9/30 METER RENT	1,820.00
62780	07/13/18		147.15	050		PITNEY BOWES INC. RENTAL PMT				87800	SMC CALL CENTER	147.15
62781	07/13/18		1,027.23	107A		PROBUILD COMPANY LLC				87801	SMC CALL CENTER	112.10
										87802	DIVIDE LEGAL OFFICE	112.10
										87803	SMC CALL CENTER	33.33
										87804	DIVIDE LEGAL OFFICE	33.33
										87805	SMC CALL CENTER	25.46
										87806	SMC CALL CENTER	25.46
										87807	SMC CALL CENTER	170.66
										87808	CLEANING SUPPLIES	61.77
										87827	LIGHTING HR	61.77
												10.07
												10.07
												87.13
												21.52
												21.52
												8.65
												8.65
												22.69

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
62782	07/13/18	003020	152.80	QUEST DIAGNOSTIC INC.		87828	504409-002200 MOUSE TRAPS SMC	22.69	
								9.59	
								9.59	
62783	07/13/18	E991	623.72	RASMUSSEN, PETE		87852	504409-002200 INVENTORY ORDER	14.69	
62784	07/13/18	003024	489.90	RICOH USA, INC CA		87853	504409-002200 CALL CENTER SMC	14.69	
								182.49	
								182.49	
62785	07/13/18	215	267.05	RICOH USA, INC. TX		87854	504409-002200 CALL CENTER SMC	104.04	
62786	07/13/18	536	260.62	RIVERSIDE LIGHTING & ELECTRIC		87874	504409-002200 CALL CENTER SMC	104.04	
								14.70	
								14.70	
								21.62	
								21.62	
								126.72	
								126.72	
								152.80	
								152.80	
								623.72	
								623.72	
								110.09	
								110.09	
								379.81	
								379.81	
								267.05	
								267.05	
								67.10	
								67.10	
								193.52	
								193.52	
								637.43	
								637.43	
								2,241.38	
								2,241.38	
								136.09	
								136.09	
								111.06	
								111.06	
								111.06	
								111.06	
								183.63	
								183.63	
								280.00	
								280.00	
								1,895.00	
								1,895.00	
								40.00	
								40.00	
62789	07/13/18	001292	2,215.00	SANTA CRUZ RECORDS MNGMT INC		87768	504191-004100 INVENTORY ORDER	111.06	
								111.06	
								111.06	
								111.06	
								183.63	
								183.63	
								280.00	
								280.00	
								1,895.00	
								1,895.00	
								40.00	
								40.00	

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62790	07/13/18		372.85 002459		SCOTT'S VALLEY WATER DISTRICT		87728	JUN 18 REC WATER SVT	40.00	
								505021-002200	34.83	
								4/5-6/4 WATER SVT	34.83	
								505021-002200	319.27	
								4/5-6/4 WATER SVT	18.75	
								505021-002200	18.75	
62791	07/13/18		2,500.00 002267		SHAW / YODER / ANTIWIH, INC.		87777	JUL 18 LEGISLATE SVC	2,500.00	
								503032-001100	2,500.00	
62792	07/13/18		528.17 115		SNAP-ON INDUSTRIAL		87786	TOOLS	528.17	
62793	07/13/18		986.07 002871		STATE ELECTRIC GENERATOR		87831	RPR GENERATOR VERNON	528.17	
								503351-002200	197.00	
								GENERATOR RPR VENON	197.00	
								503351-002200	789.07	
62794	07/13/18		712.45 003231		THE HON COMPANY LLC DBA ATHC		87815	2 DRAWER FILE CABINE	789.07	
								504311-001100	712.45	
62795	07/13/18		419.57 003285		TRANSIT HOLDINGS INC		87787	RPR VEH #1202	38.55	
								504191-004100	38.55	
								RPR VEH #1301	83.90	
								504191-004100	83.90	
								RPR VEH #1003	20.76	
								504191-004100	20.76	
								RPR VEH #2602	242.16	
								504191-004100	242.16	
								RPR VEH #1202	34.20	
								504191-004100	34.20	
62796	07/13/18		20,741.00 475		TRAPEZE SOFTWARE GROUP, INC.		82552	CREDIT	-3,510.00	
								151010-000100	-3,510.00	
								CREDIT	-2,865.00	
								151010-000100	-2,865.00	
								CREDIT	-3,107.00	
								151010-000100	-3,107.00	
								FY19 8 TRAPEZE PASS	9,966.00	
								151010-000100	9,966.00	
								FY19 PASS CERT	4,339.00	
								151010-000100	4,339.00	
								FY19 42 PASS MON	15,918.00	
								151010-000100	15,918.00	
62797	07/13/18		690.50 003037		TYCO FIRE & SECURITY MGMT INC		87824	7/1-9/30 MONITOR WTC	207.83	
								503171-002200	207.83	
								7/1-9/30 MONITOR SMC	287.07	
								503171-002200	287.07	
								7/1-9/30 MONITOR SVT	195.60	
								503171-002200	195.60	
62798	07/13/18		30.69 007		UNITED PARCEL SERVICE		87813	FREIGHT	30.69	

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62799	07/13/18	409.32	VU, THANH DR. MD	7	87817	504205-004100 DMV EXAM	30.69	
					87818	502251-003300 DMV EXAM	75.00	
					87819	502251-003300 DMV EXAM	75.00	
					87820	502251-003300 NEW EMPLOYEE EXAM	92.16	
					87821	502251-003300 NEW EMPLOYEE EXAM	92.16	
					87721	502251-003300 BACKFLOW TESTING	92.16	
62800	07/13/18	561.00	WILSON, GEORGE H., INC.		87721	503031-002200 BACKFLOW TESTING	204.00	
					87722	503031-002200 BACKFLOW TESTING	204.00	
					87723	503031-002200 BACKFLOW TESTING	153.00	
					87893	503031-002200 AUDIT FY19	153.00	
62801	07/13/18	2,000.00	BROWN ARMSTRONG		87893	503011-001200	2,000.00	
62802	07/13/18	200.00	NEOFUNDS BY NEOPOST DBA		87892	*****-***-1598	200.00	
62803	07/13/18	15,480.94	SOQUEL III ASSOCIATES	7	87894	504211-001100 AUG 18 RENT	200.00	
62804	07/13/18	20.00	SECRETARY OF STATE		87895	512011-003100 STMT OF DOM NONPROFIT	15,480.94	
62805	07/23/18	372.86	CALIFORNIA DEPARTMENT OF TAX		87896	503012-000700 APR-JUN 18 FUEL TAX	20.00	
62806	07/23/18	15,424.96	HARTFORD LIFE AND ACCIDENT INS		87897	507051-004100 JUL 18 AD&D	372.86	
						502051-001100	4,246.13	
						502051-001200	61.98	
						502051-001300	77.45	
						502051-001400	109.98	
						502051-001500	88.33	
						502051-001600	49.65	
						502051-001800	28.44	
						502051-001900	17.85	
						502051-002200	63.97	
						502051-003100	115.05	
						502051-003200	409.97	
						502051-003300	148.25	
						502051-004100	2,267.60	
						502051-009005	380.23	
					87898	JUL 18 LTD	427.38	
						502061-001100	11,178.83	
						502061-001200	208.38	
						502061-001300	270.50	
							322.22	

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62807	07/25/18		E1013	RUDDICK, SHONOA	400.00		87960	TRAVEL ADVANCE	400.00	
62808	07/30/18		003151	ABC BUS INC	183.82		88032	INVENTORY ORDER	183.82	
62809	07/30/18		003089	ACTION AUTO GLASS DBA FOR	325.00		88046	INVENTORY ORDER	325.00	
62810	07/30/18		001D	AT&T	740.03		87979	JUN 18 POINT2POINT	740.03	
62811	07/30/18		001348	ATHENS INSURANCE SERVICE, INC.	4,927.41		87991	4/19-5/18 CEMENT	4,927.41	
62812	07/30/18		003185	B&C TRUCK ELECTRIC SERVICE INC	2,941.91		88051	JUL 18 TPA FEES	2,941.91	
62813	07/30/18		001356	BRENCO OPERATING-TEXAS, LP	5,051.79		88031	INVENTORY ORDER	5,051.79	
62814	07/30/18		080	CALIFORNIA DEPARTMENT OF TAX	1,393.00		88035	APR-JUN 18 SALES TAX	1,393.00	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
62815	07/30/18	561.92 914		CALTRONICS BUSINESS SYSTEMS		87990	201030-000100 OFFICE SUPPLIES	1,393.00	
							504311-001500 OFFICE SUPPLIES	16.35	
							504311-001500 OFFICE SUPPLIES	16.35	
							504311-001500 OFFICE SUPPLIES	481.26	
							504311-001500 OFFICE SUPPLIES	481.26	
							504311-001500 OFFICE SUPPLIES	64.31	
							504311-001500 OFFICE SUPPLIES	64.31	
62816	07/30/18	88.90 M022		CAPELLA, KATHLEEN	0	87998	AUG 18 RETIREE SUPP	88.90	
							502999-009005 TRAVEL REIMBURSEMENT	88.90	
62817	07/30/18	224.56 E441		CASTILLO, ANTONIO		88016	TRAVEL REIMBURSEMENT	224.56	
62818	07/30/18	1,076.18 003320		CENTER FOR TRANSPORTATION AND		88018	509123-004100 JUN 18 SERVICES	224.56	
							514030-121101 LANDFILL	1,076.18	
62819	07/30/18	211.57 001346		CITY OF SANTA CRUZ-FINANCE		87909	LANDFILL	211.57	
							504409-002200 LNG 6/18/18	211.57	
62820	07/30/18	52,646.67 001124		CLEAN ENERGY		87925	LNG 6/18/18	7,375.17	
							504012-004100 LNG 6/20/18	7,375.17	
							504012-004100 LNG 6/20/18	5,536.54	
							504012-004100 LNG 6/22/18	5,536.54	
							504012-004100 LNG 6/26/18	5,053.93	
							504012-004100 LNG 6/26/18	5,053.93	
							504012-004100 LNG PUMP REBUILD	7,173.73	
							503352-002200 RPR PRESSURE TRANSMI	6,345.70	
							503352-002200 RPR PRESSURE TRANSMI	6,345.70	
							503352-002200 LNG 6/8/18	3,588.17	
							503352-002200 LNG 6/8/18	3,588.17	
							504012-004100 LNG 6/14/18	5,263.20	
							504012-004100 LNG 6/14/18	5,263.20	
							504012-004100 LNG 6/28/18	6,208.50	
							504012-004100 JUL 18 LANDSCAPING	6,101.73	
62821	07/30/18	2,890.00 003034		COASTAL LANDSCAPING INC. DBA		87985	JUL 18 LANDSCAPING	6,101.73	
62822	07/30/18	5,004.27 003116		CUMMINS PACIFIC LLP		87963	503351-002200 CREDIT	2,890.00	
							504191-004100 INVENTORY ORDER	-272.50	
							504191-004100 INVENTORY ORDER	-272.50	
							504191-004100 INVENTORY ORDER	5,276.77	
							504409-002200 JUN18 FINGERPRINTING	5,276.77	
62823	07/30/18	85.99 798		D&D COMPRESSOR, INC		88056	JUN18 FINGERPRINTING	85.99	
62824	07/30/18	32.00 002567		DEPARTMENT OF JUSTICE		88050	TIRES	85.99	
							503034-001400 TIRES	32.00	
62825	07/30/18	4,128.83 003274		EAST BAY TIRE CO.		87966	TIRES	32.00	
							504021-004100 TIRES	254.29	
							504021-004100 TIRES	254.29	
							504021-004100 TIRES	508.58	

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62826	07/30/18	4,049.05 003153		ENVIRONMENTAL LOGISTICS INC		87968	504021-004100 TIRES	508.58	
						88027	504021-004100 TIRES	508.58	
						88028	504021-004125 TIRES	871.32	
						88029	504021-004100 TIRES	516.80	
						88030	504021-004100 TIRES	1,033.60	
						88022	504021-004125 7/1/15 HAZMAT	1,033.60	
						88023	503363-002200 HAZARDOUS WASTE	435.66	
						88049	503363-002200 OPERATOR TESTING PC	435.66	
						87989	503034-001400 ERGONOMIC EVALUATION	2,150.50	
						87907	503031-001400 TEMP W/E 7/8/18	2,150.50	
						87911	503041-001300 TEMP W/E 7/8/18	1,898.55	
						87946	503041-002200 TEMP W/E 7/1/18	1,898.55	
						88041	503041-002200 TEMP W/E 7/1/18	50.00	
						88052	503041-001300 TEMP W/E 7/8/18	50.00	
						87910	503031-001600 SERVICE CALL	1,345.00	
						87899	503352-002200 JUN 18 MERCHANT FEES	1,345.00	
						87962	503012-001200 MAY 18 MERCHANT FEES	828.91	
						87970	509172-001200 6/16-6/30 FUEL PC	828.91	
						88015	504011-004125 6/16-6/30 FUEL	23.06	
						88020	504011-004100 7/16-8/15 SKY-RIVER	9,700.77	
						88044	505031-002200 7/13-8/12 SKY-OCEAN	2,673.57	
							505031-003200	2,673.57	
62830	07/30/18	273.75 002295		FIRST ALARM		87910	503031-001600 SERVICE CALL	273.75	
62831	07/30/18	2,400.08 002962		FIS		87899	503352-002200 JUN 18 MERCHANT FEES	273.75	
62832	07/30/18	12,397.40 002952		FLYERS ENERGY LLC		87962	503012-001200 MAY 18 MERCHANT FEES	948.63	
62833	07/30/18	114.83 003279		FRONTIER COMMUNICATIONS CORP		87970	509172-001200 6/16-6/30 FUEL PC	918.63	
						88015	504011-004125 6/16-6/30 FUEL	30.00	
						88020	504011-004100 7/16-8/15 SKY-RIVER	1,451.45	
						88044	505031-002200 7/13-8/12 SKY-OCEAN	1,276.45	
							505031-003200	175.00	
								9,723.83	
								23.06	
								9,700.77	
								2,673.57	
								2,673.57	
								57.43	
								57.43	
								57.40	
								57.40	

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62834	07/30/18		9,082.46	001302	GARDA CL WEST, INC.		87924	JUL 18 SERVICES	07/01/18	283.82	
								503012-001200		283.82	
62835	07/30/18		469.36	117	GILLIG LLC		87961	JUL 18 VAULT SERVICE		8,798.64	
								503012-001200		8,798.64	
62836	07/30/18		44.45	M041	GOUVEIA, ROBERT	0	87972	INVENTORY ORDER		469.36	
								504191-004100		469.36	
62837	07/30/18		68.35	282	GRAINGER		87993	AUG 18 RETIREE SUPP		44.45	
								502999-009005		44.45	
							87951	CREDIT		-129.80	
								504409-002200		-129.80	
							87999	DIVIDE LEGAL OFFICE		6.89	
								504409-002200		6.89	
							88055	INVENTORY ORDER		191.26	
								504409-002200		191.26	
62838	07/30/18		80.12	546	GRANITEROCK COMPANY		87913	CALL CENTER SMC		80.12	
								504409-002200		80.12	
62839	07/30/18		1,180.53	001097	GREENWASTE RECOVERY, INC.		87934	JUN 18 WASTE BLOMOND		51.88	
								505021-002200		51.88	
							87935	JUN 18 WASTE BBASIN		51.88	
								505021-002200		51.88	
							87936	JUN 18 WASTE FREEDOM		51.88	
								505021-002200		51.88	
							87937	JUN 18 WASTE BCREEK		155.64	
								505021-002200		155.64	
							87938	JUN 18 WASTE BOWKER		155.64	
								505021-002200		155.64	
							87939	JUN 18 WASTE FREEDOM		51.88	
								505021-002200		51.88	
							87940	JUN 18 WASTE SOQUEL		51.88	
								505021-002200		51.88	
							87941	JUN 18 WASTE COTTON		51.88	
								505021-002200		51.88	
							87942	JUN 18 WASTE GRNVLY		51.88	
								505021-002200		51.88	
							87943	JUN 18 WASTE MHERMO		21.04	
								505021-002200		21.04	
							87944	JUN 18 WASTE KINGVLG		269.80	
								505021-002200		269.80	
							87948	JUN 18 WASTE PC		319.01	
								505021-003100		319.01	
62840	07/30/18		1,500.00	003386	GROTT SLAYER LLP		88019	TILE WTC		1,500.00	
								503161-002200		1,500.00	
62841	07/30/18		41,923.00	003109	HANSON BRIDGETT LLP		87900	M# 032117.006008		7,735.00	
								503033-001700		7,735.00	
							87901	M# 032117.006007		1,617.00	
								503033-001700		1,617.00	

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62842	07/30/18		4,914.00	001144	HARTFORD FLOOD INSURANCE CO		87929	9/1-8/31/19 1200BRIV	4,914.00	
62843	07/30/18		2,771.52	1117	KELLEY'S SERVICE INC.		87965	INVENTORY ORDER	4,914.00	
							87976	CREDIT	32.26	
							87976	504191-004125	-16.35	
							87977	INVENTORY ORDER	-16.35	
							87977	504191-004100	110.72	
							88005	INVENTORY ORDER	110.72	
							88005	504191-004100	1,796.73	
							88006	INVENTORY ORDER	1,796.73	
							88006	504191-004100	40.00	
							88007	INVENTORY ORDER	40.00	
							88007	504191-004125	700.46	
							88008	INVENTORY ORDER	700.46	
							88008	504191-004125	75.44	
							88014	INVENTORY ORDER	75.44	
							88014	504191-004100	32.26	
							88037	TOWING VEH #2217	32.26	
62844	07/30/18		684.00	003271	KJRB INC		88037	503353-004100	360.00	
							88038	TOWING VEH #2214	324.00	
62845	07/30/18		1,020.00	852	LAW OFFICES OF MARIE F. SANG	7	88047	CL# 17001199	578.00	
							88048	502081-003100	578.00	
							87992	2 C/S CUBICLES	442.00	
62846	07/30/18		2,711.25	003388	LEWIS PESTRAK		87992	502081-003300	442.00	
							87947	514020-320045	2,711.25	
62847	07/30/18		208.78	003059	MAILFINANCE INC		87947	8/3-11/2 LEASE PC	2,711.25	
							87964	512061-003100	208.78	
62848	07/30/18		19,635.49	003017	MANSFIELD OIL CO OF GAINSVILLE		87964	DIESEL 6/30/18	208.78	
							87914	504012-004100	19,635.49	
62849	07/30/18		374.25	041	MISSION UNIFORM		87914	CUSTODIAL SUPPLIES	19,635.49	
							87969	503162-002200	30.00	
							87969	CUSTODIAL SUPPLIES	30.00	
							87980	503162-003100	10.50	
							87980	CUSTODIAL SUPPLIES	10.50	
							87986	503162-001900	32.50	
							87986	LAUNDRY SUPPLIES	32.50	
								503162-001900	30.50	
								LAUNDRY SUPPLIES	30.50	

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62850	07/30/18	003291	5,000.00	MONTEREY BAY ECON PARTNERSHIP		88001	CUSTODIAL SUPPLIES	19.00	
							503162-004100	19.00	
						88002	LAUNDRY SERVICE	251.75	
							503162-004100	251.75	
62851	07/30/18	905	3,341.30	MONTEREY SALINAS TRANSIT		88011	FY19 MEMBERSHIP	5,000.00	
							151010-000100	5,000.00	
62852	07/30/18	003115	2,240.17	OFFICE TEAM		87923	12/1-6/30/18 STUDY	3,341.30	
							503031-001600	3,341.30	
						87906	TEMP W/E 7/6/18	993.27	
							503041-001300	993.27	
						87987	TEMP W/E 7/13/18	1,246.90	
							503041-001300	1,246.90	
62853	07/30/18	364	295.00	OVERHEAD DOOR CO. OF SALINAS		87915	RPR BAY 1 DOOR	295.00	
62854	07/30/18	009	8,861.99	PACIFIC GAS & ELECTRIC		87917	6/4-7/10 PNR WTC SVT	295.00	
							503351-002200	2,433.89	
							505011-002200	2,433.89	
						87918	6/4-7/10 SVTC TENANT	64.49	
							505011-002200	64.49	
						87932	5/29-6/26 1200A RIVE	3,284.65	
							505011-002200	3,284.65	
						87933	5/29-6/26 PACIFIC	3,078.96	
							505011-002200	3,078.96	
62855	07/30/18	023	91.41	PACIFIC TRUCK PARTS, INC.		88010	INVENTORY ORDER	91.41	
							504191-004100	91.41	
62856	07/30/18	043	344.88	PALACE ART & OFFICE SUPPLY		87916	OFFICE SUPPLIES	123.98	
							504311-002200	123.98	
						87978	OFFICE SUPPLIES	220.90	
							504311-003200	220.90	
62857	07/30/18	M109	44.45	PEREZ, CHERYL		87994	AUG 18 RETIREE SUPP	44.45	
							502999-009005	44.45	
62858	07/30/18	481	425.50	PIED PIPER EXTERMINATORS, INC.		87981	JUL 18 PEST CREEK	105.00	
							503351-002200	105.00	
						87982	JUL 18 PEST VERNON	190.50	
							503351-002200	190.50	
						87983	JUL 18 PEST PARKING	62.50	
							503351-002200	62.50	
						87984	JUL 18 PEST GOLF	67.50	
							503351-002200	67.50	
62859	07/30/18	107A	1,141.24	PROBUILD COMPANY LLC		87952	CALL CENTER SMC	47.49	
							504409-002200	47.49	
						87953	TILE SAW	919.71	
							504511-002200	919.71	
						87954	RPLC FILTER HVAC WTC	24.50	
							504409-002200	24.50	
						87955	CALL CENTER SMC	117.63	
							504409-002200	117.63	

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62860	07/30/18				REGISTER PAJARONIAN LLC	176.53	061	87956	INVENTORY ORDER	15.25	
62861	07/30/18				REPUBLIC ELEVATOR COMPANY INC	593.25	001153	87957	504409-002200 MARKING WAND	15.25	
62862	07/30/18				ROSSI, DENISE	88.90	M085	87958	504409-002200 CREDIT	32.69	
62863	07/30/18				ROWE, RUBY	44.45	M030	87959	504409-002200 CALL CENTER SMC	-32.69	
62864	07/30/18				SANTA CRUZ AUTO PARTS, INC.	215.67	135	87958	504409-002200 PUBLIC HEARING AD	16.66	
62865	07/30/18				SANTA CRUZ MUNICIPAL UTILITIES	289.67	079	87908	503221-001100 JUL 18 ELEVATOR MAIN	176.53	
62866	07/30/18				SZESTOWICKI, THOMAS	16.35	E983	88000	503352-002200 AUG 18 RETIREE SUPP	176.53	
62867	07/30/18				TRANSIT HOLDINGS INC	2,926.01	003285	87995	502999-009005 AUG 18 RETIREE SUPP	593.25	
62868	07/30/18				TRAPEZE SOFTWARE GROUP, INC.	9,482.00	475	87996	502999-009005 AUG 18 RETIREE SUPP	88.90	
62869	07/30/18				TYCO FIRE & SECURITY MGMT INC	1,262.76	003037	87974	502999-009005 INVENTORY ORDER	88.90	
62870	07/30/18				U.S. BANK	12,515.64	057	87975	504191-004125 INVENTORY ORDER	44.45	
								87976	504191-004125 INVENTORY ORDER	88.67	
								87977	504191-004100 INVENTORY ORDER	88.67	
								88003	504191-004100 INVENTORY ORDER	25.61	
								88004	504191-004125 INVENTORY ORDER	25.61	
								87949	5/12-6/12 PARACRUZ	59.11	
								87902	505021-003100 TRAVEL REIMBURSEMENT	59.11	
								87971	509123-001800 RPR VEH #2602	42.28	
								88012	504191-004100 INVENTORY ORDER	42.28	
								88013	504191-004100 RPR VEH #1202	289.67	
								88042	504191-004100 RPR VEH #2228	289.67	
								88043	504191-004100 INVENTORY ORDER	16.35	
								87919	504191-004100 7/1-6/30/19 PASS	16.35	
								87921	151010-000100 8/1-10/31 GOLF CLUB	511.10	
								88021	503171-002200 8/1-10/31 ALARM OPS	336.15	
								88017	503171-002200 *****-****-5056	119.82	
									201030-000100	491.17	
										491.17	
										1,467.77	
										1,467.77	
										9,482.00	
										9,482.00	
										466.37	
										466.37	
										796.39	
										796.39	
										12,515.64	
										-256.17	

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62871	07/30/18	76.85 007		UNITED PARCEL SERVICE		88033	FREIGHT	40.46	
62872	07/30/18	259.72 002829		VALLEY POWER SYSTEMS, INC.		88040	FREIGHT	36.39	
62873	07/30/18	1,441.91 434		VERIZON WIRELESS	0	87920	6/2-7/1 POINT2POINT	220.68	
62874	07/30/18	275.00 003316		WATER TECH SPECIALTIES INC		87950	6/2-7/1 PARACRUZ	308.99	
62875	07/30/18	24.00 003290		WORKFORCEQA LLC		88034	INVENTORY ORDER	643.95	
62876	07/30/18	44.45 M088		YAGI, RANDY	0	87988	JUN 18 DOT DRUG TEST	24.00	
62877	07/30/18	210.16 147		ZEE MEDICAL SERVICE CO.		87922	FIRST AID KIT PARTS	210.16	
TOTAL		1,631,566.45		ACCOUNTS PAYABLE			TOTAL CHECKS	1,631,566.45	

12-02A.52



DATE: August 24, 2018
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: ACCEPT AND FILE MINUTES OF THE JUNE 22, 2018 BOARD OF DIRECTORS MEETING

I. RECOMMENDED ACTION

That the Board of Directors Accept and File the Minutes of the June 22, 2018 Santa Cruz Metropolitan Transit District (METRO) Board of Directors

II. SUMMARY

- Staff is providing minutes from the Santa Cruz Metropolitan Transit District (METRO) Board of Directors Regular Meeting of June 22, 2018.
- Each meeting staff will provide minutes from the previous METRO Board of Directors meeting.

III. DISCUSSION/BACKGROUND

The Board requested that staff include, in the Board Packet, minutes from previous METRO Board of Directors meetings. Staff is enclosing the minutes from this meeting.

IV. FINANCIAL CONSIDERATIONS/IMPACT

None.

V. ALTERNATIVES CONSIDERED

None.

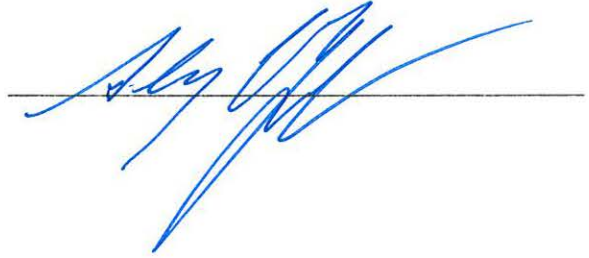
VI. ATTACHMENTS

Attachment A: Draft minutes for the Board of Directors Regular Meeting of June 22, 2018

Prepared by: Gina Pye, Executive Assistant

VII. APPROVALS

Alex Clifford, CEO/General Manager



Attachment A



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA MEETING MINUTES*
JUNE 22, 2018 – 9:00 AM
SANTA CRUZ CITY CHAMBERS
809 CENTER STREET
SANTA CRUZ, CA 95060**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, June 22, 2018 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

The Board Meeting Agenda Packet can be found online at www.SCMTD.com and is available for inspection at Santa Cruz METRO's Administrative offices at 110 Vernon Street, Santa Cruz, California. *Minutes are "summary" minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

This document has been created with accessibility in mind. With the exception of certain 3rd party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to accessibility@scmttd.com

SECTION I: OPEN SESSION

CALL TO ORDER at 9:06 AM by Chair McPherson.

ROLL CALL: The following Directors were **present**, representing a quorum:

Director Ed Bottorff	City of Capitola
Director Cynthia Chase	City of Santa Cruz
Director Trina Coffman-Gomez	City of Watsonville
Director Jimmy Dutra	City of Watsonville
Director Norm Hagen	County of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Cynthia Mathews	City of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Dan Rothwell	County of Santa Cruz
Vacant Ex-Officio Director	Cabrillo College

Director Rotkin and Ex-Officio Director Thomas were absent.

STAFF PRESENT:

Alex Clifford	METRO CEO/General Manager
Julie Sherman	METRO General Counsel

METRO EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT (IN ALPHABETICAL ORDER) WERE:

Carol Childers, Meals on Wheels	Debbie Kinslow, SCMTD
Geoffrey Ellis	Kristina Mihaylova, SCTMD
Paul Hierling, AMBAG	Daniel Zaragoza, SCMTD
Joan Jeffries, SEIU	

Attachment A

ANNOUNCEMENTS

Chair McPherson introduced Carlos Landaverry for his Spanish Language interpretation services. He announced that the meeting is being televised by Community Television of Santa Cruz County with technician, Mr. Lynn Dunton.

BOARD OF DIRECTORS COMMENTS

Hearing none, Chair McPherson moved to the next agenda item.

COMMUNICATIONS TO THE BOARD OF DIRECTORS

Hearing none, Chair McPherson moved to the next item.

COMMUNICATIONS FROM MAC

See agenda item 18.

LABOR ORGANIZATION COMMUNICATIONS

Olivia Martinez, SEIU representative for METRO, expressed her disappointment with a variety of Customer Service department related issues. She noted SEIU members are concerned about the class and comp study, which was scheduled to be completed by the end of the calendar year. Additionally, in the interest of transparency, she requested METRO post management salaries to the website, similar to that provided for SEIU positions.

Michael Rios, PSA-SEIU, added to Ms. Martinez' comments, noting members are concerned and hopeful the class and comp can be accomplished according to the original schedule. He also reminded the assembly the members gave up \$213K in cost savings in 2013.

Joan Jeffries, PSA, indicated there may be issues with the class and comp consultant.

Eduardo Montesino, UTU, expressed his opinion that METRO needs to come back to the negotiating table regarding the articulated bus project.

Felipa de Leon, speaking as a member of the Commission on Disabilities (COD), presented a letter regarding the Watsonville Transit Center (WTC) Customer Service hours of operation. (See attached.) As a resident of Independent Square, she expressed appreciation for the service to the Crestview area and asked that the service to Pajaro be reinstated at a frequency of every other hour (minimally).

John Daugherty, as COD Co-Chair and METRO employee, provided background to Ms. De Leon's comments and expressed his own concerns in terms of WTC Customer Service availability.

Hearing no further comments, Chair McPherson moved to the next item.

ADDITIONAL DOCUMENTATION

Having none, Chair McPherson moved to the next item.

CONSENT AGENDA

- 9-01 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS
- 9-02 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF MAY 2018
- 9-03 ACCEPT AND FILE: MINUTES OF THE METRO ADVISORY COMMITTEE (MAC) MEETING OF APRIL 18, 2018

Attachment A

- 9-04 ACCEPT AND FILE: MINUTES OF THE MAY 18, 2018 BOARD OF DIRECTORS MEETING
- 9-05 ACCEPT: A SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S DISADVANTAGED BUSINESS ENTERPRISE PROGRAM
- 9-06 APPROVE: CONSIDERATION OF RESOLUTION APPROVING THE FY18 REVISED CAPITAL BUDGET
- 9-07 APPROVE: RENEWAL OF AGREEMENT WITH COUNTY OF SANTA CRUZ FOR PAYROLL SERVICES
- 9-08 APPROVE: RENEWAL OF LIABILITY AND VEHICLE PHYSICAL DAMAGE INSURANCE PROGRAM COVERAGE WITH CALTIP FOR FY19
- 9-09 APPROVE: CONSIDERATION TO PURCHASE GENFARE (GFI) TICKET VENDING MACHINE (TVM) CREDIT CARD READERS
- 9-10 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A LOAN APPLICATION & CONSTRUCTION CONTRACT FOR AN ENERGY EFFICIENT LED LIGHTING RETROFIT & CALL FOR A PUBLIC HEARING ON AN ENERGY SERVICE CONTRACT
- 9-11 ACCEPT AND FILE: QUARTERLY PROCUREMENT REPORT FOR 1ST QUARTER OF FY19
- 9-12 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO T. BOYD CONSTRUCTION FOR INSTALLATION OF BOLLARDS AND PIPE PROTECTION AT THE JUDY K. SOUZA OPERATIONS FACILITY
- 9-13 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 6TH AMENDMENT EXTENDING THE CONTRACT FOR ONE YEAR WITH ALLIANT INSURANCE SERVICES, INC. FOR EXCESS WORKERS' COMPENSATION INSURANCE
- 9-14 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO MARK THOMAS & COMPANY, INC. FOR CONCEPTUAL LAYOUT DRAWINGS FOR DOWNTOWN TRANSIT CENTER NOT TO EXCEED \$31,440
- 9-15 APPROVE: CONSIDER ADOPTING A RESOLUTION TO AUTHORIZE THE CEO TO SUBMIT GRANT APPLICATIONS AND EXECUTE AGREEMENTS TO RECEIVE FEDERAL FUNDS FROM THE LOW AND NO EMISSION BUS PROGRAM (LOW NO) AND FROM THE BETTER UTILIZING INVESTMENTS TO LEVERAGE DEVELOPMENT PROGRAM (BUILD); AND, TO USE CALIFORNIA TOLL CREDITS AS THE LOCAL MATCH FOR ANY GRANT AWARD
- 9-16 APPROVE: CONSIDERATION OF ISSUING A FORMAL REQUEST FOR PROPOSALS FOR AN ON-BOARD SURVEY AND RIDECHECK
- 9-17 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT FOR TRANSIT SERVICES WITH THE CABRILLO COLLEGE
- 9-18 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A ONE YEAR EXTENSION AMENDMENT (THIRD AMENDMENT) TO THE CONTRACT FOR TRANSIT SERVICES WITH THE UNIVERSITY OF CALIFORNIA SANTA CRUZ (UCSC)
- 9-19 ACCEPT: WATSONVILLE TRANSIT CENTER MURAL UPDATE

Attachment A

There was no public comment.

ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED

MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR CHASE

MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Coffman-Gomez, Dutra, Hagen, Leopold, Lind, Mathews, McPherson and Rothwell). Director Rotkin was absent.

REGULAR AGENDA

10. PRESENTATION OF EMPLOYEE LONGEVITY AWARD FOR KAREN BLIGHT AND SERAFIN RUIZ

Chair McPherson announced and congratulated both employees in absentia.

11. PRESENTATION OF EMPLOYEE RETIREMENT RESOLUTIONS FOR STEVEN MARCUS AND SHARON TOLINE

Bruce McPherson, Board Chair, congratulated both employees in absentia.

ACTION: MOTION TO APPROVE THE RETIREMENT RESOLUTIONS FOR STEVEN MARCUS AND SHARON TOLINE AS PRESENTED

MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR BOTTORFF

MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Coffman-Gomez, Dutra, Hagen, Leopold, Lind, Mathews, McPherson and Rothwell). Director Rotkin was absent.

12. CEO ORAL REPORT

Alex Clifford, CEO/General Manager, introduced Mr. Shonoa Ruddick, METRO's new Safety Security & Risk Manager. Mr. Ruddick thanked the board and said he was looking forward to serving in his new position.

CEO Clifford then provided an oral update of various subjects, including:

- Internal Promotions:
 - Lucas Iriguchi, promoted from Facilities Maintenance Worker I to Facilities Maintenance Worker II
 - Daniel Zaragoza, promoted from Paratransit Assistant Superintendent to Paratransit Superintendent
 - Leo Pena, promoted from Transit Supervisor to Safety and Training Coordinator
- New Hires (in addition to Mr. Ruddick above):
 - Mary Gallet, Customer Service Representative

Barrow Emerson, Planning and Development Manager, reminded the Board that APTA University Conference begins this Saturday with formal events on Sunday; the "local" focus is scheduled from 9:45A – 12:00Noon on Sunday.

In response to Director Mathews' inquiry regarding Pacific Station, Mr. Emerson referred her to today's agenda item number 9-14, adding that we anticipate results from both consultants in the September/October timeframe.

There was no public comment.

Attachment A

13. PRESENTATION OF LEADERSHIP SANTA CRUZ CLASS 33 GRADUATES: LEO PENA AND PETE RASMUSSEN

CEO Clifford provided a brief history of the program and introduced the most recent graduates from Class 33: Mr. Leo Pena and Mr. Pete Rasmussen.

Messrs. Pena and Rasmussen thanked METRO and the Board for the opportunity to participate in the program, praising the experience and knowledge they gained.

Class 34 participants will be: Jolene Church, Gina Pye and Freddy Rocha.

Director Mathews spoke highly of the program and the enrichment provided by connecting METRO to the community through the leadership cohort.

There was no public comment.

14. INTRODUCTION OF NEW OPERATORS

Ciro Aguirre, COO, and Leo Pena, Safety and Training Coordinator, introduced the newest Operator class participants, each of which made brief statements:

- Miguel Jose Cabrera
- Jerry Chavez
- Jorge Gallegos
- Adrian Jimenez
- Michael Richards

There was no public comment.

15. STATE LEGISLATIVE UPDATE FROM JOSH SHAW OF SHAW/YODER/ANTWIH, INC.

Josh Shaw provided a brief explanation of the legislative bill cycle and those bills pending approval; e.g., SB1119, SB1434, AB2134, etc. He noted the state budget doesn't contain any new transportation news. Discussion ensued regarding Zero Emission Buses (ZEB) as a result of CARB's anticipated mandate and its effect on transit agencies. The California PUC recently approved a PG&E rate proposal to benefit public transit agencies.

SB1 funds each of the above programs; e.g., nearly half of the Cap and Trade Program funding originates from SB1. California voters need to understand the potential effects if SB1 is repealed. The measure would repeal the revenues that have been generated and will be generated going forward. A committee to combat the repeal has been formed.

Chair McPherson noted that 50% of the SB1 revenue goes to local governments, the other half to the State. Until we know the outcome in November, we cannot commit any additional financial resources to projects/expenditures that rely SB1 funds.

Director Leopold requested METRO staff provide a fact sheet to be used by the board members in their respective jurisdictions, noting messaging is very important to meet our infrastructure financial needs.

CEO Clifford added that METRO is coordinating a meeting with local City Managers, Public Works Directors and Chief Information Officers to discuss how we can best educate the public on the importance of SB1.

Attachment A

There was no public comment.

16. FEDERAL LEGISLATIVE UPDATE FROM CHRIS GIGLIO OF CAPITAL EDGE

Mr. Giglio provided commentary to the attached presentation, noting a 2% increase is anticipated in 2019 Federal programs. He and various Directors spoke of their trips to DC, meeting with various legislators and agencies, and the resultant positive impact to METRO. The recent Supreme Court decision regarding online sales tax may positively impact local governments' revenue.

The assembly and Mr. Giglio discussed the political atmosphere on "the Hill", potential funding vetoes and November electoral concerns.

Mr. Giglio will be presenting a session at the upcoming APTA University Conference.

There was no public comment.

17. PUBLIC HEARING ON THE FINAL ADOPTION OF SANTA CRUZ METRO'S FINAL FY19 AND FY20 OPERATING BUDGETS, FINAL FY19 CAPITAL BUDGET COMMENCED AT 10:45AM

Chair McPherson opened the public hearing at 10:45AM. Angela Aitken, Finance Manager, provided commentary to the presentation, noting changes include an additional \$400K for management compensation and an increase of 7% in medical coverage. Additional 5307 and STIC funds are anticipated in FY19. Six positions and the additional placement of FTEs have been delayed until results of SB1 repeal measure are known in November.

CEO Clifford will ask Jarrett Walker to provide a presentation regarding Innovation in Transportation at the August 24, 2018 METRO Board meeting, which addresses transportation in terms of geographic coverage versus frequency.

In response to Director Coffman-Gomez's questions, CEO Clifford responded that a meeting will be planned for August/September to address her concerns regarding CalPERS obligations.

There was no public comment. The public hearing closed at 11:01AM.

MOTION TO ADOPT SANTA CRUZ METRO'S FINAL FY19 AND FY20 OPERATING BUDGETS, FINAL FY19 CAPITAL BUDGET AS PRESENTED WITH A REPORT IN JANUARY TO DISCUSS MID-COUNTY NEEDS

MOTION: DIRECTOR LEOPOLD

SECOND: DIRECTOR HAGEN

MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Coffman-Gomez, Dutra, Hagen, Leopold, Lind, Mathews, McPherson and Rothwell). Director Rotkin was absent.

18. ORAL METRO ADVISORY COMMITTEE (MAC) SEMI-ANNUAL REPORT

Mike Pisano, MAC Chair, spoke of his experiences as a METRO rider and suggested improvements through technology, frequency, etc. See attached document for specifics.

Director Leopold thanked Mr. Pisano for his contributions and his work in transit.

There was no public comment.

Attachment A

19. APPROVE: OPENING A PUBLIC COMMENT PERIOD ON THE PROPOSED ELIMINATION OF ROUTES 33 AND 34 DUE TO LOW RIDERSHIP

Barrow Emerson, Planning and Development Manager, provided background to the routes proposed for elimination and associated ridership. He verified that current service would continue through the Fall Semester.

Chair McPherson added METRO has been in discussion with the San Lorenzo Valley School District regarding this difficult decision to ensure they and their students have adequate time to respond to this proposed service reduction.

Public Comment:

John Daugherty shared his comments/questions and those of a fellow Commission Member, Carol Childers. How are we judging ridership with our resources and how might this affect those served by ParaCruz? Mr. Emerson responded data is currently collected by interns and temps. However, METRO has recently been awarded a grant to purchase an AVL system, which will improve our data collection.

CEO Clifford reminded the assembly that federal law requires us to have complementary paratransit service to our fixed route service and said METRO would do some information gathering regarding the potential impacts on paratransit service before the item returns to the board.

MOTION TO APPROVE OPENING A PUBLIC COMMENT PERIOD ON THE PROPOSED ELIMINATION OF ROUTES 33 AND 34 DUE TO LOW RIDERSHIP AS PRESENTED

MOTION: DIRECTOR CHASE SECOND: DIRECTOR MATHEWS

MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Coffman-Gomez, Dutra, Hagen, Leopold, Lind, Mathews, McPherson and Rothwell.) Director Rotkin was absent.

20. ACCEPT AND FILE: YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF APRIL 30, 2018

Angela Aitken, Finance Manager, provided commentary to the presentation.

Discussion among the Directors and staff followed regarding overtime, vacancies, leaves of absence and a modified duty program. The HR Department is investigating the implementation of a return to work transitional opportunity program. KPIs are being developed to reflect overall absenteeism.

There was no public comment.

MOTION TO ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF APRIL 30, 2018 AS PRESENTED

MOTION: DIRECTOR DUTRA SECOND: DIRECTOR LEOPOLD

MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Coffman-Gomez, Dutra, Hagen, Leopold, Lind, Mathews, McPherson and Rothwell). Director Rotkin was absent.

Attachment A

21. APPROVE: THE AMENDED DRUG AND ALCOHOL TESTING POLICY AND APPROVE THE RESOLUTION REGARDING THIS ACTION

Jolene Church, HR Manager, provided commentary to the staff report. She also explained the process undertaken and approved by the Unions. She noted that the fact sheets that were previously attached to the policy are no longer attached to the revised policy, but are now part of the training program meeting DOT testing requirements.

There was no public comment.

MOTION TO APPROVE THE AMENDED DRUG AND ALCOHOL TESTING POLICY AND APPROVE THE RESOLUTION REGARDING THIS ACTION AS PRESENTED

MOTION: DIRECTOR COFFMAN-GOMEZ SECOND: DIRECTOR LEOPOLD

MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Coffman-Gomez, Dutra, Hagen, Leopold, Lind, Mathews, McPherson and Rothwell). Director Rotkin was absent.

22. APPROVE: THE ADOPTION OF SANTA CRUZ METRO'S AMENDED CONFLICT OF INTEREST CODE AND APPROVE THE RESOLUTION CONFIRMING THIS ACTION

Julie Sherman, General Counsel, provided commentary to the staff report, noting the METRO Code has been updated to reflect the model FPPC code. Other changes included updates to job description titles, which were taken from the management class and comp study.

There was no public comment.

MOTION TO APPROVE THE SANTA CRUZ METRO'S AMENDED CONFLICT OF INTEREST CODE AND APPROVAL OF THE RESOLUTION CONFIRMING THIS ACTION AS PRESENTED

MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR MATHEWS

MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Coffman-Gomez, Dutra, Hagen, Leopold, Lind, Mathews, McPherson and Rothwell). Director Rotkin was absent.

23. APPROVE: AUTHORIZING THE PROCUREMENT OF AN INTELLIGENT TRANSPORTATION SYSTEM (ITS)

Isaac Holly, IT Manager, provided commentary to the staff report, adding this project was funded by a \$1.4M CTC grant (through SB1) combined with a local match. The public's tangible benefits will be achieved through the safety and efficiency components via real time data, etc. There will be desktop applications, text messaging notifications, etc. Procurement will begin in early August with implementation anticipated the first quarter of next calendar year.

Directors Rothwell and Mathews urged the development of a marketing plan to publicize the benefits of SB1 and educate the public in terms of personal benefit.

There was no public comment.

MOTION TO AUTHORIZE THE PROCUREMENT OF AN INTELLIGENT TRANSPORTATION SYSTEM (ITS) AS PRESENTED

MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR CHASE

MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Coffman-Gomez, Dutra, Hagen, Leopold, Lind, Mathews, McPherson and Rothwell). Director Rotkin was absent.

Attachment A

Board of Directors Meeting Minutes
June 22, 2018
Page 9 of 9

Chair McPherson announced the next meeting: Friday, August 24, 2018 at 9:00AM at the Scotts Valley City Chambers, One Civic Center Drive, Scotts Valley, CA. and adjourned the meeting at 1138AM.

Respectfully submitted,

Gina Pye
Executive Assistant

DRAFT

12-03A.9

Attachment A

County of
Santa Cruz



Commission on Disabilities

www.scccod.net

PERSONNEL DEPARTMENT

701 Ocean Street, Room 510

Santa Cruz, CA 95060

P: 831-454-2600 / F: 831-454-2411 / TDD: 711

MEMORANDUM

Date: June 15, 2018

To: Chair Bruce McPherson, Santa Cruz METRO Board of Directors

From: Vice-Chair Felipa de Leon, Santa Cruz County Commission on Disabilities

Re: Watsonville Transit Center Hours of Operation

Chair McPherson and Members of the Board:

It has been brought to the Commission's attention from two different members of the Watsonville disability community that they recently visited METRO's Watsonville Transit Center during its advertised and posted business hours only to find it closed. One of these individuals took time off from work in order to visit the Transit Center, which made its unanticipated and unannounced closure that much more inconvenient for this patron. Office closure during advertised business hours is clearly unacceptable.

We respectfully request that you investigate this matter and rectify the problem as soon as possible. The Commission also requests to be apprised of your findings. We as a Commission and the local disability community have worked hard to secure a Customer Service Representative at the Watsonville Transit Center. My personal efforts to advocate for the extension of services at this location began in 2013. As you are aware, South County historically has been underserved in terms of resources invested toward public transportation and related services and infrastructure. Last year, we as a Commission applauded your recognition of this inequity of services and your efforts to address it with the commitment of customer service staff in Watsonville.

The office's closure during its posted "regular business hours" causes unnecessary inconvenience and is unfair to the community members who rely on your services and depend on the accuracy of the information you provide. For persons with disabilities, many of whom rely substantially on public transit as their primary means of transportation, inconsistent office hours are especially detrimental, as other options may be limited, less accessible, and less available. The volume of METRO ticket sales and ridership are inextricably tied to the consistency, accessibility, and dependability of the services offered. In light of these facts, we hope that you take our concerns seriously and provide equal access to services for all members of our community,

Thank you for your courtesy and consideration. We look forward to your response.

Felipa de Leon, Vice-Chair

On behalf of the Santa Cruz County Commission on Disabilities

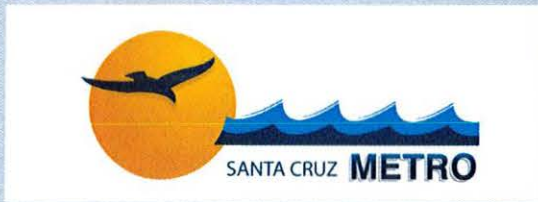
12-03A.10

RECEIVED AT 6/22/18 METRO BOARD MEETING

FEDERAL UPDATE



JUNE 2018



WASHINGTON, DC TRIP



- April trip was successful!
- Meetings with:
 - Congressional Delegation
 - Congressional Committees
 - California Members of the House Transportation Committee
 - Department of Transportation
- Discussed long-term funding needs
- Advocated for grant applications
- Outlined issues with electric buses
- Learned about TIFIA loan program



12-03A.11

FEDERAL BUDGET



- FY 2018 DOT Budget
 - Rejected White House proposed cuts
 - Included increases for transit programs
 - Formula programs at FAST Act levels (+2%)
 - Competitive programs received increases over FAST Act levels
 - Bus and Bus Facilities finally exceeds pre-2012 levels



FEDERAL BUDGET



- FY 2019 DOT Budget
 - Again rejected White House proposals
 - Transit funding similar to FY18 levels
 - Bus and Bus Facilities issues to address
 - STIC Program to increase



INFRASTRUCTURE PACKAGE



- White House principles short on transit detail
- \$200m federal investment to leverage \$800m
- Public Private Partnerships encouraged
- Congress not expected to act in 2018



INFRASTRUCTURE PACKAGE



- More likely to be considered in pieces
- DOT using existing programs to implement
 - Smaller awards
 - Rural projects
 - Overmatch
- FAST Act Reauthorization in 2020
 - Possible vehicle for infusion of transit funds
 - Long-term funding source



Attachment A

METRO Board Meeting - 6/22/18

Hello METRO Board - Thank you for your time today to talk on the METRO Advisory Committee (MAC).

I first would like to thank the METRO staff on an amazing job at keeping a fantastic system running efficiently; Alex, Gina, Barrow, Ciro, April, Anna Marie, Donna & of course the METRO drivers – my apologies if I left out anybody.

Recent MAC Inquires from MAC Agenda items;

I would like to note that the METRO text notifications are very timely.

I have noticed the bus drivers kneeling at every stop on the routes I use.

I have seen School Term Ending Text Notifications.

My Personal Interests;

I very much like the idea of FREE Bus passes for Downtown Santa Cruz workers, but we may need to look into earlier & later bus routes:

Maybe a Santa Cruz Allnighter??;

Possible routes:

Metro Pacific Station to Watsonville Station.

To: Watsonville (via Soque) to Freedom.

To: Santa Cruz via Freedom / Soquel / Bay or 41st / Capitola Rd, or Brommer or Portola / murray to Soquel to Pacific Metro.

San Francisco Allnighter Info Link: <http://511.org/transit/all-night-services/overview>

I am interested in learning more about the Unbundling of Parking, and the possible effects on our METRO system.

I would like to see more METRO Marketing...

I am disappointed with the UCSC student Measure 69 failure, but happy with Proposition 69 passing. I am hoping for a positive outcome with SB1.

I personally find sustainable transportation easily/difficult to achieve (sort of a laid-back intense vibe). The laid-back intense idea is that I can easily, in a laid-back way, get anywhere in the County, but with an intense concern of getting to my destination timely. Some transfer points are just missing each other by seconds (very frustrating to my bus buddies). It is very hard work to commute & travel sustainable in our community. If one is shy – maybe they have to take several shopping trips back & forth to home dropping off bags at home from each store, before heading out again. Of course, it is better to shop in one continuous trip catching a bus and carrying shopping bags into each store, and dropping off at customer service. What I am trying to say: Stores should be prepared for this type of sustainable shopping. Some stores do have & some don't have a customer service area to drop off bags and continue to shop (remember some stores email receipts & don't print a copy to store in the bag).

This is understandably a slow-moving process to address my concerns - in our current situation, but none the less it is still painful & worth mentioning.

Attachment A

Downtown Santa Cruz Plan;

I was very excited to hear about the downtown parking bus plan that the METRO put together for the 4000 downtown employee's, but after hearing there would be no changes to current routes. – And cheaper to buy individual bus passes for those interested. I would hope the METRO would revise the plan to allow for earlier & later times – Maybe an All-nighter route with the Counties involvement?

Bus Transfer Timings;

I am wondering if we can now look at fine-tuning a few areas (a quick fix to say) to help with efficiencies. Personally the transfer points between 35A & 35 at the Scotts Valley METRO station, and the transfer between 91x/71 & 35A at Water & Ocean.

Another quick fix would be to add a cheaper fare for inbound Hwy17 METRO at the Scotts Valley Station only.

I am with the opinion that all of the current bus routes times work, and we may not need to adjust back some routes to 15 minutes intervals; this is of course: If the METRO board could quickly add a "OneBusAway" type Smartphone App, add ITS, AVL, AVA, & APC to METRO operations, and again if transfer timings could be aligned together accordingly.

Common Acronyms:

ITS=Intelligent Transportation Systems - AVL=Automated Vehicle Locator

AVA=Automated Vehicle Announcement - APC=Automatic Passenger Counters

Bond Measures:

I am concerned that several potential bond measures relating to housing & transit may adversely affect our METRO. Some bond measures relying heavily on mass transit, but they do not allow for the cost of such actions.

Bike Share;

I am very interested in *Bike Share* in our County as the last mile solution.

Not only bike share, but maybe shopping cart share – I mean for a walkable city – maybe a shopping cart share program can help get a large grocery purchase home. For example, My mom would take us three kid's grocery shopping with us hanging all over the two shopping carts with groceries all around us. We knew the grocery store owner - So my mom would take a shopping cart home & we would return it after Mom put away the groceries. Yes, a walkable city may mean shopping more frequently without the need for a shopping cart, but maybe not.

This is more of a Cautionary Statement: Maybe add electric Scooters to the bike share program – I have seen a bunch of electric scooters riding in Downtown Santa Cruz???

Attachment A

Other items;

1. We need to replace 60 buses in a hurry.
2. Passenger Code of Conduct: This is a positive step as long as it does not deter passengers from using the METRO.
3. I think we reach all Hospitals.
4. How can METRO serve areas of interest?;
 - a. Delaveaga Golf Course
 - i. Golf Course / Restaurant
 - ii. Disc Golf
 - iii. Shakespeare Santa Cruz
5. The METRO serves most all of the Counties Park & Rides;
 - a. Summit Road (has EVgo Charging Station)
 - b. SVTC
 - c. Pasatiempo
 - d. Quaker Meeting House
 - e. Soquel Drive/Paul Sweet Road
 - f. Resurrection Church, Aptos
6. Run a Bus Later/Earlier (for service workers) – All Nighter (like San Francisco to South Bay).
 - a. Some Businesses start at 6am and let out a t 2:30pm
 - i. Threshold
 - ii. Potential UCSC dining hall workers; as the UCSC student population grows, and until more dining space is acquired.
 - b. Some Businesses work hours end at Midnight.
 - i. Restaurant workers.
 - c. Some Businesses end at 2am.
 - i. Bar workers.

Add More Ticket Machines;

Locate at: 7/11's, Quick Stop, Safeway's, Capitola Mall, & Gas Stations.

Wi-Fi Solution;

Have as a Revenue Stream – to bring people to METRO Station Shops (not for loiterers).

Also for those waiting for a transfer. Have a Code on the Cruz Card for Wi-Fi access (go to Website to verify \$ on the card??). **May not work - have an APP to pay as well (help with Wi-Fi)??**

Top of my list:

Add a Bus stop closer to the Enterprise Technology Center (~800 Employee's, or 800 Cars)???

Just to end with a note:

I hope this does not sound rude;

Sustainable transportation is directly proportional to the cars that are bought. The easier sustainable transportation is - means fewer cars on the road, and the easier more local residence Think Local & Shop Local.

Thank you for your time and consideration

Michael Pisano
MAC Chair

Page 3 of 3



DATE: August 24, 2018
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: ACCEPT AND FILE MINUTES OF THE AUGUST 10, 2018 CAPITAL PROJECTS STANDING COMMITTEE MEETING

I. RECOMMENDED ACTION

That the Board of Directors Accept and File the Minutes of the August 10, 2018 Santa Cruz Metropolitan Transit District (METRO) Board of Directors Capital Projects Standing Committee Meeting

II. SUMMARY

- Staff is providing minutes from the Santa Cruz Metropolitan Transit District (METRO) Board of Directors Capital Projects Standing Committee Meeting of August 10, 2018.
- Each meeting staff will provide minutes from the previous METRO Committee Meeting.

III. DISCUSSION/BACKGROUND

The Board requested that staff include, in the Board Packet, minutes from previous METRO Committee meetings. Staff is enclosing the minutes from this meeting.

IV. FINANCIAL CONSIDERATIONS/IMPACT

None.

V. ALTERNATIVES CONSIDERED

None.

VI. ATTACHMENTS

Attachment A: Draft minutes for the Board of Directors Capital Projects Standing Committee Meeting of August 10, 2018

Prepared by: Gina Pye, Executive Assistant

VII. APPROVALS

Alex Clifford, CEO/General Manager



Attachment A

3 ADDITIONS OR DELETIONS FROM AGENDA / ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS COMMITTEE
Hearing none, the meeting continued to the next agenda item.

4 ORAL AND OTHER COMMUNICATIONS TO THE CAPITAL PROJECTS STANDING COMMITTEE
Hearing none, the meeting continued to the next agenda item.

5 APPROVE: CONSIDERATION OF ISSUING A FORMAL REQUEST FOR PROPOSALS FOR A CONSTRUCTION MANAGEMENT FIRM TO ASSIST WITH THE PACIFIC STATION ROOF AND WINDOWS REPLACEMENT PROJECT

Erron Alvey, Purchasing and Special Projects Director spoke to the staff report, noting the requested PTMISEA funds would come from the unused MetroBase allocation.

Director Bottorff raised concerns regarding potential construction overruns, underestimated project costs, etc. How would METRO address these potential overruns; that is, where would the additional funds come from if required? He'd like to see a plan put into place to cover any additional unanticipated expenses.

Ms. Alvey and CEO Clifford responded that today's request is for \$70K to cover the cost of a construction manager. The approved construction manager/contract would include a thorough construction cost estimate in his work. METRO estimates \$250K of PTMISEA funds remain in the Metrobase fund. This could be reprogrammed to Pacific Station. If this project should require additional funding, METRO will return to the Committee and the Board with a funding plan and options.

Move to hire the contractor and perform a cost estimate for the work and return to the Committee if such estimated costs exceed the funding currently approved by the Board.

There was no public comment.

ACTION: APPROVE ISSUING A FORMAL REQUEST FOR PROPOSALS FOR A CONSTRUCTION MANAGEMENT FIRM TO ASSIST WITH THE PACIFIC STATION ROOF AND WINDOWS REPLACEMENT PROJECT AS PRESENTED. SELECTED CONSTRUCTION MANAGER TO SCOPE ALL REPAIRS AND RETURN WITH BEST RECOMMENDED ESTIMATE FOR FURTHER CONSIDERATION SHOULD ESTIMATED COSTS EXCEED THE FUNDING CURRENTLY APPROVED BY THE BOARD.

MOTION: DIRECTOR BOTTORFF SECOND: DIRECTOR CHASE

MOTION PASSED WITH 2 AYES (Directors Bottorff and Chase)

6 APPROVE STATE ROUTE 1 BUS ON SHOULDERS FEASIBILITY STUDY
Barrow Emerson, Planning and Development Director spoke to the staff report and introduced Sarah Christenson, RTC's project manager.

Mr. Emerson noted that the feasibility study found that the most cost effective options for bus on shoulder operations would be in conjunction with the auxiliary lanes being implemented along SR-1 by the RTC.

Attachment A

Capital Projects Standing Committee Minutes
August 10, 2018
Page 3 of 3

Discussion ensued regarding the two projects funded by Measure D: Soquel to 41st and Bay/Porter to State Park. The Soquel to 41st project will be completed first.

The RTC has been working with Caltrans to pursue a streamlined approach to concept development and environmental clearance which offers an opportunity for the project to catch up with the final design of the initial auxiliary lane project to allow the two projects to be built together. The intent of the \$50K expense is to contribute to develop an operating concept for Caltrans review.

There was no public comment.

ACTION: APPROVE STATE ROUTE 1 BUS ON SHOULDERS FEASIBILITY STUDY AS PRESENTED

MOTION: DIRECTOR BOTTORFF SECOND: DIRECTOR CHASE

MOTION PASSED WITH 2 AYES (Directors Bottorff and Chase)

7 ADJOURNMENT

Committee Chair Chase adjourned the meeting at 1:30 PM

Respectfully submitted,

Gina Pye
Executive Assistant

DRAFT

12-04A.3

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DATE: August 24, 2018
TO: Board of Directors
FROM: Daniel Zaragoza, Operations Manager, Paratransit Division
SUBJECT: ACCEPT AND FILE THE METRO PARACRUZ OPERATIONS STATUS REPORT FOR APRIL, MAY AND JUNE 2018

I. RECOMMENDED ACTION

That the Board of Directors accept and file the quarterly METRO ParaCruz Operations Status Report for April, May and June 2018

II. SUMMARY

- Summary review of monthly operational statistics for ParaCruz:
Comparing the monthly statistics of FY17 to the monthly statistics of FY18:
 - In April, the number of ParaCruz rides decreased by 553
 - In May, the number of ParaCruz rides decreased by 60
 - In June, the number of ParaCruz rides decreased by 589
- Summary of monthly operational information about ParaCruz:
 - April number of total ParaCruz rides: 6,317
 - May number of total ParaCruz rides: 6,409
 - June number of total ParaCruz rides: 5,438

III. DISCUSSION/BACKGROUND

Comparing March 2018 statistics to April 2018, ParaCruz rides decreased by 76 rides. Comparing January 2018 statistics to February 2018, ParaCruz rides increased by 92 rides. Comparing February 2018 statistics to March 2018, rides increased by 971 rides.

METRO ParaCruz is the federally mandated ADA complementary paratransit program of the Santa Cruz Metropolitan Transit District, providing shared ride, door-to-door demand-response transportation to customers certified as having disabilities that prevents them from independently using the fixed route bus.

IV. COORDINATION

This staff report has been coordinated with statistics provided by the Finance and Fleet Departments. Additional data was provided by the Eligibility Coordinator and Candis Almanza, Paratransit Supervisor.

V. FINANCIAL CONSIDERATIONS/IMPACT

There are no financial considerations for this report.

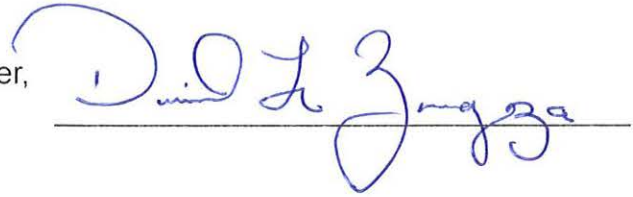
VI. ATTACHMENTS

- Attachment A:** ParaCruz On-time Performance Charts for April, May and June 2018
- Attachment B:** Comparative Operating Statistics Tables for April, May and June 2018
- Attachment C:** Number of Rides Comparison Chart
- Attachment D:** Total Ride vs. Shared Ride Chart
- Attachment E:** Annual Miles Comparison Chart
- Attachment F:** Monthly Assessments

Prepared By: Daniel Zaragoza, Operations Manager, Paratransit Division

VII. APPROVALS

Daniel Zaragoza, Operations Manager,
Paratransit Division



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Alex Clifford, CEO/General Manager



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Attachment A

ParaCruz On-time Performance Report

	April 2017	April 2018
Total pick ups	6,870	6,317
Percent in “ready window”	82.02%	86.81%
1 to 5 minutes late	5.76%	5.35%
6 to 10 minutes late	4.22%	3.13%
11 to 15 minutes late	3.06%	1.88%
16 to 20 minutes late	1.91%	1.41%
21 to 25 minutes late	1.09%	.62%
26 to 30 minutes late	.80%	.38%
31 to 35 minutes late	.48%	.17%
36 to 40 minutes late	.22%	.16%
41 or more minutes late (excessively late/missed trips)	.43%	.08%
Total beyond “ready window”	17.98%	13.19%

On-time Performance

During April, ParaCruz’ on time performance increased 4.79% from last year, due to continued improvements in scheduling and dispatching procedures. April has a decrease of 1.43% from last month. Ridership increased last month. ParaCruz had one Operator promoted to Bus Operator. ParaCruz has one Operator on long term disability. The total number of available working ParaCruz Operators is twenty-two per weekday not including Operators on Annual Leave.

A Customer Service Report is either a compliment, comment, or a complaint.

During the month of April 2018, ParaCruz received six (6) Customer Service Reports. One (1) of the reports was a non valid complaint regarding an Operator speeding; the vehicle AVL showed the Operator was obeying the speed limit. Five (5) were compliments for ParaCruz Operators.

Attachment A

	May 2017	May 2018
Total pick ups	6,469	6,409
Percent in “ready window”	80.89%	85.71%
1 to 5 minutes late	6.66%	5.43%
6 to 10 minutes late	4.10%	3.71%
11 to 15 minutes late	3.22%	2.45%
16 to 20 minutes late	1.96%	1.28%
21 to 25 minutes late	1.33%	1.53%
26 to 30 minutes late	.73%	.41%
31 to 35 minutes late	.49%	.20%
36 to 40 minutes late	.29%	.17%
41 or more minutes late (excessively late/missed trips)	.32%	.11%
Total beyond “ready window”	19.11%	14.29%

On-time Performance

During May, ParaCruz' on time performance increased 4.82% from last year, due to continued improvements in scheduling and dispatching procedures. May has a decrease of 1.10% from last month. Ridership increased last month. ParaCruz has two Operators on long term disability. The total number of available working ParaCruz Operators is twenty-one per weekday not including Operators on Annual Leave.

A Customer Service Report is either a compliment, comment, or a complaint.

During the month of May 2018, ParaCruz received two (2) Customer Service Reports. Two (2) both were compliments for ParaCruz Operators.

Attachment A

	June 2017	June 2018
Total pick ups	6,027	5,438
Percent in “ready window”	78.94%	86.50%
1 to 5 minutes late	5.61%	5.61%
6 to 10 minutes late	3.97%	2.67%
11 to 15 minutes late	3.03%	2.48%
16 to 20 minutes late	2.37%	.96%
21 to 25 minutes late	1.38%	.81%
26 to 30 minutes late	1.07%	.48%
31 to 35 minutes late	.71%	.22%
36 to 40 minutes late	.42%	.15%
41 or more minutes late (excessively late/missed trips)	1.07%	.13%
Total beyond “ready window”	19.62%	13.50%

On-time Performance

During June, ParaCruz’ on time performance increased 6.12% from last year, due to continued improvements in scheduling and dispatching procedures. June has an increase of .79% from last month. Ridership decreased from last month. ParaCruz has three Operators on long term disability. The total number of available working ParaCruz Operators is twenty per weekday not including Operators on Annual Leave.

A Customer Service Report is either a compliment, comment, or a complaint.

During the month of June 2018, ParaCruz received One (1) Customer Service Report. A comment regarding the angled steps on a Cutaway van, the rider thinks that the steps are unsafe.

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Attachment B

Comparative Operating Statistics through April 2018

	April 2017	April 2018	FY 17	FY 18	Performance Averages	Performance Goals
Requested	7,186	7,068	71,458	69,070	6,907	
Performed	6,233	6,317	62,620	60,362	6,071	
Cancels	21.97%	20.57%	21.80%	21.68%	21.55%	
No Shows	3.58%	2.74%	3.47%	3.46%	3.36%	Less than 3%
Total miles	50,549	53,633	511,270	512,337	51,130	
Av trip miles	6.10	6.23	6.05	6.26	6.24	
Within ready window	82.02%	86.81%	84.51%	85.07%	86.81%	90.00% or better
Call center volume	4,989	5,015	51,499	N/A	N/A	New phone system 1/6/18
Hold times less than 2 minutes	92.30%	95.70%	92.1%	N/A	N/A	Greater than 90%
Distinct riders	687	699	1,646	1,595	699	
Most frequent rider	58 rides	53 rides	358 rides	378 rides	49 rides	
Shared rides	68.9%	65.0%	65.0%	64.6%	61.79%	Greater than 60%
Passengers per rev hour	1.95	1.84	1.89	1.87	1.87	Greater than 1.6 passengers/hour
Rides by supplemental providers	2.18%	N/A	5.82%	N/A	N/A	No more than 25%
Vendor cost per ride	\$28.18	N/A	\$24.12	N/A	N/A	
Rides < 10 miles	62.97%	61.61%	61.19%	63.66%	63.31%	
Rides > 10	36.91%	38.39%	38.81%	36.34%	36.45%	
Denied Rides	0	0	0	0	0	Zero
Missed Trips	21	5	196	170	22	
Excessively Long Trips	3	1	6	20	2	New Stat Jan 2017
# Trips at Base Fare	3,878	4,002	39,301	38,115	3,176	
# Trips > Base Fare	1,316	1,230	12,132	11,854	988	

Attachment B

Comparative Operating Statistics through May 2018.

	May 2017	May 2018	FY 17	FY 18	Performance Averages	Performance Goals
Requested	7,160	7,197	78,618	76,267	6,910	
Performed	6,469	6,409	69,089	66,771	6,066	
Cancels	20.47%	21.34%	21.68%	21.65%	21.62%	
No Shows	2.79%	3.38%	3.41%	3.45%	3.41%	Less than 3%
Total miles	52,001	53,164	563,270	565,598	51,227	
Av trip miles	6.05	6.12	5.77	6.25	6.24	
Within ready window	80.89%	85.71%	84.11%	85.12%	84.72%	90.00% or better
Call center volume	4,957	5,222	56,456	N/A	N/A	New phone system 1/6/18
Hold times less than 2 minutes	91.6%	95.51%	91.70%	N/A	N/A	Greater than 90%
Distinct riders	712	712	1,706	1,662	640	
Most frequent rider	52 rides	55 rides	384 rides	409 rides	49 rides	
Shared rides	67.9%	65.8%	65.2%	65.8%	61.62%	Greater than 60%
Passengers per rev hour	1.94	1.92	1.89	1.87	1.87	Greater than 1.6 passengers/hour
Rides by supplemental providers	N/A	N/A	N/A	N/A	N/A	No more than 25%
Vendor cost per ride	N/A	N/A	N/A	N/A	N/A	
Rides < 10 miles	63.09%	61.94%	61.37%	61.94%	63.21%	
Rides > 10 miles	36.91%	38.06%	38.63%	38.06%	36.55%	
Denied Rides	0	0	0	0	0	Zero
Missed Trips	21	7	217	177	21	N/A
Excessively Long Trips	4	2	10	22	2	New Stat Jan 2017
# Trips Base Fare	3,968	3,952	43,269	42,066	N/A	
# Trips > Base Fare	1,350	1,263	13,482	13,117	N/A	

Attachment B

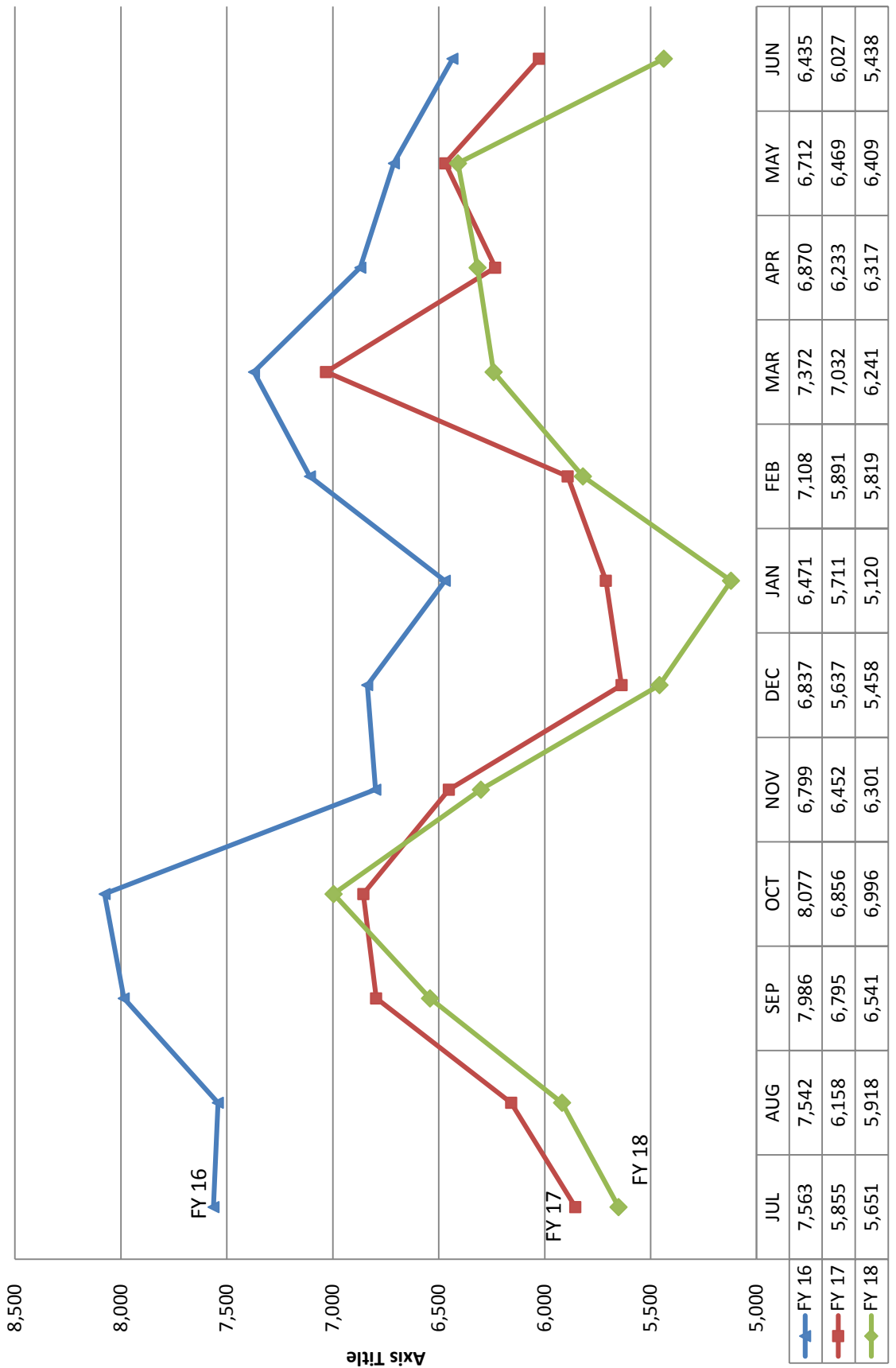
Comparative Operating Statistics through June 2018

	June 2017	June 2018	FY 17	FY 18	Performance Averages	Performance Goals
Requested	6,658	6,145	85,276	82,412	6,917	
Performed	6,027	5,438	75,116	72,209	6,065	
Cancel	20.65%	21.19%	21.60%	21.62%	21.66%	
No Shows	3.03%	3.71%	3.38%	3.47%	3.43%	Less than 3%
Total miles	49,061	47,473	612,331	613,071	50,873	
Av trip miles	6.09	6.40	6.05	6.26	5.23	
Within ready window	78.94%	86.50%	83.75%	85.22%	83.92%	90.00% or better
Call center volume	4,809	5,056	61,265	N/A	N/A	New phone system 1/6/18
Hold times less than 2 minutes	90.80%	91.47%	91.90%	N/A	N/A	Greater than 90%
Distinct riders	691	666	1,781	1726	639	
Most frequent rider	49 rides	59rides	415 rides	445 rides	50 rides	
Shared rides	69.3%	59.9%	65.6%	64.4%	62.12%	Greater than 60%
Passengers per rev hour	1.99	1.74	1.90	1.86	1.88	Greater than 1.6 passengers/hour
Rides by supplemental providers	N/A	N/A	N/A	N/A	N/A	No more than 25%
Vendor cost per ride	N/A	N/A	N/A	N/A	N/A	
Rides < 10 miles	63.65%	63.20%	61.55%	57.99%	63.67%	
Rides > 10	36.35%	36.80%	38.45%	42.01%	36.33%	
Denied Rides	0	0	0	0	0	Zero
Missed Trips	69	7	286	184	24	N/A
Excessively Long Trips	2	0	12	19	2	New Stat Jan 2017
# Trips Base Fare	3,763	3,459	47,032	45,525	N/A	
# Trips > Base Fare	1,141	980	14,623	14,097	N/A	

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Attachment C

Number of Rides Comparison

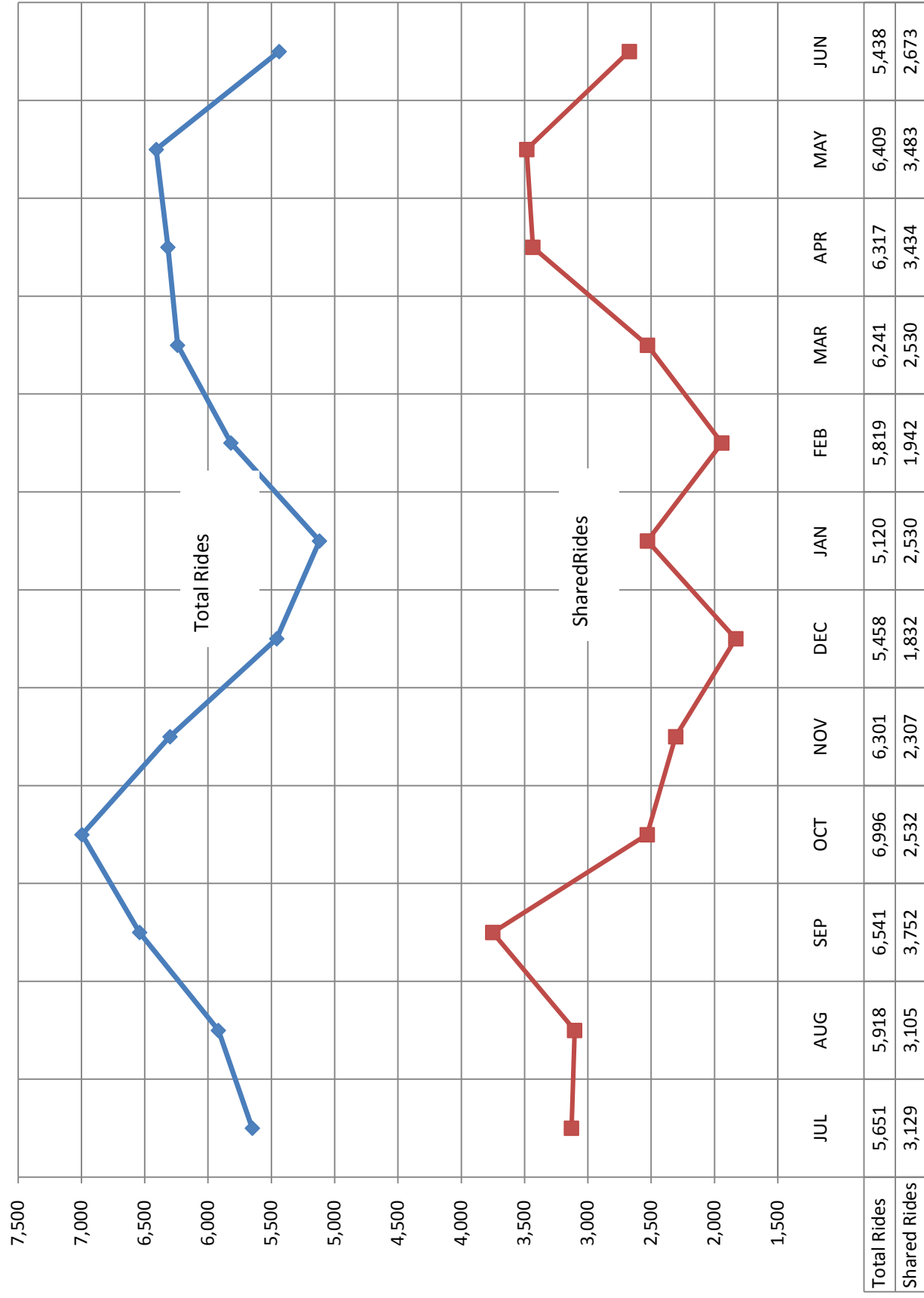


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Attachment D

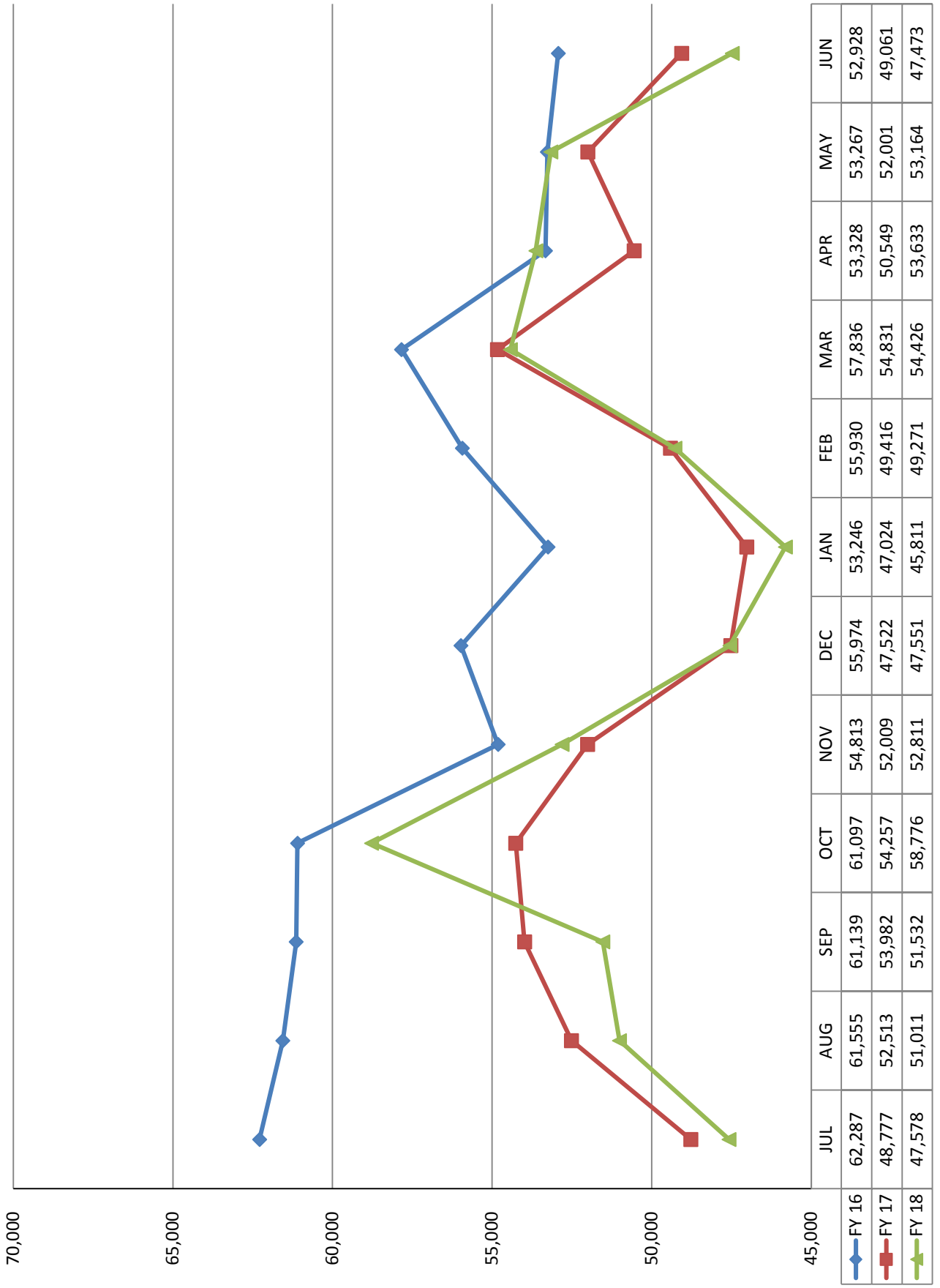
Total Ride vs. Shared Ride Count



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Attachment E

Annual Miles Comparison



12-05E.1

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Attachment F

Monthly Assessments

MONTHLY ASSESSMENTS						
	UNRESTRICTED	RESTRICTED CONDITIONAL	RESTRICTED TRIP BY TRIP	TEMPORARY	DENIED	TOTAL
JULY 2017	37	0	0	3	0	40
AUGUST 2017	37	0	0	2	0	39
SEPTEMBER 2017	42	0	1	1	0	44
OCTOBER 2017	30	0	2	2	0	34
NOVEMBER 2017	21	0	0	0	0	21
DECEMBER 2017	29	0	0	1	0	30
JANUARY 2018	22	0	1	1	0	24
FEBRUARY 2018	33	0	0	2	0	35
MARCH 2018	45	0	1	1	0	47
APRIL 2018	35	0	0	0	0	35
MAY 2018	33	0	0	1	0	34
JUNE 2018	37	0	1	0	0	38

Number of Eligible Riders for the month of April 2018 = 3,653

Number of Eligible Riders for the month of May 2018 = 3,656

Number of Eligible Riders for the month of June 2018 = 3,652

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DATE: August 24, 2018
TO: Board of Directors
FROM: Barrow Emerson, Planning & Development Director
SUBJECT: ACCEPT AND FILE METRO SYSTEM RIDERSHIP REPORTS FOR THE FOURTH QUARTER OF FY18

I. RECOMMENDED ACTION

Accept and file the METRO system ridership report for the fourth quarter of FY18

II. SUMMARY

- This report contains ridership summaries and ridership by route for Santa Cruz Metropolitan Transit District (METRO) fixed route bus service for the fourth quarter (Q4) of FY18 (April 1 – June 30, 2018).
- Quarterly ridership reports are provided to keep the Board of Directors apprised of METRO's ridership statistics and ridership trends.

III. DISCUSSION/BACKGROUND

Attachment A shows system-wide and college student ridership statistics for Q4 of FY18 and makes comparisons with ridership statistics from Q4 of FY17. This report also displays the use of passes and cash fares.

FY18 Q4 fixed-route ridership decreased 1.8%

Reason(s) include:

Local ridership decreased 1.7%.

- Subsets of the population most likely to ride transit have changed their travel patterns as a result of greater access to vehicles.
 - Between 2000 and 2015, the share of California households with no vehicles fell by 30 percent, and the share of households with fewer vehicles than adults fell 14 percent.
- Non-Student ridership on our local system decreased 6%, compared to FY17 Q4
 - Non-student ridership comprised 39.2 % of FY18 Q4 ridership, contributing to a 2.5% expected loss in total ridership

Highway 17 ridership decreased 3.4%.

Reason(s) include:

- Highway 17 peak traffic volumes exceed the capacity of the roadway and the congestion on the freeway causes trip delays leading to unreliable service.

- High rates of car ownership allow more people access to a vehicle for commuting and are further contributing to congestion.
 - California vehicle sales exceeded \$2 million for the third straight year in 2018.
- Increased telecommuting results in less riders commuting daily.
 - Highway 17 15-Ride pass usage increased 12% compared to FY17 Q4, while 31-Day passes decreased 8%, supporting the assumption that less riders are using this service every weekday.

Student ridership increased 1.1%

Reason(s) include:

- UCSC ridership increased 0.6%
 - UCSC ridership was negatively impacted in May 2018 due to the 3-day strike, the estimated loss is 28,803 riders; however, UCSC ridership still experienced growth over this time.
- Cabrillo ridership increased 6.9%
 - Cabrillo had 5 more class days in June 2018 compared to June 2017
- Student ridership was 60.8% of total ridership, and a 1.1% quarterly increase results in a 0.7 increase in total ridership

Quarterly Discounted Pass and Cash Fare usage increased 1.2% and 2.3%, respectively.

Reason(s) include:

- Due to insufficient operator levels and mechanical issues, there were 173 dropped trips in Q4 of FY17. There were only 2 dropped trips in FY18 Q4. Discounted riders are 12.4% of non-student ridership in Q4 FY18 and the operation of more trips in FY18 Q4 would increase the opportunity for relatively greater usage of discounted passes and fares compared to FY17 Q4.

Quarterly Regular Pass and Cash Fare totals decreased 5.3% and 5.2%, respectively.

Reason(s) include:

- Loss of discretionary riders.
 - Slower speeds and unreliable service due to street and highway congestion. Caltrans Average Annual Daily Traffic Counts show that the volume of cars on Highway 1 increased by 10% in the last 6 years.
 - (i) Increased car ownership rates across the U.S. are higher than before the recession among all households, but especially among low-income consumers – those most likely to ride the bus.
 - (ii) AB60 passed in 2015, allowing undocumented residents to acquire drivers' licenses. The number of drivers' licenses issued per capita in

Santa Cruz County increased 4.5% from 2014 to 2016 where this metric was stable in prior years.

Attachment B shows average ridership per trip for all weekday and weekend routes in Q4 of FY18. System-wide, on average there are 25 riders per trip on weekdays and 30 riders per trip weekends.

- The weekday routes with the highest ridership average is Route 16
 - This route serves UCSC via Laurel East.
- The weekend route with the highest ridership average is Route 16ST.
 - This route is supplemental to the Route 16, which serves UCSC via Laurel East, and provides additional service primarily to UCSC students on the weekends.
- The weekday route with the lowest ridership average is Route 34.
 - This route serves South Felton during the SLVUSD school term.
- The weekend route with the lowest ridership average is Route 79.
 - This route serves Pajaro/East Lake.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Revenue derived from passenger fares and passes is reflected in the FY18 operating budget.

V. ALTERNATIVES CONSIDERED

There are no alternatives to consider.

VI. ATTACHMENTS

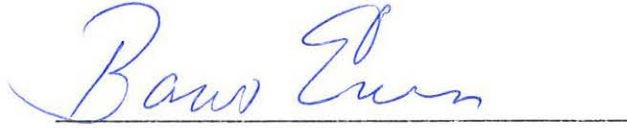
Attachment A: Quarterly System Ridership Summary for FY18 Q4 (April 1 – June 30, 2018)

Attachment B: Quarterly Average Ridership by Route Report for FY18 Q4 (April 1 – June 30, 2018)

Prepared by: Cayla Hill, Planning Analyst

VII. APPROVALS

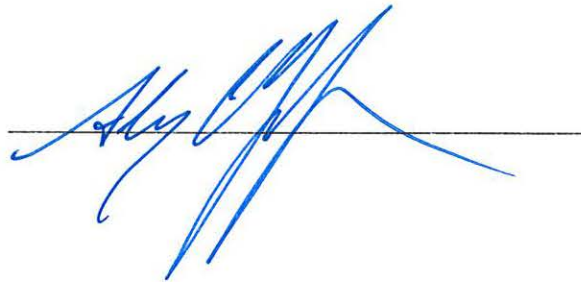
Barrow Emerson,
Planning and Development Director



Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



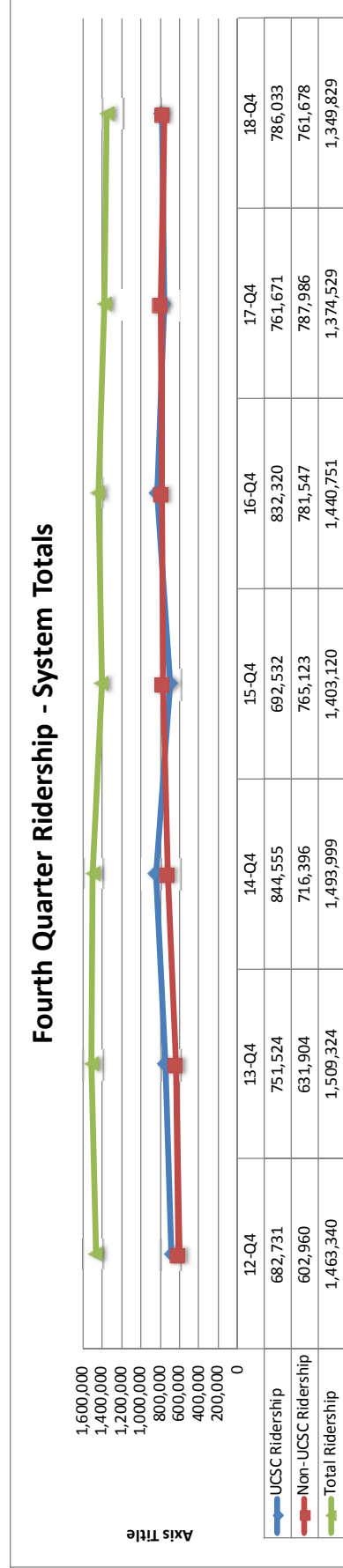
Quarterly System Ridership Summary

FY18 Q4 (April 1, 2018 - June 31, 2018)

Calendar Operating Days		Discounted Pass Usage (Senior/Disabled)			Regular Pass Usage			
	This Year	Last Year	Quarterly Totals (Q4)		Local Pass Usage	Quarterly Totals (Q4)		
			FY18 Q4	FY17 Q4		% Change	This Year	Last Year
Weekdays	65	65	99,997	98,839	1.2%	102,748	108,251	-5.1%
Weekends	26	26				23,348	24,748	-5.7%
UCSC School Days *	53	53				10,964	11,733	-6.6%
Cabrillo Bus Pass Program **	40	35				137,060	144,732	-5.3%

Discounted Cash Usage (Senior/Disabled)			Regular Cash Usage			
	Quarterly Totals (Q4)		Local Single Cash Fare	Quarterly Totals (Q4)		
	This Year	Last Year		% Change	This Year	Last Year
Local Single Cash Fare	57,271	55,677	2.9%	167,309	177,026	-5.5%
Hwy 17 Single Cash Fare	6,023	6,220	-3.2%	40,499	42,131	-3.9%
Total Cash Usage	63,294	61,897	2.3%	207,808	219,157	-5.2%

Quarterly System Totals			Quarterly Student Pass Totals			
	Quarterly Ridership Totals (Q4)		UCSC	Quarterly Student Pass Ridership Totals (Q4)		
	FY18 Q4	FY17 Q4		% Change	This Year	Last Year
Local Fixed Route	1,274,266	1,296,335	-1.7%	746,869	742,625	0.6%*
Highway 17 Express	75,563	78,194	-3.4%	73,994	69,192	6.9%**
System Total	1,349,829	1,374,529	-1.8%	820,863	811,817	1.1%



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Quarterly Average Ridership by Route Report

April 1, 2018 - June 30, 2018		Average Weekday Ridership per Trip				Average Weekend Ridership per Trip					
Route	Corridor	Riders	UCSC Riders	Cabrillo Riders	Discount Fares and Passes	Regular Passes	Riders	UCSC Riders	Cabrillo Riders	Discount Fares and Passes	Regular Passes
UCSC											
10	UCSC via High St.	49	47	0	1	1	54	50	0	2	1
15	UCSC via Laurel West	60	57	0	1	1					
16	UCSC via Laurel East	63	60	0	1	1	75	70	0	1	1
16ST	UCSC via Laurel East Supp.						80	77	0	1	1
19	UCSC via Lower Bay	52	48	0	2	1	61	56	0	2	1
20	UCSC via West Side	55	47	1	2	3	68	61	1	2	2
20D	UCSC via West Side Supp.	40	39	0	0	0					
22	UCSC/Coastal Science Campus	41	41	0	0	0					
Intercity											
35/35A	Santa Cruz/Scotts Valley/SLV	16	1	1	4	5	21	1	1	6	5
69A	Capitola Road/Watsonville	28	2	2	9	5	24	2	1	7	3
69W	Cap. Road/Cabrillo/Watsonville	30	2	6	7	5	26	2	2	7	4
71	Santa Cruz to Watsonville	30	2	5	8	6	26	1	2	8	4
91X	Santa Cruz/Watsonville Express	16	1	7	3	2					
Rural											
33	Lompico SLV/Felton Faire	6	0	0	0	4					
34	South Felton	1	0	0	0	0					
40	Davenport/North Coast	20	0	0	2	8					
41	Bonny Doon	11	3	1	1	2					
42	Davenport/Bonny Doon	15	3	1	2	3	14	2	1	4	2
Local											
3	Mission/Beach	10	2	1	3	2	10	4	0	3	1
4	Harvey West/Emeline	17	1	1	8	5					
55	Rio Del Mar	14	0	6	4	2	9	0	1	4	2
66	Live Oak via 17th	15	2	1	4	3	13	2	1	5	2
68	Like Oak via Broadway/Portola	13	2	1	4	2	11	2	1	4	1
72	Watsonville Hospital/Pinto Lake	15	0	1	5	2	9	0	0	4	1
74S	PVHS/Watsonville Hospital	15	0	0	1	2					
75	Green Valley Road	17	0	1	7	2	15	0	1	7	2
79	Pajaro/East Lake	6	0	1	2	1	5	0	0	2	1
Highway 17											
Hwy 17	Hwy 17 Express	16	-	-	1	6	22	-	-	2	2
System-wide Avg. Riders per Trip		25	13	1	3	3	30	18	1	4	2

25 Calendar School Days of SJU
 40 Calendar School Days of Cabrillo
 53 Calendar School Days of UCSC

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DATE: August 24, 2018
TO: Board of Directors
FROM: Thomas Hiltner, Grants/Legislative Analyst
SUBJECT: ACCEPT AND FILE QUARTERLY STATUS REPORT OF GRANT APPLICATIONS, ACTIVE GRANTS AND FUTURE OPPORTUNITIES APRIL – JUNE 2018

I. RECOMMENDED ACTION

That the Board of Directors receive and file the quarterly report on grant applications and active grants. This is for information only. No action is required.

II. SUMMARY

- Staff submitted four discretionary (competitive) and one formula grant applications during the quarter for capital and operating assistance.
- Santa Cruz Metropolitan Transit District (METRO) received approval for one formula grant which will be used for both operating and capital assistance.
- METRO has pending applications for formula and discretionary grants totaling \$21,135,141.
- A list of METRO's applications (Attachment A), active grants (Attachment B) and a grant-funding outlook (Attachment C) are provided quarterly to apprise the Board of grant funding status.
- No action is required; this report is for information only.

III. DISCUSSION/BACKGROUND

During the quarter, METRO submitted applications for four discretionary grants and one formula grant. Three of the discretionary grants requested \$15.4 million in capital improvement funds to purchase replacement buses and to build electric bus charging infrastructure. The fourth discretionary grant to the Monterey Bay Air Resources District (MBARD) requested \$200,000 for a second year of operating assistance for the Watsonville circulator served by a battery electric bus. MBARD awarded \$200,000 last year for the circulator's first year of operations. Staff also submitted an application to Caltrans for \$180,962 in FY19 rural operating assistance formula funds. Award announcements from all of these programs will come between September and December 2018.

The Santa Cruz County Regional Transportation Commission (RTC) approved METRO's FY19 claim for Transportation Development Act (TDA) formula funds. The TDA funds from local sales tax, sales tax on diesel fuel and vehicle

registration fees, provide a total of \$11,286,841 to METRO's FY19 operating and capital budgets.

This staff report appraises the Board of grant applications in progress (Attachment A), the awarded grants which fund METRO's operations and capital improvements (Attachment B) and foreseeable opportunities for new grant solicitations (Attachment C) based upon grant funding cycles.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Formula awards during the quarter will contribute nearly \$11.3 million to METRO's FY19 operating and capital budgets.

V. ALTERNATIVES CONSIDERED

This is for information only and there are no alternatives to consider.

VI. ATTACHMENTS

Attachment A: Grant Applications as of August 2018

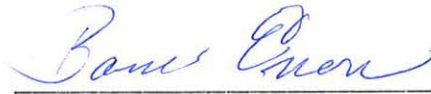
Attachment B: Active Grants as of August 2018

Attachment C: Future Grant Opportunities as seen in August 2018

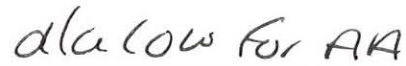
Prepared by: Thomas Hiltner, Grants/Legislative Analyst

VII. APPROVALS:

Barrow Emerson, Planning
and Development Director



Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



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Attachment A

Santa Cruz METRO Grant Applications August 2018

Competitive Grant
Formula Grant

#	Project Description	Grant Funding Source	\$ Budget Total Project	\$ Budget Grant	\$ Budget Local Match / Source	Project Status
OPERATING Projects						
1	Operate Watsonville Circulator	FY19 Air District AB2766 Program Application: 6/22/18 Award: 9/18/18	\$ 200,000	\$ 429,000	\$ 629,000	Submitted 6/22/18.
2	FY18 Urban Transit Operations	FY18 FTA 5307 Formula Operating Assistance Application: 9/30/20 Award: TBD	\$ 48,077,820	Sales Tax \$ 6,815,447	\$ 41,262,373	Submitted 6/22/18.
3	FY19 Rural transit operation	FY19 FTA 5311 Rural Operating Assistance Formula administered by Caltrans Application: 6/30/18 Award: TBD	\$327,237	Sales Tax \$ 180,962	\$ 146,275	Submission Complete
4	FY18 Rural transit operation	FY18 FTA 5311 Rural Operating Assistance Formula administered by Caltrans Application: 5/24/17 Award: TBD	\$315,228	\$ 174,321	Sales Tax \$ 140,907	Submission Approved
5	3-County Phone Survey; TSP	FY 2019-20 Caltrans Planning Grant Sustainable Communities and Strategic Partnership Application: 11/2/18 Award: TBD	TBD	TBD	Sales Tax TBD	Solicitation opens mid-August
End of OPERATING projects Capital Projects						

Attachment A

#	Project Description	Grant Funding Source	\$ Budget Total Project	\$ Budget Grant	\$ Budget Local Match / Source	Project Status
6	7 CNG Replacement Buses	FY18 Bus and Bus Facilities FTA 5339(b) Application: 8/6/18 Award: 12/30/18 est.	\$ 4,892,750	\$ 1,942,750	\$ 2,950,000	Submitted 8/6/18
7	Solar Canopy and Battery Storage at Operations	FY18 BUILD Application: 7/1818 Award: 9/30/18 est.	\$ 6,000,000	\$ 5,400,000	Bus Replacement Fund 600,000	\$1.5 Billion nationwide. Partner with Paired Power. Submitted 7/18/18
8	Solar Canopy and Battery Storage at Operations	FY18 LO NO FTA 5339(c) Application: 6/18/18 Award: 9/30/18 est.	\$ 6,000,000	\$ 5,400,000	Toll Credits 600,000	\$89.5 million nationwide. Partner with Paired Power. Submitted 6/18/18

Attachment A

#	Project Description	Grant Funding Source	\$ Budget Total Project	\$ Budget Grant	\$ Budget Local Match / Source	Project Status
9	Watsonville Safe Routes to School, Bus Stop Access	CTC 2019 ATP 5/16/18 Call for projects Apps due 7/31/18	TBD	TBD	TBD	Santa Cruz County Public Works is the lead applicant; METRO will provide transit info.
10	Local Match for bus projects	FY19 Caltrans State of Good Repair Application: 9/1/18 Award: 10/1/18	\$671,079	\$ 671,079	\$ -	Funds available by 11/30/18 .

Attachment A

#	Project Description	Grant Funding Source	\$ Budget Total Project	\$ Budget Grant	\$ Budget Local Match / Source	Project Status
11	Purchase 1 Electric Bus for Watsonville DAC - (year 2): Total budget uses FY17 + FY18 allocations plus HVIP voucher	FY18 Low Carbon Transit Operations Program (LCTOP) Application: 3/30/18 Award: 6/30/18 (Advance Payment)	\$1,013,102	\$ 619,812	\$ 393,290 FY17 LCTOP; \$243,390; HVIP: \$150,000	LCTOP payment received 6/27/21 will be used to purchase 1 of 4 Clemson, SC Proterra options.
12	2 ZEBs	CTC FY18 Local Partnership Program Application: 12/15/17 Award: 3/22/18	\$1,956,000	\$ 786,000	\$ 1,170,000	The California Transportation Commission approved \$1,956,000 for 2 battery-electric buses and METRO will request CTC allocation 10/23/18; METRO BOD to authorize 2 Proterra ZEBs contract 10/26/18. Execute Proterra contract before 11/6/18 election.
13	Refurbish 3 buses	CTC 2018 STIP Application: 10/23/17 Award: 3/22/18	\$1,016,605	LPP formula \$ 900,000	STIP=\$870,000; HVIP=\$300,000.	California Transportation Commission (CTC) approved FY19 STIP programming on 3/23/18. METRO will request allocation from the CTC in October.
14	Automatic Vehicle Locator	CTC 2018 STIP Application: 10/23/17 Award: 3/22/18	\$1,581,385	\$ 1,400,000	116,605 FY19 STA	California Transportation Commission (CTC) approved FY19 STIP programming on 3/23/18. METRO will request allocation from the CTC in October.
15	1 CNG Replacement Bus	FY13-17 Caltrans Discretionary FTA 5339 Program Expiration: TBD	\$537,595	\$ 456,956	80,639 FY19 STA	Execute contract from Caltrans asap. BOD to authorize Gillig contract 8/24/18
16	Various FY19 Capital Improvements	FTA FY19 \$5339(a) Bus and Bus Facilities Formula Program Application: 9/30/20 Award: TBD	\$596,725	\$ 596,725	Reserves \$ 119,345	Submit final project scope application in Trans.
17	Bus Mid-Life Overhauls (4)	FTA FY17 \$5339(a) Bus and Bus Facilities Formula Program Application: 10/31/17 Award: Pending	\$160,000	\$ 128,000	Toll Credits \$ 32,000	Application in review @ FTA. Has pre-award authority.

Attachment A

#	Project Description	Grant Funding Source	\$ Budget Total Project	\$ Budget Grant	\$ Budget Local Match / Source	Project Status
18	Fuel Management System	FTA FY17 \$5339(a) Bus and Bus Facilities Formula Program Application: 9/27/17 Award: Pending	\$180,000	\$ 144,000	\$ 36,000	Application in review @ FTA. Has pre-award authority.
19	Golf Club Fire Escape	FTA FY17 \$5339(a) Bus and Bus Facilities Formula Program Application: 9/27/17 Award: Pending	\$97,523	\$ 78,018	Toll Credits \$ 19,505	Application in review @ FTA. Has pre-award authority.

12-07A.5

Attachment A

#	Project Description	Grant Funding Source	\$ Budget Total Project	\$ Budget Grant	\$ Budget Local Match / Source	Project Status
20	4 40' CNG replacement buses.	FTA FY17 §5339(b) Bus and Bus Facilities Competitive Program Application: 8/25/17 Award: Spring 2018	\$2,413,036	\$ 1,206,518	\$ 1,206,518	Awarded 4/5/18 with pre-award authority to spend. Application to FTA is scheduled for 8/31/18.
21	Vouchers for 4 ZEBs	CALSTART Heavy-duty zero-emission Vehicle Incentive Program (HVIP) Application: Continuous	\$4,035,610	\$ 600,000	FY18 STA: \$535,439; FY18 SGR: \$671,079 3,435,610 FY18 RTIP [\$1,656,000] PTMISEA [\$207,206]; FY16 LCTOP [\$709,292]; FY17&FY18 LCTOP [\$863,102]	Voucher to be submitted by bus manufacturer.
22	Vouchers for 3 FY16 FTA 5339(c) Lo No electric buses	CALSTAART Heavy-duty zero-emission Vehicle Incentive Program (HVIP) Application: Continuous	\$450,000	\$ 450,000	- FY16 5339(c); LoNo; Alt Fuel Tax; PTMISEA	Voucher to be submitted by bus manufacturer.
Total			\$32,363,220	\$ 21,135,141	\$ 11,228,078	
End of Applications						

Attachment B

Santa Cruz METRO Active Grants August 2018

Competitive Grant
Formula Grant

#	Project Description	Funding Source	\$ Budget Grant	\$ Budget Local Match / Source	\$ Budget Total Project	Project Status/ Legislation
OPERATING Projects						
1	Watsonville Mural	FY18 Arts Council Santa Cruz Expiration: 12/31/18	\$ 2,700	\$ 3,900	\$ 6,600	- 2 Workshops completed. Public favors restoration. BOD updated 6/22/18. ON HOLD.
2	Operate Watsonville Circulator	FY18 Air District 2018 AB2766 Program Expiration: 1/29/21	\$ 200,000	\$ 478,111 PAL (\$900); Cash Reserves (\$3,000)	\$ 678,111	- Grant awarded 9/21/17. Contract with Air District executed 1/29/18.
3	FY19 operating assistance	FY18 SCCRTC TDA-LTF formula allocation Expiration: NA	\$14,149,716	\$ 7,074,858 Sales Tax	\$ 7,074,858	- SCCRTC approved claim 5/3/18.
4	FY19 operating and capital assistance	FY19 State Transit Assistance (TDA-STA) Application: 4/1/18 Award: 5/3/18	\$3,540,904	\$ Fare Revenue; Sales Tax	\$ 3,540,904	- SCCRTC approved claim 5/3/18.
5	FY18 STA Operating Assistance	FY18 SCCRTC TDA-STA formula allocation Expiration: NA	\$ 3,248,234	-	\$ 3,248,234	NA STA allocation base + new SB 1 revenue = \$2,996,524. \$1,117,240 for operating; \$1,879,284 to capital.

12-07B.1

Santa Cruz METRO
Active Grants August 2018

Competitive Grant
Formula Grant

#	Project Description	Funding Source	\$ Budget Grant	\$ Budget Local Match / Source	\$ Budget Total Project	Project \$ Expenditure	Project Status/ Legislation
6	FY18 fixed-route and paratransit operating assistance program.	FY18 SCCRTC TDA-LTF formula allocation Expiration: NA	\$ 7,074,858	\$ 7,074,858	\$ 14,149,716	NA	SCCRTC to approved claim @ 5/3/18 meeting.
7	Collaborate with MST, Caltrans, CHP to study bus operations on state highway shoulders to give travel time advantage to transit.	AMBAGFY16 FHWA Planning Funds Bus on Shoulder Feasibility Study Expires: 6/30/2018	\$ -	\$ 3,900 Sales Tax; Fares	\$ 3,900	\$ 3,900	Study is under contract with CDM Smith. METRO owes final local share payment. Completion by 9/30/18.
End of OPERATING Projects							
CAPITAL Projects							
8	CNG Bus Replacements [FTA5339(b)]	Caltrans FY18 STA-State of Good Repair (STA-SGR) Expiration	\$671,079	\$ 1,741,957 FTA FY17 5339(b): \$1,206,518 FY18 STA \$535,439	\$ 2,413,036	\$ 671,079	RTC pays quarterly

Attachment B

Santa Cruz METRO Active Grants August 2018

Competitive Grant
Formula Grant

#	Project Description	Funding Source	\$ Budget Grant	\$ Budget Local Match / Source	\$ Budget Total Project	Project \$ Expenditure	Project Status/ Legislation
9	Purchase 1 Electric Bus for Watsonville DAC	FY17 LCTOP Low Carbon Transit Operations Program combined with FY18 LCTOP \$619,812 to meet purchase price Expiration: 6/30/21 est.	\$ 243,290		\$ 1,013,102	\$ -	FY17 LCTOP + FY18 LCTOP funds + HVIP for 1 Proterra bus.
10	Battery-electric bus for Watsonville Disadvantaged Community and new downtown circulator service	FY16 LCTOP Low Carbon Transit Operations Program Formula 5/27/19, Expenditure deadline; Grant Expiration: 11/27/19	FY17 Allocation \$ 709,292	NA; [HVIP] \$ 357,216	FY18 LCTOP (\$619,812) HVIP (\$150,000) \$ 1,066,508	\$ -	Awarded: 6/13/16. Advance payment received. Joint procurement w/Clemson, SC Delivery anticipated 6/2019.
11	Comprehensive Security and Surveillance to purchase CCTV, lighting, infrastructure hardening.	FY17 Proposition 1B California Transit Security Program Expires: 3/30/2019	\$ 352,404	\$ - PTMISEA; HVIP Voucher	\$ 352,404	\$ 24,907	This is the last installment of the CA Transit Security Grants Program. Received payment 11/14/17.
12	1 CNG Bus	SCCRTC FY17 Surface Transportation Block Grant program Expiration: 6/30/21	\$ 500,000	None \$ 70,000	\$ 570,000	\$ -	SCCRTC start notice on 9/1/16.
13	11 ParaCruz Vans	FTA FY15/FY16 5339(a) Bus and Bus Facilities Formula Program Expires: 7/1/19, milestone	\$ 855,200	PTMISEA [expires 6/30/22] \$ 44,532	\$ 899,732	\$ 19,020	TRAMS CA-2017-070. 11 Ford T350 Vans @ \$75,233.23 = \$827,565.53 received.
14	Facilities: Vernon x-planter	FTA FY15/FY16 5339(a) Bus and Bus Facilities Formula Program 7/1/19 project completion Expiration: None	\$ 9,206	Reserves \$ -	\$ 9,206	\$ 9,206	Grant #CA-2017-070 in Trams 8/4/17.

12-07B.3

Attachment B

Santa Cruz METRO Active Grants August 2018

Competitive Grant
Formula Grant

#	Project Description	Funding Source	\$ Budget Grant	\$ Budget Local Match / Source	\$ Budget Total Project	Project \$ Expenditure	Project Status/ Legislation
15	Facilities: WTC Landscape	FTA FY15/FY16 5339(a) Bus and Bus Facilities Formula Program 7/1/19 project completion Expiration: None	\$ 30,000	\$ - Toll Credit;	\$ 30,000	\$ 30,000	Grant #CA-2017-070 in Trams 8/4/17.
16	Facilities Improvements. Bus stop holding	FTA FY15/FY16 5339(a) Bus and Bus Facilities Formula Program 7/1/19 project completion Expiration: None	\$ 34,180	\$ - Toll Credit;	\$ 34,180	\$ -	Grant #CA-2017-070 in Trams 8/4/17. Allocation to SVTC considered.
17	3 Electric replacement buses for Highway 17 Express	FTA FY16 \$5339(c) LoNo 3/30/18 Receive buses 6/28/19 Complete Project Expires: none	\$ 3,810,348	\$ 1,126,164 Toll Credit;	\$ 4,936,512	\$ 224,827	CA-2017-071 awarded 8/23/17. On hold until suitable over-the-road battery-electric bus is available.
18	Comprehensive Security and Surveillance CCTV, Lighting, fences, generators at any facility	FY16 CA Transit Security Grant Program (CTSGP) funds from Cal-OES Expiration: 3/31/19	\$ 440,505	\$ - None	\$ 440,505 Alt Fuel Tax [\$551,136] PTMISEA [\$575,028]	\$ 244,404	Received payment 8/18/17
19	Pacific Station right-of-way acquisition and Construction	FY15 Public Transportation Modernization, Infrastructure and Service Enhancement Act (PTMISEA) Expiration: 6/30/22	\$ 1,901,333	\$ - None	\$ 1,901,333	Add roof repair project \$350K and deduct it from here	Amendment 1, 10/19/16: MetroBase <\$1,411,247>; Bus and Facilities <\$1,002,244> Amendment 2 approved 6/9/18: MetroBase <\$1,675,000>
20	Purchase One ParaCruz Expansion Van for Elderly/Disabled program beyond ADA requirements.	FY15 Caltrans FTA 5310 Elderly & Handicapped mobility program 5/17 In Service Expiration: 3/1/26	\$ 63,000	\$ 5,367 None	\$ 68,367	\$ -	Grant contract executed w/Caltrans 3/15/16. Arrived.
21	Propane Mule	FY14 FTA 5339 Formula Allocation Award: 8/14/17 Expiration: 7/1/19 , milestone	\$ 46,602	\$ 13,398 Alt Fuel Tax	\$ 60,000	\$ -	Grant CA-2017-038 in Trams awarded 8/14/17. \$3k more projected for accessories; total project would be \$55.

Attachment B

Santa Cruz METRO Active Grants August 2018

Competitive Grant
Formula Grant

#	Project Description	Funding Source	\$ Budget Grant	\$ Budget Local Match / Source	\$ Budget Total Project	Project \$ Expenditure	Project Status/ Legislation
				STA \$[11,651] Alt Fuel \$[1,747]	\$ 53,415		
22	Bus Mid-Life Overhaul, 7 @ \$39,513.70 ea.	FY14 FTA 5339 Formula Allocation Award: 8/14/17 Expires: 6/30/19 , milestone	\$ 221,277	\$ 55,319	\$ 276,596	\$ 111,357	Grant CA-2017-038, 7 engine overhauls completed.
23	Bucket truck	FY14 FTA 5339 Formula Allocation Award: 8/14/17 Expiration: 7/1/19 , milestone	\$ 75,318	\$ 22,496	\$ 97,814	\$ 96,424	Grant CA-2017-038 in Trams. Delivery anticipated by 7/31/18. INVOICE = \$88,462. Reprogram 9,352.
24	Bus Repaint, 36 @ 3,628.10 ea.	FY14 FTA 5339 Formula Allocation Expiration: 3/31/19 , milestone	\$ 105,467	Alt Fuel Tax \$ 26,367	\$ 131,834	\$ 29,025	Grant CA-2017-038 in Trams awarded 8/14/17.
25	Relocate Mechanics Sink	FY14 FTA 5339 Formula Allocation Award: 8/14/17 Expiration: 7/1/19, milestone	\$ 7,638	STA \$ 1,910	\$ 9,548	\$ -	Grant CA-2017-038 in Trams.
26	Relocate Exhaust Evacuation Hose Reel	FY14 FTA 5339 Formula Allocation Award: 8/14/17 Expiration: 7/1/19 , milestone	\$ 6,400	Alt Fuel Tax \$ 1,600	\$ 8,000	\$ -	Grant CA-2017-038 in Trams.
27	Non-Revenue Vehicles.	FY13 Caltrans 5339 Formula Allocation Expires: 7/29/18 , grant	\$ 171,023	Alt Fuel Tax \$ 42,756	\$ 213,779	\$ 209,116	Complete. Requested Caltrans reimbursement 7/29/18.
28	Repaint 20 Buses	FY13 Caltrans 5339 Formula Allocation Expires: 7/29/18 , grant	\$ 69,494	STA \$ 17,374	\$ 86,868	\$ 72,562	Complete. Requested Caltrans reimbursement 7/29/18.
29	Resurface Scotts Valley, Vernon, Soquel P&R Lots	FY13 Caltrans 5339 Formula Allocation Expires: 7/29/18 , grant	\$ 60,000	STA \$ 15,000	\$ 75,000	\$ 81,366	Complete. Requested Caltrans reimbursement 7/29/18.

12-07B.5

**Santa Cruz METRO
Active Grants August 2018**

Competitive Grant
Formula Grant

#	Project Description	Funding Source	\$ Budget Grant	\$ Budget Local Match / Source	\$ Budget Total Project	Project \$ Expenditure	Project Status/ Legislation
30	MetroBase: Judy K. Souza Operations Facility construction	FY12 Proposition 1B State and Local Partnership Program (SLPP) California Transportation Commission Expires: 6/30/18	\$ 5,812,000	\$ 5,812,000	\$ 11,624,000	\$ 5,812,000	SLPP funds spent. Project completion and final report due.
31	MetroBase development, Judy K. Souza Operations Facility	FY10 - 13, FY15 Public Transportation Modernization, Infrastructure and Service Enhancement Act (PTMISEA) Expires: 6/30/22	\$ 15,096,394	\$ - Sales Tax	\$ 15,096,394		FY15 PTMISEA CAP added \$1,411,247 on 10/23/16. Caltrans approved 2nd Corrective Action Plan on 6/14/18..

Attachment B

12-07B.6

Attachment B

Santa Cruz METRO Active Grants August 2018

Competitive Grant
Formula Grant

#	Project Description	Funding Source	\$ Budget Grant	\$ Budget Local Match / Source	\$ Budget Total Project	Project \$ Expenditure	Project Status/ Legislation
32	Pacific Station expansion and renovation architectural services	FY08 FTA 5309 CA-04-0102 Expires: 9/30/19	\$ 490,000	\$ 122,500	\$ 612,500	\$ 422,755	FTA approved extension through 9/30/19 to continue related design studies.
33	Pacific Station expansion and renovation architectural services	FY06 FTA 5309 CA-04-0021 Expire: 9/30/19	\$ 396,000	Reserves \$ 99,000	\$ 495,000	\$ 322,710	FTA approved extension through 9/30/19 to continue related design studies.
			Total \$ 60,393,863	\$ 24,210,582	\$ 71,277,956	\$ 8,384,658	
End of Active Grants							

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Attachment C

Santa Cruz METRO Future Grant Opportunities seen August 2018

Competitive Grant
Formula Grant

#	Project Description	Funding Source	\$ Budget Grant	\$ Budget Local Match / Source	Program / Status	Stakeholders
OPERATING Projects						
1	FY 19 Urbanized Area transit operating assistance	FY 19 FTA 5307 Urbanized Area Operating Assistance Formula Apportionment: 10/1/18	~\$6,200,000	~6,200,000	Full year apportionment published 3/28/18. Submit application.	BOD; Finance; CEO
End of OPERATING Projects						
CAPITAL Projects						
2	Purchase Zero Emission Buses	VW Settlement	TBD	TBD	CTA ZEB working group;	BOD; Finance; CEO
3	Discounts for electric bus purchase	CALSTART Heavy-duty zero-emission Vehicle Incentive Program (HVIP) Application: Continuous	~\$150,000 per new electric bus	\$	Continuous application process. Requires contract for zeb bus purchase.	SCCRTC; AMBAG; Legislative Coalition
4	Discounts for electric bus charging infrastructure	CALSTART Heavy-duty zero-emission Vehicle Incentive Program (HVIP) Application: Continuous	~\$30,000 in infrastructure funds for every new battery-electric bus	None	Continuous application process. Requires contract for zeb bus purchase.	SCCRTC; AMBAG; Legislative Coalition
5	Affordable housing, Pacific Station or Watsonville; Expanded transit service w/electric buses	Affordable Housing and Sustainable Communities Program (AHSC); \$1.50 Million Statewide Proposal: 2019	\$1,000,000 - \$8,000,000	None	Form partnership w/affordable housing non-profit. Requires transit capital improvement w/in 1/2 mile or new/expanded transit service.	Watsonville City Council; Santa Cruz Economic Development Department; Planning; METRO BOD; AMBAG; RTC; County Economic Development
6	Purchase electric buses and associated charging infrastructure for revenue service.	California Energy Commission's Alternative and Renewable Fuel and Vehicle Technology Program Application: TBD	\$2,000,000 - \$5,000,000	None	Monitor	MBUAPCD; CTA; BOD; Legislative Coalition
7	Purchase electric bus 2020 and associated charging infrastructure for revenue service.	FY 19 Low Carbon Transit Operations Program, ~\$500,000 Application: 3/1/2019	\$ 500,000	Unknown	METRO apportionment based upon statewide allocation of \$50 million.	SCCRTC; TAMC; MST; Caltrans; AMBAG; MBUAPCD; CARB
8	Pacific Station renovation	FY 19 US DOT BUILD ~\$500 - \$1,000 million Nationwide	\$ 12,000,000	\$ 3,000,000	Nationwide budget est. ~\$500 million	Public Works; Chip; Greyhound
9	Advanced Farebox Technology	5339(a,b); 5307; dedicated technology grant	TBD	Partnership; AHSC TBD	Upgrade fareboxes to accommodate chip reader, radio xmit	METRO BOD; Fleet Maint; Planning
End of Future Grant Opportunities						

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DATE: August 24, 2018
TO: Board of Directors
FROM: Thomas Hiltner, Grants/Legislative Analyst
**SUBJECT: UPDATE ON METRO'S GRANT APPLICATION TO THE US
DEPARTMENT OF TRANSPORTATION FOR THE BETTER UTILIZING
INVESTMENTS TO LEVERAGE DEVELOPMENT (BUILD) PROGRAM**

I. RECOMMENDED ACTION

No action is required. This staff report is for information only.

II. SUMMARY

- On 6/22/18, the Santa Cruz Metropolitan Transit District (METRO) Board authorized grant applications to both the Federal Transit Administration (FTA) and to the US Department of Transportation (USDOT) for infrastructure development funds.
- METRO needs battery-electric bus charging infrastructure and proposed a similar project for both programs, which was to construct a canopy of photo-voltaic panels over the operation's yard to charge storage batteries that would recharge buses overnight.
- Staff submitted the first application on June 22, 2018 to the FTA for a \$6.0 million Low No project for recharging infrastructure.
- During the next month, staff further developed the solar electric recharging station concept and submitted a much larger proposal for a \$10.9 million infrastructure project to the USDOT Better Utilizing Investments to Leverage Development (BUILD) program on July 18, 2018.
- This report updates the Board on the project and budget actually submitted for the BUILD application and requires no action.

III. BACKGROUND/DISCUSSION

Two recent grant solicitations from the FTA and the USDOT gave METRO an opportunity to submit proposals for grant funds to build battery-electric bus recharging infrastructure. The FTA solicited competitive grant applications for its FY18 Low and No Emission Bus program (Low No) on April 25, 2018, and the USDOT announced a funding opportunity for BUILD program on April 27, 2018. Both programs fund infrastructure development. METRO developed a Low No proposal for the earlier June 18, 2018 deadline and then further developed the solar-electric charging concept for the BUILD application submitted one month later.

The BUILD project proposal submitted July 18, 2018 boosted the capacity of the solar-electric, revenue-generating, bus-recharging station proposed for Low No funding and added new program components. METRO had partnered with Paired Power to define the project and to build the infrastructure if a grant were awarded, and, in the month between the first and second project submissions, Paired Power engaged a research and development (R & D) team to conduct a robust benefit-cost analysis (BCA) of a larger solar-electric recharging station versus the recharging station proposed for Low No funding. The BCA concluded that expanding the array of solar panels and increasing the battery storage capacity beyond the size prescribed for the Low No application would enable METRO to sell sufficient, additional excess power and carbon offset credits to pay for the expansion and to reduce the lifetime cost of bus refueling, making the BUILD project more cost-effective than the Low No investment.

Heavy duty battery-electric fleet recharging from solar-charged batteries is a new technology which, if effective, could speed the electrification of transportation, which generates 40% of global warming emissions. Paired Power has successfully installed hundreds of light-duty vehicle charging stations generating over 700 megawatts of solar-electric power (a medium-sized nuclear power plant) and is keenly interested in heavy-duty vehicle solar-electric charging to advance California's climate change solutions. While this is not an R & D project, promulgating the success of solar-electric charging for public transit could accelerate heavy-duty fleet electrification for paratransit, freight and municipal services. The BUILD project added substantial R & D and project management funding over the Low No proposal to design, build and thoroughly document the station's performance.

Solar panel expansion and additional power storage infrastructure drove the greatest cost increase from the Low No to the BUILD application. For the first Low No application, construction and equipment costs totaled \$5.7 million in a \$6 million project request. For BUILD, equipment and construction costs alone increased to nearly \$8 million. Rather than assuming that METRO would absorb project management costs as in the Low No, the BUILD proposal added \$525,000 for an external project manager and allowed miscellaneous costs of \$2.2 million for performance monitoring and industry engagement. The total cost of the BUILD proposal was \$10,871,170.

In order to pay the higher investment cost, METRO took an innovative approach to financing the "Better Utilizing Investment to Leverage Development" project by using multiple revenue streams, one of the primary ranking criteria for BUILD awards. The BUILD application:

- Requested \$8 million in federal funds from the USDOT;
- Drew \$2 million in California Transportation Development Credits (Caltrans Toll Credits) to pay the local match;

- Added \$120,000 from the California Heavy Duty Vehicle Infrastructure Program, which will provide \$30,000 in infrastructure funding for each of the four new electric buses that METRO will contract this month;
- Shifted \$676,170 from the FTA FY16 5339(c) Low No grant award's grid-charging infrastructure to a more cost effective solar-powered charger for the BUILD project; and,
- Added \$75,000 in Measure D funds for the local match to the FY16 FTA 5339(c) Low No award (above).

METRO increased the total project revenue to \$10,871,170 for the BUILD application and anticipates grant award notices by the end of 2018.

Staff presents this information for Board consideration only and no action is required.

IV. FINANCIAL CONSIDERATIONS/IMPACT

If awarded, an infrastructure grant from the BUILD program would provide \$10 million in capital improvement funds to build solar-electric bus charging infrastructure at the JKS Operations Facility. Previously awarded FTA FY16 5339(c) Low No funds totaling \$676,170 along with a required local match of \$75,000 in Measure D funds previously programmed for bus recharging infrastructure will be shifted to the BUILD project. Staff will amend the FY19 Capital Budget when grants are awarded.

V. ALTERNATIVES CONSIDERED

This report is for information only; there are no actionable alternatives.

VI. ATTACHMENTS

None

Prepared by: Thomas Hiltner, Grants/Legislative Analyst

VII. APPROVALS:

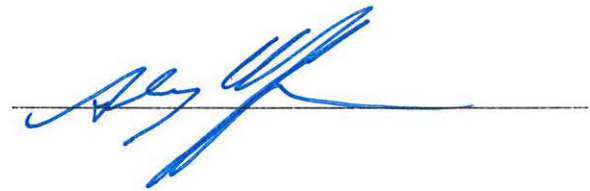
Barrow Emerson, Planning
And Development Director



Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager





DATE: August 24, 2018
TO: Board of Directors
FROM: Thomas Hiltner, Grants/Legislative Analyst
SUBJECT: **CONSIDER ADOPTING A RESOLUTION THAT RATIFIES A GRANT APPLICATION, AUTHORIZES \$2.95 MILLION IN MATCHING FUNDS AND AUTHORIZES THE CEO TO EXECUTE AGREEMENTS TO RECEIVE FUNDS FROM THE FEDERAL TRANSIT ADMINISTRATION (FTA) FY 2018 BUS AND BUS FACILITIES INFRASTRUCTURE INVESTMENT PROGRAM TO BUY REPLACEMENT BUSES**

I. RECOMMENDED ACTION

That the Board of Directors adopt a resolution ratifying an August 6, 2018 application to the Federal Transit Administration, authorizing matching funds and authorizing the CEO to execute agreements to receive funding from the FTA's Bus and Bus Facilities Infrastructure Investment Program (FTA 5339(b)) to buy seven replacement buses

II. SUMMARY

- The FTA announced a funding opportunity for the competitive FY 2018 FTA 5339(b) program on June 20, 2018 with applications due August 6, 2018.
- Santa Cruz Metropolitan Transit District (METRO) needs to replace fixed-route buses that have far exceeded their useful life, and staff recommends that the Board approve an FTA 5339(b) grant application submitted August 6, 2018, which requests funds to buy seven CNG replacement buses.
- Staff further recommends that the Board commit \$2,950,000 in matching funds to pay 60% of the \$4,892,750 project cost rather than the required 15% minimum local share in order to submit a more competitive proposal.
- Adopting the attached resolution (Attachment A) ratifies the grant submission, commits \$2,950,000 in local match from the FY19 Bus Replacement Fund and authorizes the CEO to execute agreements necessary to receive financial assistance from the FTA FY 2018 5339(b) program to buy seven CNG replacement buses.

III. BACKGROUND/DISCUSSION

The FTA published a Notice of Funding Opportunity on June 20, 2018 for its FY 2018 5339(b) program. This is a competitively awarded grant program that makes \$366.3 million available nationwide for buses and transit facility improvements. Staff submitted an application prior to Board authorization in

order to meet the August 6, 2018 deadline because the Board did not meet in July.

METRO needs to replace obsolete buses that are beyond their useful life. Due to the magnitude of capital funds required, METRO must rely upon financial assistance to buy these urgently needed replacements. METRO submitted a grant application on August 6, 2018 for \$1,942,750 in FTA 5339(b) grant funds, with \$2,950,000 in local matching funds to purchase seven CNG buses at a total cost of \$4,892,750. If the grant application is successful, the new CNG buses will replace seven of the 1998 diesel buses to help bring the fleet into a state of good repair.

METRO's FY 2018 5339(b) application meets the FTA's primary evaluation criteria for favorably ranking the project. The FTA will evaluate the age, condition and performance of METRO's fleet, which has an average age of 16.75 years compared to FTA's 12-year standard for the useful life of a transit bus. The FTA will favorably consider an operator's application if it relies excessively upon vehicles beyond their useful life; METRO runs 20-year old diesel buses daily to meet its minimum pull-out requirement. The grant application guidelines state that, "FTA may prioritize projects that have a higher local financial commitment." In order to present a highly competitive project proposal, staff recommends that the Board commit local funds to pay 60% of project costs rather than the minimum required 15% local match.

The FY19 Capital Budget shows funds available for the local match. Last year, the Board authorized a Bus Replacement Fund to be funded with \$3 million annually from operating and capital revenue. The FY19 Bus Replacement Fund adopted June 22, 2018 shows a \$3 million balance that has not been committed (Attachment B, *FY19 Capital Budget*, line items 37 - 39). Staff recommends committing \$2.95 million from this fund to pay the local match for federal financial assistance to purchase seven replacement buses.

FTA requests "scalable" projects for the 5339(b) program. In an effort to award as many different projects as possible from the limited amount of FTA 5339(b) funds, the FTA will consider awarding applicants less than their funding request while still enabling a viable project. Accordingly, staff proposes a minimum viable project of three CNG replacement buses at a total cost of \$2,096,893 with \$1,264,288 to be paid by METRO and \$832,607 to be paid by the FTA 5339(b) program. Purchasing less than three buses at a time uses staff labor inefficiently due to the time required to create bus specifications and solicit bids for each new procurement.

Staff recommends that the Board adopt a resolution (Attachment A), which ratifies the submitted grant application, commits a \$2.95 million local match and authorizes the CEO to execute agreements necessary to receive funds from the FTA 5339(b) program.

IV. FINANCIAL CONSIDERATIONS/IMPACT

An FTA 5339(b) grant award would add \$1,942,750 in federal revenue to the FY19 Capital Budget and require METRO to pay \$2,950,000 from the Bus Replacement Fund to purchase seven CNG replacement buses. Staff will request a Capital Budget amendment upon grant award.

V. ALTERNATIVES CONSIDERED

Do not commit local funds for the FTA 5339(b) program. METRO critically needs to replace obsolete buses. Staff does not recommend this alternative. If the Board chooses not to adopt the resolution, METRO will contact the Federal Transit Administration to rescind the application.

VI. ATTACHMENTS

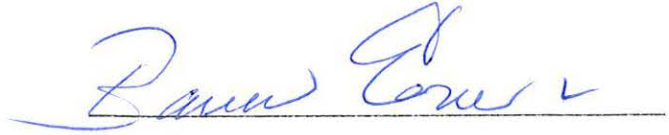
Attachment A: Resolution of the Board of Directors which ratifies a grant application, commits \$2.95 Million in local match and authorizes the CEO to execute agreements necessary to receive funds from the FTA 5339(b) program

Attachment B: Santa Cruz Metropolitan Transit District FY19 Capital Budget

Prepared by: Thomas Hiltner, Grants/Legislative Analyst


VII. APPROVALS

Barrow Emerson, Planning
And Development Director



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Approved as to fiscal impact:
Angela Aitken, CFO



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Alex Clifford, CEO/General Manager



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Attachment A



BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No. _____

On the Motion of Director: _____

Duly Seconded by Director: _____

The Following Resolution is Adopted:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
THAT RATIFIES A GRANT APPLICATION, AUTHORIZES \$2.95 MILLION IN
LOCAL MATCH AND AUTHORIZES THE CEO TO EXECUTE AGREEMENTS
NECESSARY TO RECEIVE FEDERAL TRANSIT ADMINISTRATION BUS AND
BUS FACILITIES INFRASTRUCTURE INVESTMENT PROGRAM FUNDS**

WHEREAS, the Federal Transit Administration (FTA) solicited grant applications for \$336.3 million available nationwide for its competitive Bus and Bus Facilities Infrastructure Investment Program under Chapter 49 of the United States Code Section 5339(b) (Section 5339(b)); and

WHEREAS, Section 5339(b) provides federal funds to purchase new buses and for other capital improvements; and,

WHEREAS, Santa Cruz Metropolitan Transit District (METRO) is an eligible direct recipient of Section 5339(b) funds and has an immediate need to replace obsolete buses; and,

WHEREAS, \$2,950,000 in revenue from METRO's FY19 Bus Replacement Fund is needed to provide a 60% local match for the project.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Santa Cruz Metropolitan Transit District hereby ratifies a grant application for FTA's Section 5339(b) grant program, authorizes \$2,950,000 from METRO's FY19 Bus Replacement Fund to provide a 60% local match for the project, and authorizes Alex Clifford, CEO/GM, or his designee, to execute all agreements necessary to receive funds from the FTA's Section 5339(b) grant program for seven CNG replacement buses.

Attachment A

Resolution No. _____

Page 2

PASSED AND ADOPTED this 24th Day of August, 2018 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____
BRUCE MCPHERSON
Board Chair

ATTEST _____
ALEX CLIFFORD
CEO/General Manager

APPROVED AS TO FORM:

JULIE SHERMAN
General Counsel

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FY19 CAPITAL BUDGET AS OF JUNE 22, 2018

PROJECT/ACTIVITY	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	LCTOP	STA-SB1 (XFR FROM OPER BUDGET)	STA-SGR (SB 1)	MEASURE D	OPERATING & CAPITAL RESERVE FUND	TOTAL
TOTAL CAPITAL PROJECTS	\$ 7,123,465	\$ 3,234,881	\$ 523,850	\$ 709,292	\$ 1,063,047	\$ 1,342,158	\$ 3,472,019	\$ 221,347	\$ 17,690,059	
CAPITAL PROGRAM FUNDING										
Federal Sources of Funds:										
Federal Grants (FTA)	\$ 6,560,465								\$ 6,560,465	
Surface Transportation Block Grant (STBG)	\$ 563,000								\$ 563,000	
State Sources of Funds:										
PTMISEA (1B)		\$ 3,234,881							\$ 3,234,881	
Cal-OES Prop 1B Transit Security Grant Funds (CTS-GP)			\$ 523,850						\$ 523,850	
Low Carbon Transit Operations Program (LC:TOP)				\$ 709,292					\$ 709,292	
State Transit Assistance (STA-SB1-FY18)					\$ 1,063,047				\$ 1,063,047	
Transfers from Operating Budget (Measure D, STA-SB1)						\$ 1,342,158			\$ 1,342,158	
Local Sources of Funds:										
Operating and Capital Reserve Fund							\$ 3,472,019		\$ 3,472,019	
TOTAL CAPITAL FUNDING BY FUNDING SOURCE	\$ 7,123,465	\$ 3,234,881	\$ 523,850	\$ 709,292	\$ 1,063,047	\$ 1,342,158	\$ 3,472,019	\$ 221,347	\$ 17,690,059	
Restricted Funds	\$ 7,123,465	\$ 3,234,881	\$ 523,850	\$ 709,292		\$ 1,342,158	\$ 3,472,019		\$ 16,405,666	
Unrestricted Funds					\$ 1,063,047			\$ 221,347	\$ 1,284,394	
TOTAL CAPITAL FUNDING	\$ 7,123,465	\$ 3,234,881	\$ 523,850	\$ 709,292	\$ 1,063,047	\$ 1,342,158	\$ 3,472,019	\$ 221,347	\$ 17,690,059	
*) When funds here are allocated to an approved / awarded project - they will be moved from this line item accordingly										

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DATE: August 24, 2018
TO: Board of Directors
FROM: Barrow Emerson, Planning & Development Director
SUBJECT: ACCEPT AND FILE METRO PLANNING DEPARTMENT ANNUAL STATUS REPORT

I. RECOMMENDED ACTION

This report is for informational purposes only. No action is required.

II. SUMMARY

- It has been one year since the last Santa Cruz Metropolitan Transit District (METRO) Planning Department Annual update.
- Transit industry standards suggest there is a minimum level of per trip ridership (10-15 boardings per trip), which is considered effective and not all of METRO routes achieve this level. At the same time, there are services without necessary capacity to meet demand levels comfortably.
- The METRO Planning Department has identified priorities for additional service (specific routes and increased daily span of service) when, or if, additional recurring operating funds were to become available.
- The Planning Department has established specific routes and geographic areas that will be the focus of service planning activities for the next four quarterly service changes, including consideration of limited reallocation of resources from low performing routes to ones in need of additional capacity and/or span of service.
- In addition to ongoing service modifications, the Planning Department has a number of other significant initiatives it is managing during the next fiscal year, as identified in this report.
- Staff requests the Board accept and file this Service Planning Update.

III. DISCUSSION/BACKGROUND

Current Route Performance

Quarterly, including on this August 24th Board meeting agenda, the Planning Department provides the Board with a ridership report, including an analysis of route performance as expressed by the average boardings per trip on each route. (See Attachment A)

In the transit industry, a rule of thumb is that there needs to be an average of approximately 10-15 boardings per trip for a service to be considered effective, depending on the type of service (rural, local, regional, intercity). In general, most METRO routes perform well, which suggests that generally the level of service is correct, relative to demand and financial capacity to provide service.

METRO has a small number of routes that don't achieve these transit industry standards. There are also some routes that, although they have reasonable overall boardings per trip averages, have segments with extremely limited boardings, which suggest possible realignments or truncation of the route(s). Among these are:

- Routes 33 and 34, which are school oriented trips in the San Lorenzo Valley with extremely low ridership. Today's Board agenda includes an item recommending elimination of these routes due to extremely low ridership over recent years.
- Route 79, which although it has a somewhat acceptable level of boardings per trip for a local lifeline service, has a loop segment to Pajaro that has had almost no boardings. The Route 79 alignment was modified to eliminate the Pajaro loop and add service in central Watsonville starting on June 14, 2018 and ridership will be monitored closely over the coming year.

Conversely, as shown in Exhibit A, in terms of average boardings per trip, there are three non-UCSC routes (69A, 69W, 71) that have average boardings per trip of around 30, which gets close to the seated capacity of a bus.

The five UCSC oriented routes are all strong performers, with METRO and the University constantly working together to address overcrowding and route schedule issues, which are complicated as class start times change by day of the week.

Now that the performance of METRO's routes has generally stabilized, the Planning Department sees opportunities to recommend consideration of the reallocation of trips from low performers to services in need of additional capacity.

Opportunities for Fixed-Route Service Expansion

Given METRO's limited budget growth opportunities, service enhancements are limited at this time. As part of the FY19 METRO annual budget, an additional bus operator FTE was added. However, this position, along with others, is being held in abeyance pending the outcome of Proposition 6, the November 6, 2018 ballot measure proposing repeal of SB-1. This bus operator FTE has been identified as being used to address the limited evening frequency of Route 35 in the San Lorenzo Valley area.

Priorities for Additional Service

As is standard transit industry practice, the Planning Department maintains a prioritized list of service needs, sometimes referred to as "unmet needs", so that if at anytime there is additional recurrent operating funds available for the introduction of

additional effective service, the priorities are clear. Currently, the Planning Department sees the following needs as the most important:

- Route 35/35A evening frequency – As this San Lorenzo Valley (SLV) route alternately serves two legs beyond Boulder Creek, the limited evening frequency makes for extremely poor level of service on these legs.
- There are also areas of the County that have population densities and demographics which suggest that additional services could generate additional ridership
 1. Span of service across the system - There are routes where service starts too late in the morning or ends too early in the evening, both weekdays and weekends, to meet work trip needs, particularly for those in the service industry; these limited spans also do not meet the general mobility needs of County residents. Route 68 is a prime example of this issue with weekday service ending before 7pm and weekend service span lasting only from late morning until approximately 5pm.
 2. Frequency - The additional Bus Operator, added at the Board's direction for FY18 using Measure D funds, was used to address Route 71 weekend overcrowding and has eased overcrowding on these services. In addition to the Route 35/35A noted above, there are other routes whose lack of frequency makes spontaneous use impractical. For example, Route 3, in addition to having limited span of service, has frequency of two hours at times on weekdays and all day on weekends. Another issue is reduced evening frequency on routes such as Route 66 and 69.
- Rural routes with limited daily trips.

Fiscal Year (FY) 2019 Service Planning Activities

As shown in the recently adopted 5-year budget, METRO has stabilized its fixed-route service level at a financially sustainable level for the near term. Within this context of limited expansion capacity, METRO will still work to improve services where possible, through re-allocation of resources from poor performing services to those in need of additional capacity, to avoid adding additional operating costs.

METRO service changes occur four times a year; through the Fall, Winter, Spring, and Summer Bids.

- Fall 2018
 - Pending Board approval of an extension of the Articulated Bus Pilot Project agenda item on today's agenda, Fall 2018 will see the return of these buses for the 2018-19 school year, which would again be funded by UCSC. There are no other significant service changes for Fall 2018 as METRO is awaiting the resolution of Proposition 6, the SB-1 repeal ballot measure.

Following are the focus areas for service planning efforts over the next year:

- Winter 2018-19
 - Pending the outcome of the public hearing on the elimination of Routes 33 and 34 on today's agenda, these services would be eliminated for the Winter service change.
 - As part of METRO's partnership with Cabrillo College, staff is working on route modifications for route(s) in Watsonville to provide service closer to the Watsonville campus for later evening classes.
- Spring/Summer 2019
 - If Proposition 6 is not successful in November 2018 and SB-1 is not repealed, METRO will look to enhance Route 35/35A evening frequency in the San Lorenzo Valley. As part of planning for this improvement, there are other issues related to San Lorenzo Valley/Scotts Valley service that staff will consider opportunities to address including:
 - Service on Scotts Valley Drive is in only one direction (outbound from Santa Cruz).
 - Opportunities related to the repopulation of the former "Borland" campus by UCSC and other increases in employment, housing, and commercial properties in the area.
- Summer/Fall 2019
 - Watsonville Circulator –METRO received a 2016 Low Carbon Transit Operations Program (LCTOP) grant from the State for an electric bus to operate as a Watsonville Circulator, intended to link common origins and destinations around Watsonville at a convenient frequency. Outreach for planning of this initiative will start soon with possible service launch in Fall 2019, pending delivery of the new electric bus.
 - The Monterey Bay Air Resources District awarded METRO with \$200,000 in funding for the initial year of operation of this service.
 - METRO has also received LCTOP grants in 2017 and 2018 for a total of almost \$620,000 allowing METRO to purchase a second electric bus for Watsonville services.

Other Planning Department Initiatives

In addition to the basic ongoing service modifications, the Planning Department is developing the following significant planning initiatives:

- Fare Restructure – Per Board action on March 23, 2018, METRO chose to postpone continued analysis of a Fare Restructure project until the end of 2018 to see the result of the November 6, 2018 ballot measure Proposition 6, the SB-1 repeal effort, which could seriously damage METRO's financial position. Following the November 2018 election, staff will initiate a discussion with the Board related to fare structure and opportunities for fare payment technology improvements and then work with the Board Finance, Budget and Audit Standing Committee in the first quarter of 2019 to explore fare restructuring recommendations.
- On-board survey – In October 2018, METRO will be conducting an on-board survey and ridecheck, METRO's first since 2012, to enhance its understanding of our riders, their demographics, travel patterns, satisfaction with METRO services, and preferences in the use of various technologies including fare payment methods.
- Strategic Business Plan – METRO staff, with external facilitator support, will conduct a Board retreat in October to kickoff a 10-year strategic business plan process for the agency that will address issues including establishment of midterm (10 year) priorities, a review of agency missions/goals/objectives, and analysis of financial capacity, risk, and opportunities.
- Pacific Station long-term planning – METRO, in conjunction with the City of Santa Cruz, has engaged two separate consultant teams to investigate issues related to the future of Pacific Station. The two studies, a downtown transit operations analysis and a Pacific Station conceptual layout exercise, are both underway and should have results this fall, which should inform future planning for METRO's downtown transit center.
- Microtransit and Transportation Network Companies (TNC) – Many transit districts are starting to consider microtransit, a service that offers flexible routing and/or flexible scheduling of non-fixed route vehicles. Microtransit uses instant exchange of information, enabling real-time matching of demand (trip) and supply (driven vehicle), which can extend the accessibility of the transit system. Possible pick-up/drop-off stops are usually pre-defined to allow better routes' optimization. Conceptually, microtransit fits somewhere between private individual transportation (cars or taxicabs) and public mass transit (bus). Some transit agencies are developing relationships with TNCs, such as Uber and Lyft, to supplement their fixed-route and paratransit services. Staff will investigate opportunities for METRO to use these types of services and will return to the Board in 2019 with a status report.
- Hwy 1 Bus On Shoulders – Per another item on today's Board agenda, METRO, in conjunction with Monterey-Salinas Transit, has completed an initial feasibility study of Bus On Shoulders opportunities on SR 1. Going forward, METRO will coordinate with the Santa Cruz County Regional Transportation Commission (RTC) and Caltrans to attempt to institute this project in conjunction with the RTC Auxiliary Lanes project.

- Ongoing coordination with UCSC and Cabrillo – In spite of the failure of the UCSC student transportation fee ballot measure in May 2018, UCSC and METRO will extended their contractual arrangement, pending approval by the Board of another item today, for bus services through the 2018-19 school year. METRO and Cabrillo have executed a three-year (2018-19 through 2020-21 school year) contract (plus an option for two additional years) to extend the two-year initial student bus pass program. METRO will continue to coordinate with Cabrillo to provide the optimum bus service to meet student needs.
- Transportation Demand Management (TDM) – Staff is working with the City of Santa Cruz on concepts for a downtown employee bus pass as part of a TDM program.
- Marketing – Staff will promote growing initiatives, including the employer/employee commute tax benefit program.
- Unified Corridor Study – Staff will continue to participate in this critically important planning analysis, led by the RTC, on the future transportation uses of State Route 1, the Soquel/Freedom corridor, and the rail right-of-way.
- Automatic Vehicle Location (AVL) and Automatic Passenger Counter(APC) – METRO has received grant funding from the State of California to implement an AVL system. The Planning and Information Technology (IT) Departments will coordinate to introduce this technology to improve operational efficiency, data gathering and analysis, and provide a customer facing Predictive Arrival and Departure System (PADS).

IV. FINANCIAL CONSIDERATIONS/IMPACT

There is no financial impact related to this status report

V. ALTERNATIVES CONSIDERED

There are no alternatives to consider.

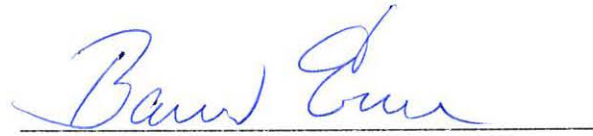
VI. ATTACHMENTS

Attachment A: Quarterly Average Ridership by Route

Prepared by: Barrow Emerson, Planning & Development Director

VII. APPROVALS

Barrow Emerson,
Planning and Development Director



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Approved as to fiscal impact:
Angela Aitken, CFO



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Alex Clifford, CEO/General Manager



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Attachment A

Quarterly Average Ridership by Route Report

April 1, 2018 - June 30, 2018		Average Weekday Ridership per Trip				Average Weekend Ridership per Trip					
Route	Corridor	Riders	UCSC Riders	Cabrillo Riders	Discount Fares and Passes	Regular Passes	Riders	UCSC Riders	Cabrillo Riders	Discount Fares and Passes	Regular Passes
UCSC											
10	UCSC via High St.	49	47	0	1	1	54	50	0	2	1
15	UCSC via Laurel West	60	57	0	1	1					
16	UCSC via Laurel East	63	60	0	1	1	75	70	0	1	1
16ST	UCSC via Laurel East Supp.						80	77	0	1	1
19	UCSC via Lower Bay	52	48	0	2	1	61	56	0	2	1
20	UCSC via West Side	55	47	1	2	3	68	61	1	2	2
20D	UCSC via West Side Supp.	40	39	0	0	0					
22	UCSC/Coastal Science Campus	41	41	0	0	0					
Intercity											
35/35A	Santa Cruz/Scotts Valley/SLV	16	1	1	4	5	21	1	1	6	5
69A	Capitola Road/Watsonville	28	2	2	9	5	24	2	1	7	3
69W	Cap. Road/Cabrillo/Watsonville	30	2	6	7	5	26	2	2	7	4
71	Santa Cruz to Watsonville	30	2	5	8	6	26	1	2	8	4
91X	Santa Cruz/Watsonville Express	16	1	7	3	2					
Rural											
33	Lompico SLV/Felton Faire	6	0	0	0	4					
34	South Felton	1	0	0	0	0					
40	Davenport/North Coast	20	0	0	2	8					
41	Bonny Doon	11	3	1	1	2					
42	Davenport/Bonny Doon	15	3	1	2	3	14	2	1	4	2
Local											
3	Mission/Beach	10	2	1	3	2	10	4	0	3	1
4	Harvey West/Emeline	17	1	1	8	5					
55	Rio Del Mar	14	0	6	4	2	9	0	1	4	2
66	Live Oak via 17th	15	2	1	4	3	13	2	1	5	2
68	Like Oak via Broadway/Portola	13	2	1	4	2	11	2	1	4	1
72	Watsonville Hospital/Pinto Lake	15	0	1	5	2	9	0	0	4	1
74S	PVHS/Watsonville Hospital	15	0	0	1	2					
75	Green Valley Road	17	0	1	7	2	15	0	1	7	2
79	Pajaro/East Lake	6	0	1	2	1	5	0	0	2	1
Highway 17											
Hwy 17	Hwy 17 Express	16	-	-	1	6	22	-	-	2	2
System-wide Avg. Riders per Trip		25	13	1	3	3	30	18	1	4	2

25 Calendar School Days of SJU
 40 Calendar School Days of Cabrillo
 53 Calendar School Days of UCSC

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DATE: August 24, 2018
TO: Board of Directors
FROM: Erron Alvey, Purchasing and Special Projects Director
SUBJECT: CONSIDERATION OF CHANGING THE ADMIN CLERK I POSITION TO A PARTS CLERK

I. RECOMMENDED ACTION

That the Board of Directors authorize and fund an additional Parts Clerk position in lieu of the currently authorized and funded Admin Clerk I position

II. SUMMARY

- The Purchasing Department has an Admin Clerk I position in the Parts division that was first established in 2015 and was recently vacated.
- After a review of the work responsibilities of this position, it was determined that a Parts Clerk classification would be more advantageous to the Parts division than the current classification.
- The Purchasing Manager met with SEIU executive staff to advise that this change in classification would result in union representation switching from the SEA unit to the VMU unit.
- Staff recommends the Board approve and fund a Parts Clerk in the Purchasing Department in lieu of the currently approved and funded Admin Clerk I position.

III. DISCUSSION/BACKGROUND

The position of Admin Clerk I was added to the Parts division of the Purchasing Department in 2015. Parts had taken on several new functions for the Maintenance, Finance, and Customer Service Departments, and in addition was experiencing an increase in data entry due to new software programs. At that time, it was determined that administrative services would be needed to support the new functions being performed.

After having the administrative position in place for over three years now, staff has noticed a few shortcomings that could be rectified with changing this position to that of a Parts Clerk. First, due to the ebb and flow of materials and supply orders, the administrative duties in the Parts division do not always make up an eight hour day and the Admin Clerk I would fill in with more general department tasks. Since this need was unpredictable on a day-to-day basis, it was difficult to have regular work assigned or other department tasks at the ready. The Parts

Clerk classification, on the other hand, would be able to perform the required administrative duties, and could also use any down time to solely perform Parts-related tasks that the Admin Clerk I classification could not perform. These duties include, but are not limited to, assisting mechanics and facility workers at the parts counter, issuing parts, researching special parts orders, performing inventory control functions, cleaning the parts room, placing orders with vendors, and utilizing the forklift for unloading deliveries and moving large objects around the Maintenance yard.

The Parts Clerk specification would improve the flexibility of the position and provide additional skills, allowing for a greater level of service to internal customers and vendors doing business with Santa Cruz METRO. Staff recommends the Board approve and fund a Parts Clerk in the Purchasing Department in lieu of the currently approved and funded Admin Clerk I position.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The Admin Clerk I position currently has funding in the budget for wages, benefits, overtime, and a step increase in the amount of \$65,000, which is based on the compensation previously provided to the employee who vacated the position. A Parts Clerk would be budgeted at \$84,000. This is an estimated cost, which would allow for an employee plus two dependents. The true cost of the benefits can't be determined until an employee is hired. If the same calculation (employee plus two dependents) were to be applied to a new **Admin Clerk I Parts Clerk**, the cost would be \$78,000, making the difference between the two classifications only \$6,000.

There will also be cost savings in FY19 as this position is vacant and will likely not be filled for several months.

V. ALTERNATIVES CONSIDERED

- Do not approve the change in classification or funding for this position. Staff does not recommend this option. The Admin Clerk I classification does not have the flexibility to provide assistance for the broad range of service needs in the Parts area.

VI. ATTACHMENTS

Attachment A: Parts Clerk Classification Specification

Prepared By: Erron Alvey, Purchasing Manager

VII. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer

OK low for AA

Alex Clifford, CEO/General Manager



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Attachment A



PARTS CLERK

DEFINITION

Under supervision, maintains the Fleet Maintenance Department parts room(s), including the requisitioning, receiving, inspecting, stocking, issuing of all materials, supplies, vehicle parts and related special equipment and tooling used in the support of the District's revenue and non-revenue vehicles; performs annual and perpetual inventory of Department parts, materials, supplies and fixed assets in accordance with District's MIS inventory control modules; performs other related duties as assigned.

EXAMPLES OF DUTIES

Issues Fleet Maintenance Department purchase requisitions, receives, inspects and stocks all required parts, materials and supplies.

Identifies and requests parts, materials and supplies by researching catalogues, parts manuals and other available sources.

Issues parts, materials and supplies to requesting departments and records all transactions.

Issues the Department's specialized equipment and tooling to Department personnel.

Utilizes District's MIS program to perform daily inventory control functions, including posting of receipts, monitoring of issuances and other data maintenance.

Performs perpetual inventory of parts, materials and supplies.

Assists in vendor selection and monitoring of vendor performance.

Maintains a clean, orderly and safe parts room.

Maintains Department's specialized equipment, tooling and inventory assets and performs an annual inventory.

Delivers or pick up parts, materials and supplies from one or more locations.

Performs duties of the Receiving Parts Clerk as required.

Attachment A

EMPLOYMENT STANDARDS

Knowledge of:

- Principles and functions of transit heavy duty engine operation.
- Electrical, pneumatic, hydraulic, and air conditioning systems.
- Basic principles and practices of transit and automotive storekeeping and parts inventory methods.
- Mechanical tools, parts, supplies and related transit support equipment.

Ability to:

- Identify mechanical tools, diagnostic equipment, parts, supplies and related transit support equipment.
- Read and comprehend technical parts manuals and schematics.
- Read and legibly write English.
- Work shift, including weekdays, nights and weekends.
- Work well with others.
- Work under deadlines and schedules.
- Learn and effectively use the District's computer hardware and software.
- Make arithmetical computations rapidly and accurately on an adding machine or electronic calculator.
- Keep and maintain accurate records.
- Physical stamina to lift heavy objects and perform duties of the position.

Training and Experience

A minimum of three years of full-time work experience as a parts clerk performing the receipt, stocking, issuance and inventory of automotive and heavy duty transit parts and supplies; or equivalent experience in a comparable field.

SPECIAL REQUIREMENTS

Possession of a Class C California driver's license or ability to obtain one.

Ability to be available for emergency or call-back duty, 24 hours a day, seven days a week.



DATE: August 24, 2018

TO: Board of Directors

FROM: Eddie Benson, Maintenance Manager

SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 4TH AMENDMENT EXTENDING THE CONTRACT FOR TWO YEARS WITH BOWMAN & WILLIAMS, INC. FOR GENERAL ON-CALL ENGINEERING SERVICES, INCREASING THE CONTRACT TOTAL BY \$80,650

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to execute a 4th amendment extending the contract for two years with Bowman & Williams, Inc. for General On-call Engineering Services, increasing the contract total by \$80,650 for the additional two-year period, thereby increasing the total contract authority from \$300,000 to \$380,650

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) has a contract with Bowman & Williams, Inc. for General On-Call Engineering Services that was established on August 26, 2013 and is due to expire on August 25, 2018. All renewal options have been exercised.
- Bowman & Williams, Inc. has provided engineering services, via Task Orders, on projects related to bus stop improvements, a generator master plan, electric vehicle charging infrastructure, and various small construction projects for Facilities Maintenance.
- There are four Task Orders that remain to be completed. No new Task Orders will be initiated after August 25, 2018.
- Staff is recommending extending the contract for two more years to allow time to complete the open Task Orders, as well as adding additional funds in the amount of \$80,650 for full services through the completion of the projects.

III. DISCUSSION/BACKGROUND

METRO has a contract with Bowman & Williams, Inc. for General On-Call Engineering Services that was established on August 26, 2013 for a two-year period, with three optional one-year extensions. All renewal options have now been exercised, and the contract is due to expire on August 24, 2018.

Bowman & Williams, Inc., a civil engineering firm, provides METRO engineering and design services, planning and permit assistance, and technical advice, and has hired sub-consultants when our requests have required engineering disciplines beyond civil. Civil Engineers are considered the master of all trades, and serve well as an administrator and project manager on METRO's behalf when sub-consultants are required. As an example, Bowman & Williams, Inc. brought on sub-consultant Fehr Engineering, an electrical engineering firm, to design a generator master plan for METRO's facilities and depot charging infrastructure for electric vehicles at the Judy K. Souza Operations Facility. This contract has provided METRO with a wide range of technical expertise on a project-by-project basis, which would be difficult and expensive to achieve by hiring in-house engineers.

Per Eddie Benson, Maintenance Manager, and Erron Alvey, Purchasing and Special Projects Director, over the past year the quality of assistance and service provided by Bowman & Williams, Inc. has been very good to excellent.

Four Task Orders are still open for the following projects:

- Purchase and Installation of a Generator at METRO Administrative Office
- Purchase and Installation of a Generator at Pacific Station
- Construction to Install Electric Vehicle Charging Infrastructure
- Construction to Install a Fire Egress at Maintenance Shop

Staff recommends that the Board of Directors authorize the CEO to execute a 4th amendment to the contract with Bowman & Williams, Inc. to extend the term two additional years, and to increase the contract total by \$80,650. Eddie Benson, Maintenance Manager, and Erron Alvey, Purchasing and Special Projects Director will continue to serve as Contract Administrators on their respective projects and will ensure contract compliance.

IV. FINANCIAL CONSIDERATIONS/IMPACT

This contract has a total not to exceed of \$300,000. Additional funds in an amount of \$80,650 are requested for approval at this time. The new contract total not to exceed would be \$380,650.

Funds to support this contract are included in the FY19 & FY20 Operating and Capital Budgets of multiple departments.

V. ALTERNATIVES CONSIDERED

Do not extend this contract. Staff does not recommend this option, as METRO does not have in-house staff trained or certified to perform engineering services.

VI. ATTACHMENTS

- Attachment A:** Informational Table on Open Task Orders
- Attachment B:** Renewal letter from Bowman & Williams, Inc.
- Attachment C:** 4th Amendment to the Contract with Bowman & Williams, Inc.

Prepared by: Joan Jeffries, Administrative Specialist
Erron Alvey, Purchasing & Special Projects Director

VII. APPROVALS:

Eddie Benson, Maintenance Manager Eddie E Benson

Erron Alvey, Purchasing and Special Projects Director Erron Alvey

Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer d/c low for AA

Alex Clifford, CEO/General Manager Alex Clifford

<u>Task Order No.</u>	<u>Description</u>	<u>Funding Source</u>	<u>Current NTE</u>	<u>Additional Funds Needed</u>	<u>Additional Funding Source</u>	<u>Status</u>	<u>% Complete</u>	<u>Notes</u>
22-006	Generator at Vernon Admin Offices, Design and Construction Support Services	CaIOES	\$ 48,800.00	\$ 5,000.00	CaIOES	Construction in progress	65%	Fehr reviewing submittals Project had been paused for METRO staff to assess if the station needed to be a "critical facility" which would require redesign.
32-001	Generator at Pacific Station, Design and Construction Support Services	CaIOES	\$ 42,310.00	\$ 20,000.00	CaIOES	Finalizing bid documents		
22-004	Fire Egress at Maintenance Admin Offices, Design and Construction Support Services	FTA FY17 5339(a)	\$ 20,910.00	\$ 20,000.00	TBD	Almost ready to go out to bid for construction	50%	FTA FY15/16 5339(a) possible funding source
22-008	EV Charging Infrastructure Design and Construction Support Services	FTA FY16 Low No	\$ 77,000.00	\$ 35,650.00	TBD	Low No Project on hold with permission to continue infrastructure build	40%	Possible funding sources are FY18 Low No Grant, FY18 BUJLD Grant (if either awarded), LCTOP Grant, Bus Replacement Funds
		TOTALS	\$ 189,020.00	\$ 80,650.00				

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Attachment B
BOWMAN & WILLIAMS
CONSULTING CIVIL ENGINEERS
A CALIFORNIA CORPORATION

1011 CEDAR • PO BOX 1621 • SANTA CRUZ, CA 95061-1621
PHONE (831) 426-3560 FAX (831) 426-9182 www.bowmanandwilliams.com

May 22, 2018

Erron Alvey
Purchasing Agent

Santa Cruz METRO Administrative Office
110 Vernon Street
Santa Cruz, CA 95060

Subject: RENEWAL- Santa Cruz METRO Contract No. 13-34 for General On-call Engineering Services, Our file no. 25236

Dear Erron,

We understand that our Contract for On-call Engineering Services will expire on August 25, 2018. Under article 4.01 (Term), "At the option of Santa Cruz METRO, this Contract may be renewed for three (3) additional one (1) year terms upon mutual written consent."

We accept Santa Cruz METRO's proposal of an Amendment to this Contract to extend the agreement from August 25, 2018, through August 26, 2019, under the same terms and conditions as the previous renewal dated June 7, 2017.

With the above described change, we respectfully request that Santa Cruz METRO renew our agreement for one year, from August 25, 2018 through August 26, 2019.

Sincerely,
Bowman & Williams

Joel F. Ricca, RCE 53588
Principal Engineer

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Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FOURTH AMENDMENT TO CONTRACT NO. 13-34 FOR GENERAL ON-CALL ENGINEERING SERVICES

This Fourth Amendment to Contract No. 13-34 for General On-call Engineering Services is made effective August 26, 2018 between the Santa Cruz Metropolitan Transit District (“Santa Cruz METRO”), a political subdivision of the State of California, and Bowman & Williams, Inc. (“Consultant”).

I. RECITALS

- 1.1 Santa Cruz METRO and Consultant entered into a Contract for General On-call Engineering Services (“Contract”) on August 26, 2013.
- 1.2 The Contract allows for extension upon mutual written consent.
- 1.3 Santa Cruz METRO and Consultant desire to amend the Contract to extend the Contract term and to increase the Contract total not-to-exceed amount.

Therefore, Santa Cruz METRO and Consultant amend the Contract as follows:

II. TERM

- 2.1 Article 4.01 is replaced in its entirety by the following:

The term of this Contract shall be from August 26, 2013 to August 25, 2020.

Santa Cruz METRO and Consultant may extend the term of this Contract at any time for any reason upon mutual written consent.

III. COMPENSATION

- 3.1 Article 5.01 is amended to include the following language:

Under the terms of the Fourth Amendment, the Contract total not-to-exceed amount is increased by \$80,650. The new Contract total not-to-exceed amount is \$380,650. Consultant understands and agrees that if it exceeds the \$380,650 maximum amount payable under this Contract, it does so at its own risk.

IV. REMAINING TERMS AND CONDITIONS

- 4.1 All other provisions of the Contract that are not affected by this Amendment shall remain unchanged and in full force and effect.

Attachment C

V. ACCEPTANCE OF ELECTRONIC SIGNATURES AND COUNTERPARTS

5.1 The parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into this Contract will be considered executed when the signature of a party is delivered by scanned image as an attachment to electronic mail. Such scanned signature must be treated in all respects as having the same effect as an original signature. Each party further agrees that this Contract may be executed in two or more counterparts, all of which constitute one and the same instrument.

VI. AUTHORITY

6.1 Article 7 is amended to include the following language:

Each party has full power to enter into and perform this Fourth Amendment to the Contract and the person signing this Fourth Amendment on behalf of each has been properly authorized and empowered to enter into it. Each party further acknowledges that it has read this Fourth Amendment to the Contract, understands it, and agrees to be bound by it.

Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

Alex Clifford, CEO/General Manager

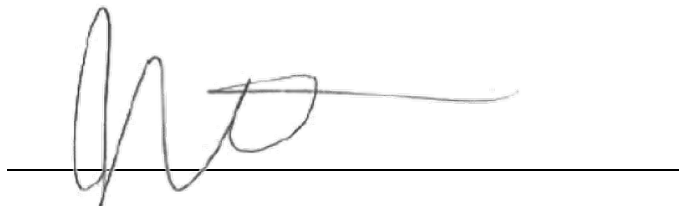
Contractor –
BOWMAN & WILLIAMS, INC.

Joel F. Ricca, President



Approved as to Form:

Julie Sherman, General Counsel





DATE: August 24, 2018
TO: Board of Directors
FROM: Eddie Benson, Maintenance Manager
SUBJECT: CONSIDERATION OF AWARD OF CONTRACT TO BATTERY SYSTEMS, INC. FOR PURCHASE, DELIVERY AND SERVICING OF HEAVY-DUTY COACH BATTERIES NOT TO EXCEED \$122,500

I. RECOMMENDED ACTION

- 1) That the Board of Directors authorize the CEO to execute a contract with Battery Systems, Inc. for Purchase, Delivery and Servicing of Heavy-Duty Coach Batteries in an amount not to exceed \$122,500 for a three (3)-year period, with a two (2)-year option to extend the contract, for a total term of five (5) years.**
- 2) That the Board of Directors authorize the CEO to execute a future amendment with Battery Systems, Inc. for the two (2)-year option to extend, increasing the contract total for the optional term as required, not to exceed a total value of \$204,167 for the full five (5) years.**

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) has a need for Purchase, Delivery and Servicing of Heavy-Duty Coach Batteries.
- A formal request for proposals was conducted to solicit proposals from qualified firms. Two (2) firms submitted proposals for METRO's review.
- A three-member evaluation team comprised of METRO staff reviewed and evaluated the proposals, and is recommending an award to Battery Systems, Inc.

III. DISCUSSION/BACKGROUND

METRO has a need for the purchase, delivery and servicing of heavy-duty coach batteries for its revenue vehicles. Batteries USA has been METRO's provider for these services for many years. While there are two renewal options remaining on the contract with Batteries USA, there have been multiple ongoing issues that staff has attempted repeatedly to address with this vendor, to no avail. It was therefore decided to not exercise the remaining options, and instead issue a new procurement for the purchase, delivery and servicing of these batteries.

On April 6, 2018, METRO legally advertised and distributed Request for Proposals (RFP) No. 18-14 to five firms, posted notice on its website, and sent

email notices to all GovDelivery subscribers. On May 4, 2018, proposals were received and opened from two (2) firms: Battery Systems, Inc. of Garden Grove, California, and Kelley's Service Inc. of Santa Cruz, California. A three-member evaluation team comprised of METRO staff has reviewed and evaluated the proposals.

The evaluation team used the following criteria as contained in the Request for Proposals:

Evaluation Criteria	Points
Understanding of and technical approach to contract requirements	20
Qualifications and ability to train METRO staff	20
Experience with government agencies, including METRO	40
Cost proposal	20
Total Points Possible	100

Staff is recommending the following actions: 1) that the Board of Directors authorize the CEO to execute a three (3)-year contract on behalf of METRO with Battery Systems, Inc., the highest ranked firm, for Purchase, Delivery and Servicing of Heavy-Duty Coach Batteries in an amount not to exceed \$122,500; and 2) that the Board of Directors authorize the CEO to execute a future contract extension with Battery Systems, Inc. for an additional two (2)-year term, for a total anticipated contract value not to exceed \$204,167 and a total term not to exceed five (5) years.

Contractor will provide all services meeting all METRO's specifications and requirements of the contract. Eddie Benson, Maintenance Manager, will serve as the Contract Administrator and will ensure contract compliance.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The base value of the contract is \$122,500 for the first three (3) years. Should the single two (2)-year option be exercised, the total five (5)-year value of the contract is anticipated to be no greater than \$204,167. Funds to support this contract are included in the Fleet Maintenance FY19–FY22 Revenue Vehicle Parts (504191) Operating budget. The Department Manager will be responsible for budgeting this expense each fiscal year.

V. ALTERNATIVES CONSIDERED

- METRO could have renewed the contract with Batteries USA, but due to the multiple ongoing issues with this vendor, it was determined to not be in METRO's best interest to remain in contract with this vendor.

VI. ATTACHMENTS

Attachment A: Contract with Battery Systems, Inc.

Note: A full copy of the Contract is available on request.

Prepared by: Joan Jeffries, Administrative Specialist

VII. APPROVALS:

Eddie Benson, Maintenance Manager Eddie Benson

Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer dlatow for AA

Alex Clifford, CEO/General Manager Alex Clifford

Attachment A

PROFESSIONAL SERVICES CONTRACT FOR PURCHASE, DELIVERY AND SERVICING OF HEAVY-DUTY COACH BATTERIES (18-14)

THIS CONTRACT is made effective on August 29, 2018 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (“Santa Cruz METRO”), a political subdivision of the State of California, and BATTERY SYSTEMS, INC. (“Contractor”).

1. RECITALS

1.01 Santa Cruz METRO’s Primary Objective

Santa Cruz METRO is a public entity whose primary objective is providing public transportation and which has its principal office at 110 Vernon Street, Santa Cruz, California 95060.

1.02 Santa Cruz METRO’s Need for Purchase, Delivery and Servicing of Heavy-Duty Coach Batteries

Santa Cruz METRO has the need for Purchase, Delivery and Servicing of Heavy-Duty Coach Batteries. In order to obtain these services, Santa Cruz METRO issued a Request for Proposals, dated April 6, 2018, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Contractor’s Proposal

Contractor is a firm qualified to provide Purchase, Delivery and Servicing of Heavy-Duty Coach Batteries and whose principal place of business is 12322 Monarch Street, Garden Grove, California 92841. Pursuant to the Request for Proposals issued by Santa Cruz METRO, Contractor submitted a proposal for Purchase, Delivery and Servicing of Heavy-Duty Coach Batteries, which is attached hereto and incorporated herein by reference as Exhibit B.

1.04 Selection of Contractor and Intent of Contract

On June 11, 2018, Santa Cruz METRO selected Contractor as the offeror whose proposal was most advantageous to Santa Cruz METRO to provide the Purchase, Delivery and Servicing of Heavy-Duty Coach Batteries described herein. This Contract is intended to fix the provisions of these services.

Santa Cruz METRO and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents listed below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties’

Attachment A

Contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 11.15 of the General Conditions to the Contract.

A. Exhibit A

Santa Cruz METRO's "Request for Proposals" dated April 6, 2018, including Addendum No. 1 dated April 26, 2018.

B. Exhibit B (Contractor's Proposal)

Contractor's Proposal to Santa Cruz METRO for Purchase, Delivery and Servicing of Heavy-Duty Coach Batteries, signed by Contractor and dated May 4, 2018.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits A and B. Where in conflict, the provisions of Exhibit A supersede Exhibit B.

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. **DEFINITIONS**

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the Contract:

- 3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Part IV, Section 11.15 of, the General Conditions to the Contract.
- 3.01.02 CONTRACTOR - The Contractor selected by Santa Cruz METRO for this project in accordance with the Request for Proposals issued April 6, 2018.
- 3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.
- 3.01.04 DAYS - Calendar days.
- 3.01.05 CONTRACTOR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued April 6, 2018.
- 3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the Contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

Attachment A

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed **three (3)** years and shall commence upon the execution of the Contract by Santa Cruz METRO.

At the option of Santa Cruz METRO, this Contract agreement may be renewed for **one (1)** additional **two (2)** year term.

5. COMPENSATION

5.01 Terms of Payment

Santa Cruz METRO shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by Santa Cruz METRO. Santa Cruz METRO shall reasonably determine whether work has been successfully performed for purposes of payment. Contractor understands and agrees that if they exceed the **\$122,500** maximum amount payable under this Contract, they do so at their own risk.

5.02 Invoices

A packing list/proof of delivery shall be submitted for each order, together with an invoice for materials ordered and accepted by Santa Cruz METRO. The invoice shall identify the contract number, the purchase order number (to be provided by Santa Cruz METRO), type of materials, quantity, unit prices and taxes. Invoices will be paid on a Net 30 basis.

Said invoice records shall be kept up-to-date at all times, and shall be available for inspection by Santa Cruz METRO (or any grantor of Santa Cruz METRO, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to Santa Cruz METRO are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand, or three (3) days after posting if sent by registered mail, receipt requested, to a party hereto at the address hereinunder set forth, or to such other address as a party may designate by notice pursuant hereto.

Attachment A

Santa Cruz METRO

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060

Attention: Alex Clifford, CEO

CONTRACTOR

Battery Systems, Inc.
12322 Monarch Street
Garden Grove, CA 92841

Attention: Claudia Castanares, Contract Manager
(310) 667-9320, ext: 13050
CCastanares@batterysystems.net

7. ACCEPTANCE OF ELECTRONIC SIGNATURES AND COUNTERPARTS

The parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into this Contract will be considered executed when the signature of a party is delivered by scanned image as an attachment to electronic mail. Such scanned signature must be treated in all respects as having the same effect as an original signature. Each party further agrees that this Contract may be executed in two or more counterparts, all of which constitute one and the same instrument.

8. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

SIGNATURES ON NEXT PAGE

Attachment A

Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN TRANSIT
DISTRICT

Alex Clifford, CEO/General Manager

Contractor –
BATTERY SYSTEMS, INC.

Claudia Castanares, Contract Manager

C. Castanares

Approved as to Form:

Julie Sherman, General Counsel

Julie Sherman

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DATE: August 24, 2018

TO: Board of Directors

FROM: Eddie Benson, Maintenance Manager

SUBJECT: CONSIDERATION OF AUTHORIZING THE PURCHASING MANAGER TO OBTAIN PURCHASE OPTIONS FOR SIX (6) CNG BUSES FROM THE LOS ANGELES DEPARTMENT OF TRANSPORTATION CONTRACT WITH GILLIG, LLC IN AN AMOUNT NOT TO EXCEED \$3,953,322

I. RECOMMENDED ACTION

That the Board of Directors authorize:

- 1) The Purchasing Manager to obtain and exercise six (6) bus purchase options from the Los Angeles Department of Transportation (LADOT) contract to purchase six (6) CNG buses; and,**
- 2) The CEO to execute a contract with Gillig, LLC in an amount not to exceed \$3,953,322.**

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) received funds from the Surface Transportation Block Grant (STBG) through the Regional Transportation Commission (RTC) in the amount of \$500,000 for one replacement CNG bus, with a local match from the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) in the amount of \$70,000.
- On behalf of the Federal Transit Administration (FTA), Caltrans noticed METRO of a grant award for one CNG bus from the 5339 Discretionary FY13-17 program funding in the amount of \$537,594.
- The FTA also noticed METRO of a grant award for four (4) CNG buses from the 5339(b) FY17 program funding in the amount of \$2,413,036.
- It is challenging for a single agency to conduct a procurement for such a small order of buses; therefore, METRO staff located purchase options that another agency, the Los Angeles Department of Transportation (LADOT), would be willing to assign to METRO as they had unintentionally acquired more options than needed.
- The Federal Transit Administration (FTA) has strict guidelines for this type of contract, known as piggybacking, that staff will adhere to.

- Staff is requesting authorization to proceed with the purchase of six CNG buses from Gillig, LLC (Gillig) using the options as the most cost effective method to make this purchase.

III. DISCUSSION/BACKGROUND

METRO has received three grant awards to purchase CNG buses. Upon notification of the first grant award, METRO staff contacted several other CNG fueled transit properties to initiate a joint procurement or locate any unneeded and available bus purchase options. All agencies contacted indicated that they would not be purchasing CNG buses in the near future as they were focusing on Zero Emission Buses, which would be electric.

The Livermore Amador Valley Transit Authority (LAVAT) issued a consortium bus request for proposals (RFP), in which Gillig was the successful proposer. The Los Angeles Department of Transportation (LADOT) was a consortium member of the LAVTA RFP and entered into a contract with Gillig for CNG buses. The LAVTA RFP allows consortium members to assign unused options to other public agencies. The Mayor of Los Angeles, Eric Garcetti, announced that L.A. Metro set a goal of being a 100% electric fleet by 2030 and would no longer purchase CNG buses. METRO staff was aware that LADOT had recently awarded a CNG bus contract to Gillig and worked with Gillig and LADOT to request six purchase options that would no longer be needed. LADOT agreed and assigned METRO options. See Attachment A for the Assignment of an Options to Purchase Agreement.

The FTA has strict guidelines on purchasing buses through this type of an agreement. METRO's purchasing staff will work with Caltrans and General Counsel to ensure this procurement meets FTA compliance.

Staff is recommending the Board of Directors authorize the purchase of six CNG buses through an option assignment from LADOT and enter into a contract with Gillig to exercise the option in an amount not to exceed \$3,953,322.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Gillig has quoted each CNG bus at a cost of \$658,887. The total cost of all six buses is \$3,953,322. The grant funding requested at the time of application submission was estimated too low. Additional funding is required to make up the difference from all three grants. There is currently funding available in the capital budget from the Bus Replacement Fund for which this is within the allowable use. Future grant applications for CNG buses will be submitted at the higher amount.

The following is a summary of the grant award and the additional funding to be used from the Bus Replacement Fund to make up the cost of the bus(es):

<u>Grant Source</u>	<u>Description</u>	<u>Grant Amount</u>	<u>Local Match</u>	<u>Bus Additional Replacement Funding</u>
STBG	1 CNG Bus	500,000	70,000	88,887
Caltrans FY13-17 5339 Discretionary	1 CNG Bus	456,955	80,639	121,293
FTA 5339b	4 CNG Buses	1,206,518	1,206,518	222,512
TOTALS	6 Buses	2,163,473	1,357,157	432,692

V. ALTERNATIVES CONSIDERED

The Board could direct the Purchasing Manager to conduct a standalone procurement for these buses. This is not recommended as it would take approximately six months before a contract would be awarded, it would delay receipt of the bus by the same amount of time, and would likely result in a higher priced bus due to the small quantity.

VI. ATTACHMENTS

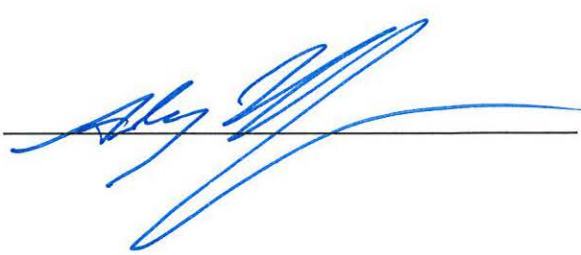
- Attachment A:** Assignment of an Options to Purchase Agreement
- Attachment B:** Contract with Gillig, LLC
- Attachment C:** Authorizing Resolution

Prepared by: Erron Alvey, Purchasing & Special Projects Director

VII. APPROVALS:

Eddie Benson, Maintenance Manager 

Approved as to fiscal impact:
Angela Aitken, Finance Manager ok low for AA

Alex Clifford, CEO/General Manager 

Attachment A

CITY OF LOS ANGELES

CALIFORNIA

Seleta J. Reynolds
GENERAL MANAGER



ERIC GARCETTI
MAYOR

DEPARTMENT OF TRANSPORTATION
100 South Main Street, 10th Floor
Los Angeles, California 90012
(213) 972-8470
FAX (213) 972-8410

June 26, 2018

Alex Clifford
CEO
Santa Cruz METRO
110 Vernon Street
Santa Cruz, California 95060

Subject: **ASSIGNMENT OF AN OPTION(S) TO PURCHASE AGREEMENT**

Dear Mr. Clifford:

The Los Angeles Department of Transportation (Assignor) hereby assigns to Santa Cruz Metropolitan Transit District (Assignee) its options from the Livermore Amador Valley Transit Authority (LAVTA) agreement #2015-08 to purchase six (6) Low Floor CNG Transit Buses from Gillig LLC. Under the LAVTA agreement the Assignor is allotted a base quantity of 45 buses with a maximum of 90 buses, which may be assigned to other agencies. The Assignor has assigned zero buses from its allotted quantity, and will be assigning the Option Vehicles from its remaining bus allotment of 90 buses. Buses will be provided at a price and under the terms and conditions contained in the LAVTA agreement dated October 5, 2016. Such option to commence per terms of Contract.

With respect to the Option Vehicles assigned hereunder and this Assignment, Assignee agrees to perform all covenants, conditions and obligations required of Assignor under said Contract and agrees to defend, indemnify and hold Assignor harmless from any liability or obligation under said Contract, Assignee further agrees to hold Assignor harmless from any deficiency or Defect in the legality or enforcement of the terms of said Contract or option to purchase thereunder. Assignee agrees and understands the Assignor is not acting as a broker or agent in this transaction and is not representing Seller or Assignee, but rather is acting as a principle in assigning its interest in the above-referenced option to purchase the Option Vehicles under the Contract to Assignee.

Assignee hereby unconditionally releases and covenants not to sue Assignor upon any claims, liabilities, damages, obligations or judgements whatsoever, in law or in equity, whether known or unknown, or claimed, which they or either of them have or claim to have in the future against Assignor, with respect to the Option Vehicles or any rights whatsoever assigned hereunder.

Attachment A

Assignment of Option(s)

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June 26, 2018

Colonne Powell

Assignor – Los Angeles Department of Transportation

Dated this 26 day of July, 2018

Assignee – Santa Cruz METRO

Dated this _____ day of _____, 20____

Attachment B

AGREEMENT FOR PURCHASE AND DELIVERY OF HEAVY-DUTY BUSES (19-12)

THIS AGREEMENT is made as of the 24th day of August, 2018, by and between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (“METRO”) and GILLIG LLC (“CONTRACTOR”).

WHEREAS, the Livermore Amador Valley Transit Authority (LAVTA) issued a Request for Proposals for Purchase and Delivery of Heavy-Duty Buses dated December 30, 2015, a copy of which is attached and incorporated as Exhibit A; and

WHEREAS, CONTRACTOR submitted a written proposal dated May 27, 2016, a copy of which is attached and incorporated as Exhibit B; and

WHEREAS, the City of Los Angeles Department of Transportation (LADOT) was a consortium member of the LAVTA procurement, awarded a contract to CONTRACTOR, and has unused options to purchase Low Floor CNG Transit Buses from CONTRACTOR; and

WHEREAS, in accordance with the terms of Exhibit A, LADOT has assigned six (6) of its aforementioned options to METRO; and

WHEREAS, METRO desires to purchase six (6) Low Floor CNG Transit Buses to be delivered over the remaining term of the LADOT Contract; and

WHEREAS, CONTRACTOR has submitted a Cost Proposal for METRO dated June 27, 2019, which costs conform to those provided in Exhibit B, a copy of which is attached and incorporated as Exhibit C.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. RENDITION OF SERVICES

The CONTRACTOR agrees to provide services to METRO in accordance with the terms and conditions of this Agreement.

2. SCOPE OF WORK

The CONTRACTOR shall perform all work and furnish all the labor, materials, tools, equipment, services, and incidentals as set forth in Exhibit A (“Work”), as supplemented by Exhibits B and C, except when inconsistent with Exhibit A.

3. TERM OF AGREEMENT

The term of this Agreement will be for a two-year term commencing upon METRO’S issuance of a written Notice to Proceed or unless sooner terminated pursuant to Section 22 of this Agreement. The CONTRACTOR shall furnish METRO with all the materials, equipment and services called for under this Agreement, and perform all other work, if any, described in the Contract Specifications.

It is further understood that the term of Contract is subject to METRO’S right to terminate the Contract in accordance with Section 22 of this Agreement.

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4. OWNERSHIP OF WORK

All reports, designs, drawings, plans, specifications, schedules, and other materials prepared, or in the process of being prepared for the services to be performed by CONTRACTOR are and shall be the property of METRO. METRO shall be entitled to copies and access to these materials during the progress of the work. Any such materials remaining in the hands of the CONTRACTOR or in the hands of any subcontractor upon completion or termination of the work shall be immediately delivered to METRO. If any materials are lost, damaged, or destroyed before final delivery to METRO, the CONTRACTOR shall replace them at its own expense and the CONTRACTOR assumes all risks of loss, damage, or destruction of or to such materials. The CONTRACTOR may retain a copy of all material produced under this Agreement for its use in its general business activities.

5. CONFIDENTIALITY

Any METRO materials to which the CONTRACTOR has access or materials prepared by the CONTRACTOR during the course of this Agreement (“confidential information”) shall be held in confidence by the CONTRACTOR, who shall exercise all reasonable precautions to prevent the disclosure of confidential information to anyone except the officers, employees and agents of the CONTRACTOR as necessary to accomplish the rendition of services set forth in Section 2 of this Agreement.

The CONTRACTOR shall not release any reports, information, or promotional materials prepared in connection with this Agreement, whether deemed confidential or not, without the approval of METRO’S General Manager.

6. USE OF SUBCONTRACTORS

The CONTRACTOR shall not subcontract any services to be performed by it under this Agreement without the prior written approval of METRO, except for service firms engaged in drawing, reprographics, typing, and printing. The CONTRACTOR shall be solely responsible for reimbursing any subcontractors and METRO shall have no obligation to them.

7. CONTRACTOR’S KEY PERSONNEL

It is understood and agreed by the parties that at all times during the term of this Agreement that **Norm Reynolds, Regional Sales Manager**, shall serve as the primary staff contact of CONTRACTOR to undertake, render, and oversee all of the services under this Agreement.

8. CHANGES

METRO may, make changes at any time, by written order, within the scope of services described in this Agreement. If such changes cause an increase or decrease in the budgeted cost of or the time required for performance of the agreed upon work, an equitable adjustment as mutually agreed shall be made in the limit on compensation as set forth in Section 16 of this Agreement. In the event that CONTRACTOR encounters any unanticipated conditions or contingencies that may affect the scope of work or services and result in an adjustment in the amount of compensation specified herein, or identifies any METRO conduct (including actions, inaction, and written or oral communications other than a formal contract modification) that the CONTRACTOR regards as a change to the contract terms and conditions, CONTRACTOR shall so advise METRO immediately upon notice of such condition or contingency. The written notice shall explain the circumstances giving rise to the unforeseen condition or contingency and

Attachment B

shall set forth the proposed adjustment in compensation. This notice shall be given to METRO prior to the time that CONTRACTOR performs work or services related to the proposed adjustment in compensation. The pertinent changes shall be expressed in a written supplement to this Agreement prior to implementation of such changes. Failure to provide written notice and receive METRO approval for extra work prior to performing extra work may, at METRO'S sole discretion, result in nonpayment of the invoices reflecting such work.

9. CLAIMS OR DISPUTES

The CONTRACTOR shall be solely responsible for providing timely written notice to METRO of any claims for additional compensation and/or time in accordance with the provisions of this Agreement. It is METRO'S intent to investigate and attempt to resolve any CONTRACTOR claims before the CONTRACTOR has performed any disputed work. Therefore, CONTRACTOR's failure to provide timely notice shall constitute a waiver of CONTRACTOR's claims for additional compensation and/or time.

The CONTRACTOR shall not be entitled to the payment of any additional compensation for any cause, including any act, or failure to act, by METRO, or the failure or refusal to issue a modification, or the happening of any event, thing, or occurrence, unless it has given METRO due written notice of potential claim. The potential claim shall set forth the reasons for which the CONTRACTOR believes additional compensation may be due, the nature of the costs involved, and the amount of the potential claim.

If based on an act or failure to act by METRO, such notice shall be given to METRO prior to the time that the CONTRACTOR has started performance of the work giving rise to the potential claim for additional compensation. In all other cases, notice shall be given within 10 days after the happening of the event or occurrence giving rise to the potential claim.

If there is a dispute over any claim, the CONTRACTOR shall continue to work during the dispute resolution process in a diligent and timely manner as directed by METRO, and shall be governed by all applicable provisions of the Contract. The CONTRACTOR shall maintain cost records of all work which is the basis of any dispute.

If an agreement can be reached which resolves the CONTRACTOR claim, the parties will execute a Contract modification to document the resolution of the claim. If the parties cannot reach an agreement with respect to the CONTRACTOR claim, they may choose to pursue a dispute resolution process or termination of the contract.

10. DISADVANTAGED BUSINESS ENTERPRISES

METRO, as a recipient of Federal financial assistance from the Federal Transit Administration (FTA), is committed to and has adopted a Disadvantaged Business Enterprise (DBE) Program for Contracts in accordance with Federal regulations 49 CFR §26, issued by the U.S. Department of Transportation (DOT).

It is the policy of METRO to ensure non-discrimination in the award and administration of all contracts and to create a level playing field on which Disadvantaged Business Enterprises (DBE) can compete fairly for contracts and subcontracts relating to METRO'S construction, procurement, and professional services activities. To this end, METRO has developed procedures to remove barriers to DBE participation in the bidding and award process and to assist DBEs to develop and compete successfully outside of the DBE Program. Concerning the performance of this contract, the CONTRACTOR will cooperate with METRO in meeting these commitments and objectives.

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Pursuant to 49 CFR §26.13, and as a material term of any agreement with METRO, the CONTRACTOR hereby makes the following assurance and agrees to include this assurance in any agreements it makes with subcontractors in the performance of this contract:

“The CONTRACTOR or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The CONTRACTOR shall carry out applicable requirements of 49 CFR §26 in the award and administration of U.S. DOT-assisted contracts. Failure by the CONTRACTOR or subcontractor to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy, as METRO deems appropriate.”

11. EQUAL EMPLOYMENT OPPORTUNITY (EEO)

In connection with the performance of this Agreement the CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, sex, gender, sexual orientation, age (over 40), marital status, pregnancy, medical condition, or disability as specified in federal, State, and local laws. The CONTRACTOR shall take affirmative actions to ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, disability, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. CONTRACTOR further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

12. CONFLICT OF INTEREST

Depending on the nature of the work performed, a CONTRACTOR of METRO is subject to the same conflict of interest prohibitions established by the Federal Transit Administration and California law that govern METRO employees and officials (Cal. Govt. Code Section 1090 et seq. and Cal. Govt. Code Section 87100 et seq.). During the proposal process or the term of the Agreement, CONTRACTOR and their employees may be required to disclose financial interests.

The CONTRACTOR warrants and represents that it presently has no interest and agrees that it will not acquire any interest that would present a conflict of interest under California Government Code §1090 et seq. or §87100 et seq. during the performance of services under this Agreement. The CONTRACTOR further covenants that it will not knowingly employ any person having such an interest in the performance of this Agreement. Violation of this provision may result in this Agreement being deemed void and unenforceable.

Depending on the nature of the work performed, CONTRACTOR may be required to publicly disclose financial interests under METRO’s Conflict of Interest Code. Upon receipt, the CONTRACTOR agrees to promptly submit a Statement of Economic Interest on the form provided by METRO.

No person previously in the position of Director, Officer, employee or agent of METRO may act as an agent or attorney for, or otherwise represent the CONTRACTOR by making any formal or informal appearance, or any oral or written communication, before METRO, or any Officer or employee of METRO, for a period of twelve months after leaving office or employment with METRO if the appearance or communication is made for the purpose of influencing any action involving the issuance, amendment, award or revocation of a permit, license, grant, or contract.

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13. PROHIBITED INTEREST

No member, officer, or employee of METRO during his or her tenure or for one year after that tenure shall have any interest, direct or indirect, in this Agreement or the proceeds under this Agreement, nor shall any such person act as an agent or attorney for, or otherwise represent, a Bidder or Contractor/Consultant by making a formal or informal appearance, or any oral or written communication, before METRO, or any officer or employee of METRO, for a period of one year after leaving office or employment with METRO if the appearance or communication is made for the purpose of influencing any action involving the issuance, amendment, award or revocation of a Contract.

14. RESPONSIBILITY: INDEMNIFICATION

The CONTRACTOR shall indemnify, keep and save harmless METRO, and its directors, officers, agents and employees against any and all suits, claims, or actions arising out of any injury to persons or property, including but not limited to damages arising from the infringement of intellectual property rights of third parties, that may occur, or that may be alleged to have occurred, arising from the performance of this Agreement by the CONTRACTOR caused by a negligent act or omission of the CONTRACTOR or its employees, subcontractors or agents. The CONTRACTOR further agrees to defend any and all such actions, suits, or claims and pay all charges of attorneys and all other incurred costs and expenses. If any judgment is rendered against METRO or any of the other individuals enumerated above in any such action, CONTRACTOR shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination or expiration of this Agreement.

15. INSURANCE

The insurance requirements specified in this section shall apply to CONTRACTOR and any subcontractors, suppliers, temporary workers, independent contractors, leased employees, or any other persons, firms or corporations that CONTRACTOR authorizes to work under this Agreement (hereinafter collectively referred to as "Agents"). CONTRACTOR is required to procure and maintain at its sole cost and expense the insurance coverages subject to all of the requirements set forth below. CONTRACTOR is also required to assess the risks associated with the work to be performed by Agents under subcontract and to include in every subcontract the requirement that the Agent maintain adequate insurance coverages with appropriate limits and endorsements to cover risks; the limit for the commercial general liability insurance in each subcontract shall not be less than **\$1 million**. Such insurance shall remain in full force and effect throughout the term of this Agreement. To the extent that any Agent does not procure and maintain such insurance coverage, CONTRACTOR shall be responsible for said coverage and assume any and all costs and expenses that may be incurred in securing said coverage or in fulfilling CONTRACTOR's indemnity obligation as to itself or any of its Agents in the absence of coverage. In the event CONTRACTOR or its Agents procure excess or umbrella coverage to maintain certain requirements outlined below, these policies shall also satisfy all specified endorsements and stipulations, including provisions that the CONTRACTOR's insurance be primary without any right of contribution from METRO. Prior to beginning work under this contract, CONTRACTOR shall provide METRO with satisfactory evidence of compliance with the insurance requirements of this section.

A. Types of Insurance

1. Workers' Compensation and Employers' Liability Insurance

- (a) Workers' Compensation with Statutory Limits, as required by Section 3700 et seq. of the California Labor Code, or any subsequent amendments or successor acts thereto governing the liability of employers to their employees.

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- (b) Employer's Liability coverage with minimum limits of **\$1 million**.
- (c) Such insurance shall include the following endorsement as further detailed in the Endorsements Section below:
 - Waiver of Subrogation.

2. Commercial General Liability Insurance

Commercial General Liability insurance for bodily injury and property damage coverage with a combined single limit for bodily injury and property damage of at least **\$1 million** per occurrence or claim and a general aggregate limit of at least **\$1 million**. Such insurance shall cover all of CONTRACTOR's operations both at and away from the project site.

- (a) This insurance shall include coverage for, but not be limited to:
 - Premises and operations.
 - Products and completed operations.
 - Contractual liability.
 - Personal injury.
 - Advertising injury.
 - Explosion, collapse, and underground coverage (xcu).
 - Broad form property damage.
- (b) Such insurance shall include the following endorsements as further detailed in the Endorsements Section below:
 - Additional Insured.
 - Cross Liability or Severability of Interests Clause.
 - Primary and Non-Contributory wording.
 - Waiver of Subrogation.

Products and completed operations insurance shall be maintained for three years following termination of this Agreement.

3. Automobile Liability Insurance

Business Automobile Liability insurance providing bodily injury and property damage with a combined single limit of at least **\$1 million** per occurrence.

- (a) This insurance shall include coverage for, but not be limited to:
 - All Owned vehicles.
 - Non-owned vehicles.
 - Hired or rental vehicles.
- (b) Such insurance shall include the following endorsements as further detailed in the Endorsements Section below:
 - Additional Insured.
 - Primary and Non-Contributory wording.
 - Waiver of Subrogation.

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4. Property Insurance

Property and/or transit insurance, whichever is applicable, with Special Form coverage including theft but excluding earthquake, with limits at least equal to the replacement cost of the property described below.

(a) This insurance shall include coverage for, but not be limited to:

- CONTRACTOR's own business personal property and equipment to be used in performance of this Agreement.
- Materials or property to be purchased and/or installed on behalf of METRO, if any.
- Debris removal.
- Builders risk for property in the course of construction.

(b) Such insurance shall include the following endorsement as further detailed in the Endorsements Section below:

- Waiver of Subrogation.

B. Endorsements

1. Additional Insured

The referenced policies and any Excess or Umbrella policies shall include as Additional Insureds METRO and its directors, officers, employees, volunteers and agents while acting in such capacity, and their successors or assignees, as they now, or as they may hereafter be constituted, singly, jointly or severally.

2. Waiver of Subrogation

The referenced policies and any Excess or Umbrella policies shall contain a waiver of subrogation in favor of METRO and its officers, directors, employees, volunteers and agents while acting in such capacity, and their successors and assignees, as they now, or as they may hereafter be constituted, singly, jointly or severally.

3. Primary Insurance

The referenced policies and any Excess or Umbrella policies shall indicate that they are primary to any other insurance and the insurance company(ies) providing such policy(ies) shall be liable thereunder for the full amount of any loss or claim, up to and including the total limit of liability, without right of contribution from any of the insurance affected or which may be affected by METRO.

4. Severability of Interests or Cross Liability

The referenced policies and any Excess or Umbrella policies shall contain either a Cross Liability endorsement or Severability of Interests Clause and stipulate that inclusion of METRO as an Additional Insured shall not in any way affect METRO's rights either as respects any claim, demand, suit or judgment made, brought or recovered against the CONTRACTOR. Said policy shall protect CONTRACTOR and METRO in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance company's liability as set forth in its policy beyond the amount or

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amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.

C. Evidence of Insurance

All Coverages - Prior to commencing work or entering onto the Property, CONTRACTOR shall provide the Maintenance Manager of METRO with a certificate evidencing coverage, and upon request, a certified duplicate original of the policy. The certificate shall also show that the CONTRACTORS' policy(ies) will not be cancelled or coverage altered without 30 days prior written notice to METRO's Maintenance Manager.

D. General Provisions

1. Notice of Cancellation

The policies shall provide that the CONTRACTORS' policies will not be cancelled or have limits reduced or coverage altered without 30 days prior written notice to METRO's Maintenance Manager.

2. Acceptable Insurers

All policies will be issued by insurers acceptable to METRO (generally with a Best's Rating of A- 10 or better).

3. Self-insurance

Upon evidence of financial capacity satisfactory to METRO and CONTRACTOR's agreement to waive subrogation against METRO respecting any and all claims that may arise, CONTRACTOR's obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance.

4. Failure to Maintain Insurance

All insurance specified above shall remain in force until all work to be performed is satisfactorily completed, all of CONTRACTOR's personnel and equipment have been removed from METRO property, and the work has been formally accepted. The failure to procure or maintain required insurance and/or an adequately funded self-insurance program will constitute a material breach of this Agreement.

E. Claims Made Coverage

If any insurance specified above shall be provided on a claim-made basis, then in addition to coverage requirements above, such policy shall provide that:

1. Policy retroactive date coincides with or precedes the CONTRACTOR's start of work (including subsequent policies purchased as renewals or replacements).
2. CONTRACTOR shall make every effort to maintain similar insurance for at least three years following project completion, including the requirement of adding all named insureds.
3. If insurance is terminated for any reason, CONTRACTOR agrees to purchase an extended reporting provision of at least three years to report claims arising from work performed in connection with this Agreement.

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4. Policy allows for reporting of circumstances or incidents that might give rise to future claims.

F. Deductibles and Retentions

CONTRACTOR shall be responsible for payment of any deductible or retention on CONTRACTOR's policies without right of contribution from METRO.

16. COMPENSATION

The CONTRACTOR agrees to perform all the services included in Section 2, in accordance with the cost information provided in its Cost Proposal to METRO, Exhibit C, which shall include all labor, materials, taxes, profit, overhead, insurance, delivery costs, subcontractor costs, warranty, bonding, and other costs and expenses incurred by the CONTRACTOR.

The CONTRACTOR's Base Offer per Bus as submitted on Exhibit C, Cost Proposal, shall remain firm during the first 180 days of this Contract. After the initial 180 days of the Contract, the CONTRACTOR will be allowed, upon written request, to adjust prospectively the Base Offer per Bus based on the Producer Price Index (PPI). If requested, the Base Offer per Bus shall be that quoted plus/minus any adjustment which will be calculated based on the U.S. Department of Labor/Bureau of Labor Statistics Producer Price Index (PPI) Category 1413, "Trucks and Bus Bodies" formula as described in the Section 13.T of Appendix A. However, in no event will the price(s) for any order issued exceed, by more than five percent, the price(s) that would have been in effect 12 months prior to the date of issuance of the order.

17. MANNER OF PAYMENT

METRO shall pay the full price of each bus upon issuance of final acceptance of the bus and receipt of an approved invoice, as provided for in Exhibit A. Invoice entries shall conform to the rates specified in the Cost Proposal, Exhibit C, as agreed upon. METRO will endeavor to pay approved invoices within 30 days of their receipt. Invoices shall be mailed or delivered to METRO at 110 Vernon Street, Santa Cruz, CA 95060.

18. CONTRACTOR'S STATUS

Neither the CONTRACTOR nor any party contracting with the CONTRACTOR shall be deemed to be an agent or employee of METRO. The CONTRACTOR is and shall be an independent CONTRACTOR and the legal relationship of any person performing services for the CONTRACTOR shall be one solely between that person and the CONTRACTOR.

19. ASSIGNMENT

The CONTRACTOR shall not assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of METRO.

20. METRO WARRANTIES

METRO makes no warranties, representations, or agreements, either express or implied, beyond such as are explicitly stated in this Agreement.

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21. METRO REPRESENTATIVE

Except when approval or other action is required to be given or taken by the Board of Directors of METRO, METRO'S Maintenance Manager or such person or persons as they shall designate in writing from time to time, shall represent and act for METRO.

22. TERMINATION

A. Termination for Convenience

The performance of Work under this Agreement may be terminated by METRO in accordance with this clause in whole, or from time to time in part, whenever METRO determines that such termination is in the best interest of METRO. Any such termination shall be effected by delivery to the CONTRACTOR of a notice of termination specifying the extent to which performance of Work under the Agreement is terminated, and the date upon which such termination becomes effective.

After receipt of a notice of termination, and except as otherwise directed by METRO, the CONTRACTOR shall do the following:

- Stop Work under the Agreement on the date and to the extent specified in the notice of termination.
- Place no further orders or subcontracts for materials, services or facilities, except as may be necessary for completion of such portion of the Work under the Agreement as is not terminated.
- Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination; assign to METRO in the manner, at the times, and to the extent directed by METRO, all of the right, title and interest of the CONTRACTOR under the orders and subcontracts so terminated, in which case METRO shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of METRO, to the extent he or she may require, which approval or ratification shall be final for all the purposes of this clause.
- Transfer title to METRO and deliver in the manner, at the times and to the extent, if any, directed by METRO the fabricated or unfabricated parts, Work in process, completed Work, supplies and other material produced as part of, or acquired in connection with the performance of, the Work terminated, and the completed or partially completed plans, drawings, information and other property which, if the Agreement had been completed, would have been required to be furnished to METRO.
- Use its best efforts to sell, in the manner, at the times, to the extent, and at the price(s) directed or authorized by METRO, any property of the types referred to above, provided, however, that the CONTRACTOR shall not be required to extend credit to any purchaser, and may acquire any such property under the conditions prescribed by and at prices approved by METRO, and provided further that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by METRO to the CONTRACTOR under

Attachment B

this Agreement or shall otherwise be credited to the price or cost of the Work covered by this Agreement or paid in such other manner as METRO may direct.

- Complete performance of such part of the Work as shall not have been terminated by the notice of termination.
- Take such action as may be necessary, or as METRO may direct, for the protection or preservation of the property related to this Agreement that is in the possession of the CONTRACTOR and in which METRO has or may acquire an interest.

The CONTRACTOR shall be paid its costs, including reasonable Agreement close-out costs, and profit on Work performed up to the time of termination. The CONTRACTOR shall promptly submit its termination claim to METRO to be paid the CONTRACTOR. Settlement of claims by the CONTRACTOR under this termination for convenience clause shall be in accordance with the provisions set forth in Part 49 of the Federal Acquisition Regulations (48 CFR 49) except that wherever the word "Government" appears, it shall be deleted and the word "METRO" shall be substituted in lieu thereof.

B. Termination for Default

METRO may, by written notice of default to the CONTRACTOR, terminate the whole or any part of this Agreement if the CONTRACTOR fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof; or if the CONTRACTOR fails to perform any of the other material provisions of the Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of ten (10) business days, or such longer period as METRO may authorize in writing, after receipt of notice from METRO specifying such failure.

If the Agreement is terminated in whole or in part for default, METRO may procure, upon such terms and in such manner as METRO may deem appropriate, supplies or services similar to those so terminated. The CONTRACTOR shall be liable to METRO for any excess costs for such similar supplies or services and shall continue the performance of this Agreement to the extent not terminated under the provisions of this clause.

Except with respect to defaults of Subcontractors, the CONTRACTOR shall not be liable for any excess costs if the failure to perform the Agreement arises out of a cause beyond the control and without the fault or negligence of the CONTRACTOR. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the CONTRACTOR and Subcontractor, and without the fault or negligence of either of them, the CONTRACTOR shall not be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the Subcontractor were obtainable from other sources and in sufficient time to permit the CONTRACTOR to meet the required delivery schedule.

Payment for completed supplies delivered to and accepted by METRO shall be at the Agreement price. METRO may withhold from amounts otherwise due the CONTRACTOR for such completed supplies such sum as METRO determines to be necessary to protect METRO against loss because of outstanding liens or claims of former lien holders.

If, after notice of termination of this Agreement under the provisions of this clause, it is determined for any reason that the CONTRACTOR was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, then the rights

Attachment B

The CONTRACTOR must comply with all federal, State, and local laws, rules, and regulations applicable to the Agreement and to the work to be done hereunder, including all rules and regulations of METRO.

27. RIGHTS AND REMEDIES OF METRO

The rights and remedies of METRO provided herein shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Agreement.

28. BINDING ON SUCCESSORS

All of the terms, provisions, and conditions of this Agreement shall be binding upon and insure to the benefit of the parties and their respective successors, assigns and legal representatives.

29. SURVIVAL OF TERMS

The following sections shall survive the nominal expiration or discharge of other Agreement obligations, and METRO may obtain any remedy under law, Agreement or equity to enforce the obligations of the CONTRACTOR that survive the manufacturing, warranty and final payment periods:

- “Intellectual Property Warranty” – Exhibit A, Section 13.U.
- “Data Rights” – Exhibit A, Section 13.V.
- “Responsibility/Indemnification” – Section 14
- “Applicable Law” – Section 26
- “Disputes” – Section 9
- “Confidentiality” – Section 5
- “Parts Availability Guarantee” – Exhibit A, Section 13.Q.
- “Maintenance, Audit and Inspection of Records” – Section 23
- “Training” – Exhibit A, Section 13.R.

30. COMPLIANCE WITH LAWS AND REGULATIONS

The CONTRACTOR shall at all times comply with all applicable laws, regulations, policies, procedures and directives (together, the “Law”), including without limitation, FTA regulations, policies, procedures and directives, including those listed directly or by reference in the agreement between METRO and FTA that funds any part of this Agreement, as they may be amended or promulgated from time to time during the term of this Agreement. CONTRACTOR’s failure to so comply shall constitute a material breach of this Agreement.

31. ACCEPTANCE OF ELECTRONIC SIGNATURES AND COUNTERPARTS

The parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into this Contract will be considered executed when the signature of a party is delivered by scanned image as an attachment to electronic mail. Such scanned signature must be treated in all respects as having the same effect as an original signature. Each party further agrees that this Contract may be executed in two or more counterparts, all of which constitute one and the same instrument.

Attachment B

32. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

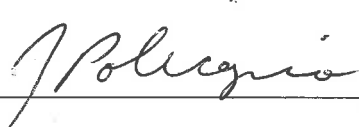
IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

Alex Clifford, CEO/General Manager

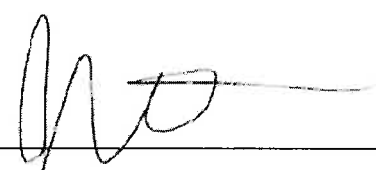
CONTRACTOR –
GILLIG LLC

Joseph Policarpio, Vice President



Approved as to Form:

Julie A. Sherman, METRO General Counsel



GILLIG

June 27, 2018

Mr. Eddie E. Benson
Maintenance Manager
Santa Cruz Metropolitan Transit District (METRO)
138 Golf Club Drive
Santa Cruz, CA 95060

**RE: PRICE QUOTE FOR (6) 40' CNG BRT *PLUS* LOW FLOOR BUSES
(3RD REVISION)**

Dear Mr. Benson,

Thank you for your interest in purchasing six (6) 40' CNG BRT Low Floor Buses by using the six (6) assigned L.A. DOT options from the Livermore Amador Valley Transit Authority (LAVTA) contract (RFP # 2015-08). This revised quotation includes the requested changes made at our meetings at METRO on June 26, 2018 and June 7, 2018. Gillig is pleased to quote the following:

SIX (6) 40' CNG BRT *PLUS* LOW FLOOR BUSES - \$658,886.60 EACH

This price is valid for 30 days. Price includes 9.00% California Sales Tax (\$51,852.60) and the 1.00% Spares / Tooling Budget (\$5,704.00).

Delivery will be within 18 months from receipt of purchase order.

We thank you for this opportunity and appreciate your interest in Gillig and our products. We certainly look forward to working with METRO and in so doing, beginning to build a long-term partnership. Should you have any questions about this quotation, please do not hesitate to contact me at 510-264-5091.

Sincerely,



Norm Reynolds
Regional Sales Manager
Gillig LLC

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Attachment C



BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.
On the Motion of Director:
Duly Seconded by Director:
The Following Resolution is Adopted:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING A CONTRACT WITH GILLIG, LLC FOR SIX (6) CNG BUSES USING ASSIGNED PURCHASE OPTIONS FROM THE LOS ANGELES DEPARTMENT OF TRANSPORTATION

WHEREAS, the Santa Cruz Metropolitan Transit District (METRO) has a need for six (6) CNG buses for fixed-route service;

WHEREAS, the Livermore Amador Valley Transit Authority (LAVAT) issued a consortium bus request for proposals (RFP), in which Gillig, LLC (Gillig) was the successful proposer;

WHEREAS, the Los Angeles Department of Transportation (LADOT) was a consortium member of the LAVTA RFP and entered into a contract with Gillig for CNG buses;

WHEREAS, the LAVTA RFP allows consortium members to assign unused options to other public agencies;

WHEREAS, LADOT is offering to assign METRO six (6) options at the prices and under the terms of the LAVTA RFP;

WHEREAS, staff recommends the Board of Directors authorize a contract with Gillig for the six (6) assigned CNG buses.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AS FOLLOWS:

THAT, the Purchasing Manager is authorized to obtain and exercise the contract purchase options assigned to the Santa Cruz Metropolitan Transit District by the Los Angeles Department of Transportation for the services and/or supplies described above; and

Attachment C

Resolution No. _____
Page 2

THAT, the CEO is authorized to execute a contract with Gillig, LLC on behalf of the Santa Cruz Metropolitan Transit District in an amount not to exceed \$3,953,222.

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District this 24th day of August, 2018 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:

Bruce McPherson, Board Chair

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie A. Sherman, General Counsel



DATE: August 24, 2018
TO: Board of Directors
FROM: Ciro Aguirre, Chief Operations Officer
SUBJECT: CONSIDERATION OF AGREEMENT WITH THE SANTA CRUZ CITY FOR THE CITY'S PUBLIC WORKS DEPARTMENT'S USE OF THE METRO FUELING FACILITY AT 1200-B RIVER STREET TO FUEL THE PUBLIC WORKS CNG REFUSE TRUCKS

I. RECOMMENDED ACTION

That the Board of Directors authorize METRO's CEO to enter into a Compressed Natural Gas Fueling Agreement allowing the City of Santa Cruz Public Works Department to refuel CNG Refuse Trucks at the Santa Cruz METRO fueling facility for a five (5) year period

II. SUMMARY

- March 13, 2018, Santa Cruz Metropolitan Transit District (METRO) received a request from City of Santa Cruz Public Works Director seeking assistance in fueling the City's fleet of new CNG refuse trucks.
- Public Works has been fueling equipment at the PG&E 7th Street "Slow Fill" CNG Facility in Santa Cruz.
- Public Works expressed interest in fueling its CNG fleet of refuse trucks at METRO's fueling facility, because of proximity to their maintenance yard and METRO's "Fast Fill" capability.
- The City and METRO reached agreement on business terms, which terms are reflected in the attached (see Attachment A) Compressed Natural Gas Fueling Agreement (Agreement).
- Staff recommends that the METRO Board of Directors authorize the Agreement between METRO and the City of Santa Cruz for the use of METRO's fueling facility.

III. DISCUSSION/BACKGROUND

METRO received a request from the Santa Cruz City Public Works Department to allow the use of its fueling facility located at 1200B River Street, Santa Cruz for refueling six of the City's CNG refuse trucks.

Public Works has been fueling their newly purchased CNG refuse trucks at the PG&E slow fill facility at 615 7th Ave. in Santa Cruz since March 2018. Because these vehicles have larger CNG fuel tanks, the slow fill facility requires a

significant amount of time to fuel each vehicle in addition to extended travel time to reach the facility.

Public Works discussed its interest in having these larger vehicles fueled at METRO's fueling facility Monday through Friday, 10:00AM and 1:00PM, due to its fast fill capability and the close proximity of the fueling facility to the City's maintenance yard where the refuse trucks are stored. It has been determined that the scheduled time noted will not interfere with METRO operations.

Public Works expressed that allowing the trucks to be fueled at METRO's fueling facility will reduce travel time to the PG&E facility and will reduce fueling times because fast fill would require 5 – 8 minutes to refuel each truck. Training, recordkeeping and monitoring of fueling processes will be performed with METRO staff involvement.

Discussions were held regarding the requirements METRO would have (e.g., cost recovery, indemnification, and insurance) in order to proceed with an agreement allowing the Public Works vehicles to fuel at 1200B River Street, to which the City's Legal Department has agreed to. The Agreement will be effective August 2018 through August 2023, authorizing the use of METRO's fueling facility for a 5 year period (see Attachment A).

Staff recommends the Board of Directors authorize the CEO/GM to execute the Agreement.

IV. FINANCIAL CONSIDERATIONS

City will be billed on monthly basis. Billing will consist of the cost of fuel calculated in Gasoline Gallon Equivalent (GGE) not Diesel Gallon Equivalent (DGE), and will reflect any fluctuations in price of delivered fuel. Billing will also include Cost to Dispense fuel that will be added as a per GGE that will cover staff time, overhead and maintenance expenses calculated at \$1.11 per GGE above the cost of fuel. A 3% annual escalator will be added to the dispensing fee for the term of the Agreement.

V. ALTERNATIVES CONSIDERED

Do not authorize fueling of Public Works vehicles at METRO's fueling facility. This is not recommended. The opportunity to work collaboratively in allowing Public Works to use the METRO's fueling facility will reduce City expenses and assist METRO in defraying fueling facility maintenance costs.

VI. ATTACHMENTS

Attachment A: Compressed Natural Gas Fueling Agreement

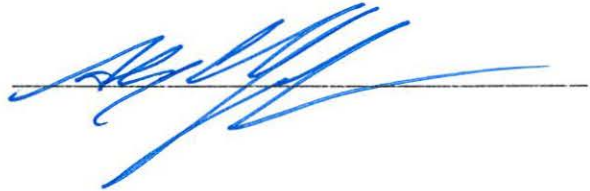
Prepared by: Ciro Aguirre, COO

VII. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, CFO

allow for AA

Alex Clifford, CEO/General Manager



Attachment A

COMPRESSED NATURAL GAS FUELING AGREEMENT

BY AND BETWEEN CITY OF SANTA CRUZ

AND SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

This Agreement is entered into by and between the City of Santa Cruz (“City”) and Santa Cruz Metropolitan Transit District (“METRO”) with respect to the following.

WHEREAS, City is a full-service California charter city which, among other governmental services, provides refuse collection services via a fleet of solid waste, recycling and green waste collection vehicles, including vehicles that operate on compressed natural gas (“CNG”) fuel; and

WHEREAS, METRO provides public transit services via fleet vehicles that operate on CNG, and which are refueled at METRO’s Fueling Facility (MFF) at 1200B, River Street, Santa Cruz; and

WHEREAS, City and METRO have separately agreed that City will purchase CNG from METRO and that authorized City fleet vehicle operators to utilize METRO’s CNG refueling station to refuel City CNG-powered fleet vehicles, subject to the terms of this indemnification agreement.

NOW, THEREFORE, the City of Santa Cruz and METRO agree as follows:

1. City agrees to purchase and METRO agrees to provide CNG pursuant to the terms of this Agreement.
2. City agrees to provide a written list of vehicles, including make, model, year, and vehicle identification number, which will be using CNG. The City agrees to notify METRO if any of the vehicles are taken out of service, no longer fueled by CNG, or other vehicles converted to use CNG. No more than six City vehicles will be authorized to using the METRO Fueling Facility without prior approval by METRO.
3. This Agreement includes Exhibit A (CNG Fueling Procedure) and Exhibit B (IRS Model Certificate) and Exhibit C (Purchase Price). All Exhibits are incorporated into and made a part of this Agreement. Exhibits may be amended from time-to-time in accordance with this Agreement. All applicable METRO gas rules in effect at the time of execution and any amendments thereto during the term of this Agreement are incorporated in this Agreement by reference.
4. All fueling will be provided at METRO Fueling Facility, located at 1200B River Street.
5. Prior to utilizing the METRO Fueling Facility, a set schedule will be agreed upon including the dates and times City will be fueling its vehicles for the ensuing year, which shall remain in place unless an alternative schedule is mutually agreed upon.
6. Training certification will be required for each new individual who may fuel a natural gas vehicle. METRO in coordination with City Public Works Department will provide employee training and certification to perform the CNG fueling process for each of the vehicles when they arrive daily. City personnel not certified in CNG fueling process will not be authorized to dispense fuel.
7. A list of personnel to receive training on dispensing fuel will be provided to METRO by the Public Works Department and each such employee will receive a Fuel Fob to activate the CNG fueling session.

Attachment A

Any changes in personnel that are to perform CNG fueling processes will be communicated to METRO in advance in order to schedule and ensure proper training and certification.

8. City personnel will be required to use issued Fuel Fob to initiate system then will be required to enter Assigned Operator #, Vehicle #, and Vehicle Mileage. In addition, each employee will manually fill out a log that will be located at the Fueling Station reflecting Date, Time, Assigned Operator #, Vehicle #, Vehicle Mileage, and Gallons dispensed for each vehicle fueled. It is encouraged that the City create its own tracking system for Checks and Balances.

9. Training and certification of City personnel on CNG fueling processes will consists of three (3) complete fueling sessions, per employee, observed by a METRO Maintenance Supervisor, who upon satisfactory completion of these sessions, will certify the employees authorized to utilize the METRO Fueling Facility fuel the vehicles. Once training is satisfactorily completed, trained City personnel will perform functions of dispensing CNG fuel to vehicles in accordance with METRO requirements and procedures (See Exhibit A, attached hereto).

10. City shall maintain in force public liability and property damage insurance, or self-insurance, in the amounts set forth herein, to cover all awards of judgments for any death, injury, loss or damage arising out of the performance of the work by City. Business, Auto and Public Liability Insurance shall be in the amount of not less than One Million Dollars and No Cent (\$1,000,000.00) for injuries, including accidental death, to any one person, and subject to the same limit for each person in an amount not less than One Million Dollars and No Cent (\$1,000,000.00) per occurrence. City shall file with the METRO, prior to execution of this Agreement, evidence that the stipulated liability coverage is in effect and that thirty (30) days written notice will be given to METRO prior to cancellation or reduction in coverage thereof. METRO, its officers, employees, and agents shall be named as additional insureds under the policies.

11. City agrees to defend, indemnify and hold harmless METRO, and each of METRO's agents, directors, officers and employees from and against all claims, damages, losses, liabilities, expenses and other costs including litigation costs and attorney's fees from every cause ("liability"), including but not limited to injury to person or property or wrongful death, arising from or alleged to having arisen from any negligent acts or omissions of the City or its agents, officers, employees or volunteers resulting from City's utilizing METRO's CNG refueling station for refilling City's CNG-powered fleet vehicles, except to the extent that such liability is caused by the negligence, recklessness or willful misconduct of METRO, or its agents, officers, employees or volunteers. City shall bear full and exclusive responsibility for any release of CNG caused by its employees or agents during the course of performance of this Agreement. City shall be solely responsible for all claims and expenses associated with the response to, removal and remediation of the release, including, without limit, payment of any fines or penalties levied against METRO by any agency as a result of such release and shall hold harmless, indemnify and defend METRO from any claims arising from such release.

12. In the event of unforeseen circumstances affecting the delivery of Liquefied Natural Gas to METRO's fueling facility results in a limited supply of fuel available, METRO buses will take first priority in having available fuel dispensed.

13. City will be billed on Monthly basis. Billing will consists of the cost of fuel calculated in Gasoline Gallon Equivalent (GGE) not Diesel Gallon Equivalent (DGE), and will reflect any fluctuations in price of

Attachment A

delivered fuel in accordance with GGE conversion formula (LNG delivered X 0.636 = GGE equivalent delivered. Cost of fuel divided by GGE equivalent delivered = 1 GGE). Billing will also include Cost to Dispense fuel that will be added as a per Gasoline Gallon Equivalent (GGE). Cost to Dispense fuel will have a 3% escalator per year effective on Agreement anniversary date.

14. Either party may terminate this agreement without cause by providing the other party with not less than sixty (60) days written notice of termination.

15. Any communications concerning fueling requests shall be in writing or in electronic form via an email or an internet message. Written communications can be delivered either by hand or by certified delivery to the appropriate address, as follows:

To the City:

Public Works Department
809 Center Street
Santa Cruz, CA 95060

To METRO:

Maintenance Department
138 Golf Club Drive
Santa Cruz, CA 95060

17. Either party must designate by written notice any change of address to which formal communications should be sent. Formal communications shall be deemed effective when received.

18. This Agreement does not change the obligations, restrictions or rights contained in other agreements between the parties unless expressly indicated in this Agreement. City and METRO agree that all understandings between them regarding this Agreement are set forth or referenced in this Agreement. No agreements, representations, memoranda, or other forms of communication, written or oral, exchanged before the signing of this Agreement, shall be grounds for altering or interpreting the terms of this Agreement.

CITY OF SANTA CRUZ

Dated: _____

By: _____
Martin Bernal, City Manager

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Dated: _____

By: _____
Alex Clifford, CEO/GM

Attachment A

Exhibit A
Fueling Procedure

DRAFT

Attachment A

SANTA CRUZ METRO CERTIFICATE OF INSTRUCTION FOR FUELING NATURAL GAS VEHICLES

Name: _____

Instructions: One form is to be completed for each individual who may fuel a natural gas vehicle. Each individual shall receive one formal training session and will sign and date this form at the successful completion of: three fueling transactions, activation of emergency shutdown device, operation of vehicle manual shutoff device, and operation of local fire extinguisher.

How to Safely Fuel Natural Gas Vehicles

The following procedures are to be followed:

1. Before fueling, employees are to wear proper Personal Protection Equipment (PPE) as posted, and a high visibility vest.
2. No smoking or open flame is allowed within 50 feet of the fueling area.
3. Vehicle fuel storage cylinders not in compliance with DOT or NHTSA regulations are not to be refueled.
4. Vehicle must be shut off during fueling.
5. Vehicle emergency brake must be set during fueling.
6. Open fuel door, if equipped, and remove protective cap on vehicle fueling receptacle.
7. Remove fueling nozzle from dispenser
8. Inspect fueling hose and nozzle for damage prior to making connection.
9. Make nozzle/receptacle connection and ensure nozzle is securely locked to receptacle.
10. Swipe fueling fob near fob reader and enter required information.]
11. Turn dispenser on by pressing the on button.
12. Shut off dispenser by pressing the off button after flow stops registering on dispenser.
13. Turn fueling valve handle at the nozzle to vent position.
14. Place fueling nozzle back on dispenser.

Safety Device Location and Operation

The following safety devices are to be successfully located and instructed on the operation of the devices:

1. Emergency shutdown device
2. Vehicle manual shutoff device
3. Fire extinguisher

I hereby certify that the instructions for fueling a compressed natural gas vehicle and locating and operating associated safety devices as outline above were given to me by an employee of (company name), and that I successfully completed three fueling transactions and located and operated all indicated safety devices on the date indicated below.

_____	_____	_____
Date of Instruction	Operator's signature	Trainer Signature

I hereby further certify that I will not permit any non-certified person to use my vehicle fueling fob for fueling of any natural gas vehicle.

_____	_____	_____
Operator's Name	Operator's Signature	Date

Attachment A

IRS Model Certificate

Model Certificate J

CERTIFICATE OF PERSON BUYING COMPRESSED NATURAL GAS (CNG) FOR A NONTAXABLE USE (To support tax-free sales of CNG under section 4041 of the Internal Revenue Code.)
_____ Name, address, and employer identification number of seller
_____ Name of buyer ("Buyer") certifies the following under penalties of perjury:
The CNG to which this certificate relates will be used in a nontaxable use. This certificate applies to the following (complete as applicable):
If this is a single purchase certificate, check here <input type="checkbox"/> and enter:
1. Invoice or delivery ticket number _____
2. _____ (Gasoline gallon equivalents)
If this is a certificate covering all purchases under a specified account or order number, check here <input type="checkbox"/> and enter:
1. Effective date _____
2. Expiration date _____ (period not to exceed 1 year after the effective date)
3. Buyer's account or order number _____
Buyer won't claim a credit or refund under section 6427 of the Internal Revenue Code for any CNG to which this certificate relates.
Buyer will provide a new certificate to the seller if any information in this certificate changes.
Buyer understands that if Buyer violates the terms of this certificate, the Internal Revenue Service may withdraw Buyer's right to provide a certificate.
Buyer hasn't been notified by the Internal Revenue Service that its right to provide a certificate has been withdrawn. In addition, the Internal Revenue Service hasn't notified Buyer that the right to provide a certificate has been withdrawn from a purchaser to which Buyer sells CNG tax free.
Buyer understands that the fraudulent use of this certificate may subject Buyer and all parties making any fraudulent use of this certificate to a fine or imprisonment, or both, together with the costs of prosecution.
_____ Printed or typed name of person signing
_____ Title of person signing
_____ Employer identification number
_____ Address of Buyer
_____ Signature and date signed

Attachment A

Cost Per Gasoline Gallon Equivalent

The information below reflects the estimated cost of converting LNG to CNG in GGE equivalents, operation and maintenance of the MFF which is inclusive in the Cost To Dispense.

The Cost To Purchase 1 GGE Current Month Average does not reflect the fluctuation of cost for each delivery. The cost of LNG fuel varies with each delivery and will be billed to PW reflecting those fluctuations.

Current Cost:

Cost To Dispense:	\$1.1100
Cost To Purchase 1 GGE Current Month Average	\$1.2600
Total Cost per GGE	\$2.3700

NOTE:

- This cost will fluctuate at every fuel delivery - METRO will use this formula to calculate LNG to GGE equivalent: $LNG \times 0.636 = GGE$
- A 3% yearly escalator will be added to this amount at each anniversary of agreement

DRAFT

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DATE: August 24, 2018
TO: Board of Directors
FROM: Ciro Aguirre, COO
**SUBJECT: CONSIDERATION OF REASSIGNMENT OF ASSISTANT OPERATIONS
MANAGER FROM THE PARATRANSIT DIVISION TO THE FIXED
ROUTE DIVISION**

I. RECOMMENDED ACTION

That the Board of Directors approve a modification to the organizational structure to reassign the Assistant Operations Manager classification assigned to the Paratransit Division (ParaCruz) to the Fixed Route Division

II. SUMMARY

- An Operations Manager and an Assistant Operations Manager are currently assigned to the Paratransit Division.
- Due to recent changes at the Paratransit Division, staffing levels have been adjusted down.
- The currently funded Assistant Operations Manager position in the Paratransit Division can be more efficiently and effectively utilized within the larger Fixed Route Division.
- Staff recommends the Assistant Operations Manager position in the Paratransit Division be reassigned to the Fixed Route Division.

III. DISCUSSION/BACKGROUND

The current management hierarchy at the Paratransit Division consists of one Operations Manager position and one Assistant Operations Manager position. With the July 31, 2018 retirement of the Paratransit Operations Manager, the Paratransit Assistant Operations Manager was promoted to Manager. The Assistant Operations Manager position at Paratransit is currently funded, but vacant. With changes to Paratransit service, and the merger of Reservationists into Customer Service, personnel staffing levels have decreased at the Paratransit Division. A thorough review of responsibilities, duties, and functions within the Paratransit Division, performed by the Paratransit Assistant Operations Manager, resulted in a recommendation to reassign the Assistant Operations Manager position to the Fixed Route Division. (See Attachment B.)

Currently, Paratransit staffing is at forty-two (42) positions inclusive of Supervisors, support personnel, and Van Operators. Staff is recommending that the current Assistant Operations Manager Paratransit Division position be reassigned to the Fixed Route Division, where current staffing consists of one (1) Operations Manager and one hundred sixty-two (162) positions inclusive of Supervisors, support personnel and Fixed Route Operators.

This much needed reassignment of the Assistant Operations Manager Paratransit Division to the Fixed Route Division would allow critical day-to-day functions to be monitored in more detail, improved responsiveness to personnel, customer service, training, and scheduled service issues, as well as becoming a liaison between other METRO Departments and Operations. The position, while assigned to the Fixed Route Division, will continue to interact with the Paratransit Division in order to gain familiarity with duties and responsibilities respective to the two Divisions. Additionally, it will provide a means in which succession can occur, as the position will interact extensively with the Operation Managers and be able to fill in for the managers when needed.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The Assistant Operations Manager position is currently funded, but vacant. There would be no financial impact to having the position reassigned to the Fixed Route Division from the Paratransit Division.

The Department Manager(s) will be accountable for budgeting the cost in future years.

V. ALTERNATIVES CONSIDERED

- Retaining the Assistant Operations Manager position within the Paratransit Division is not recommended, as staffing levels have decreased and this position can be more efficiently utilized within the larger Fixed Route Division.
- Requesting a Fixed Route Assistant Operations Manager is not recommended, as this is not an efficient use of the existing Assistant Operations Manager position. Since July, 2018 Paratransit service needs have been accomplished with one Operations Manager and supervisory personnel.
- Both Operations Divisions (Fixed Route and Paratransit), as well as METRO overall, would benefit from having an Assistant Operations Manager position familiar with the duties and responsibilities of both divisions.

VI. ATTACHMENTS

Attachment A: Current Operations Organization Chart

Attachment B: Redline Operations Organization Chart

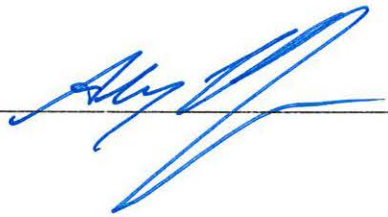
Prepared by: Ciro Aguirre, COO

VII. APPROVALS

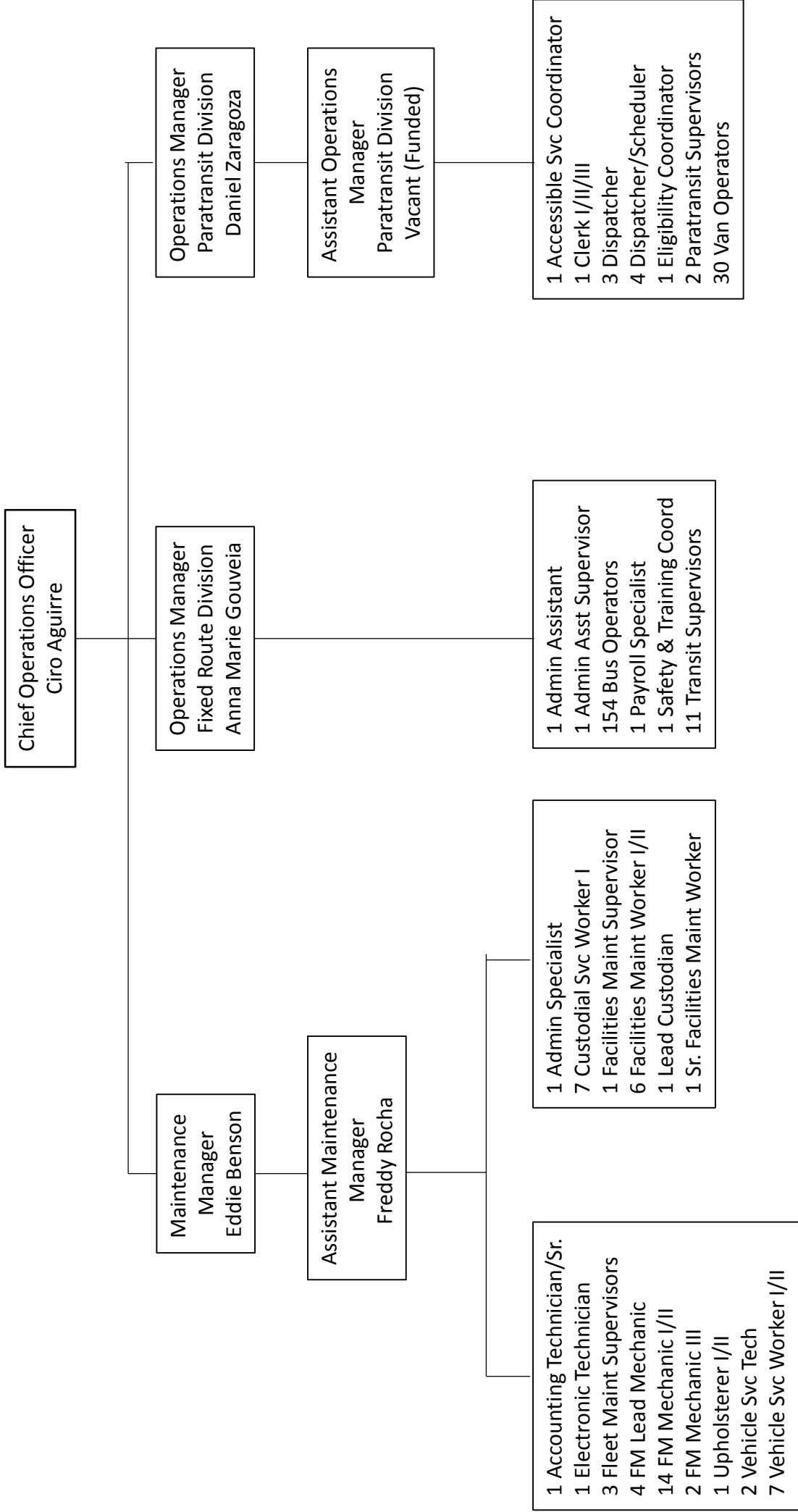
Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer

allow for AA

Alex Clifford, CEO/General Manager

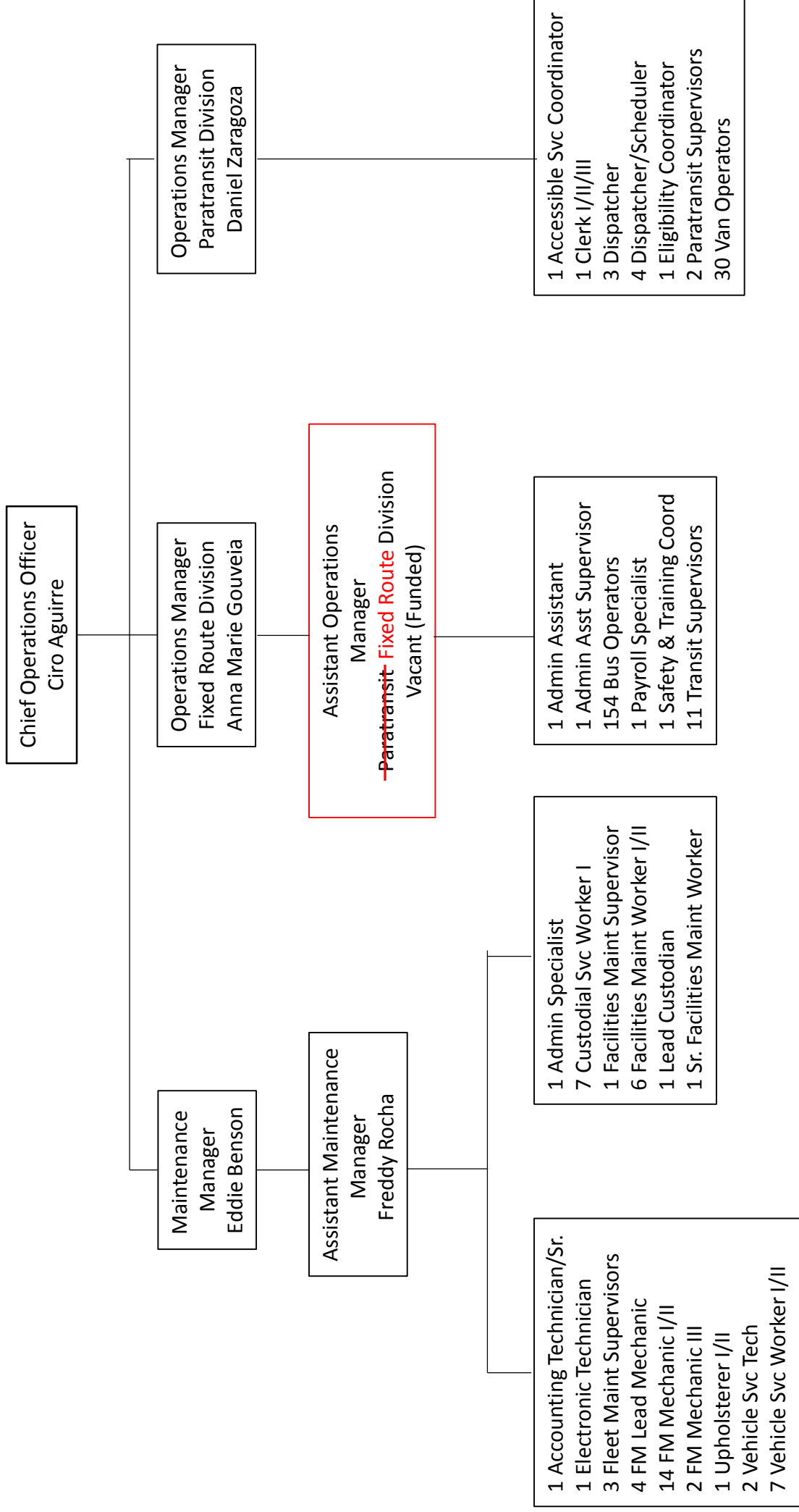


OPERATIONS DEPARTMENT - CURRENT



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OPERATIONS DEPARTMENT - REDLINE



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DATE: August 24, 2018
TO: Board of Directors
FROM: Angela Aitken, CFO
SUBJECT: CONSIDERATION OF APPROVAL OF AUDIT ENGAGEMENT LETTER WITH BROWN ARMSTRONG ACCOUNTANCY CORPORATION FOR FINANCIAL AUDIT AND TAX SERVICES FOR THE FISCAL YEAR ENDED JUNE 30, 2018

I. RECOMMENDED ACTION

That the Board of Directors approve and authorize execution of the Audit Engagement Letter with Brown Armstrong Accountancy Corporation for financial audit and tax services for the fiscal year ended June 30, 2018.

II. SUMMARY

- Attached for review and approval is Brown Armstrong Accountancy Corporation's Audit Engagement Letter (Attachment A) for the fiscal year ended June 30, 2018.
- The Audit Engagement Letter states the terms and conditions of the engagement, principally addressing the scope of the engagement and the terms of compensation for Brown Armstrong Accountancy Corporation.
- The Audit Engagement Letter also defines the legal relationship between Santa Cruz Metropolitan Transit District (METRO) and Brown Armstrong Accountancy Corporation and provides a detailed description of the services that will be provided through the audit process.
- Annually, the auditors must obtain an audit engagement letter signed by management and those in charge of governance (the CEO and a BOD member) before they can finalize and issue their audit report to METRO.

III. DISCUSSION/BACKGROUND

State law requires that METRO undergo an audit of their financial statements on an annual basis. The statements are to be prepared and presented in conformity with accounting principles generally accepted in the United States of America and must be audited in accordance with auditing standards generally accepted in the United States of America by a firm of Certified Public Accountants licensed to practice in the State of California. Due to the significant level of Federal grant funding that METRO receives annually, the audit must also be conducted in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* ("Yellow Book"), issued by the Comptroller General of the United States of the Government Accountability Office (GAO), and

the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Beginning with the FY18 audit, Brown Armstrong Accountancy Corporation will prepare a separate stand-alone audit report for the financial statements of Measure D funds received and used by METRO, and will report on evidence that the expenditure of Measure D sales tax funds was in accordance with the Expenditure Plan developed by the Santa Cruz County Regional Transportation Commission (SCCRTC) and adopted by Santa Cruz County voters in November 2016. This audit is a requirement under the Measure D Master Funding Agreement between the SCCRTC and METRO.

Additional requirements also include a separate audit report to indicate METRO's compliance, as outlined by Section 6667 of the California Administrative Code, with the Transportation Development Act (TDA), including Public Utility Code Section 99245; and compliance with all statutes related to the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) funding held and received during the year.

On May 18, 2018 METRO awarded a three-year contract with two one-year options to Brown Armstrong Accountancy Corporation for a total amount not to exceed \$124,149 for financial audit and tax services for fiscal years 2018-2020 (three-year contract). The contract will be amended to include \$5,000 in additional fees for the one-time preparation of the Independent Auditor Statement (IAS-FD) that is required for the FY18 FTA National Transit Database (NTD) submission, which will increase the contract not-to-exceed amount to \$129,149. The all-inclusive maximum price for the FY18 audit, tax and NTD statement submission is \$44,900, and is reflected in Attachment A.

It is recommended that the Board approve and authorize execution of (sign) the attached Audit Engagement Letter in order to maintain compliance with the legal and regulatory requirements set forth herein. The Audit Engagement Letter needs to be signed by both the CEO and a member of the Board of Directors.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The required funding in the amount of \$44,900 is included in the FY18 current fiscal year's Finance department operating budget within the Accounting / Audit Fees (503011) budget account.

V. ALTERNATIVES CONSIDERED

Declining to sign the Audit Engagement Letter is an alternative, but is not recommended. Auditing standards dictate that the auditors obtain the written

agreement of management and those in charge of governance acknowledging that they accept and understand their responsibilities pertaining to the audit. Without a signed engagement letter, the auditors can not accept the audit engagement; therefore no audit report would be issued. Consequently, important grant funding would be jeopardized, as the timely submission of audited financial statement information to grantor agencies on an annual basis is a requirement for grant compliance and a condition for continued funding.

VI. ATTACHMENTS

Attachment A: Brown Armstrong – Audit Engagement Letter


Prepared By: Lorraine Bayer, Accountant II

VII. APPROVALS:

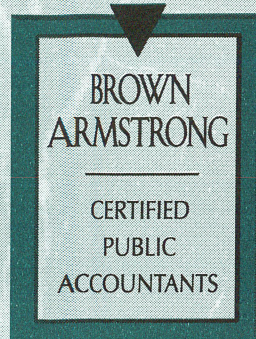
Approved as to fiscal impact:
Angela Aitken, CFO

allow for AA

Alex Clifford, CEO/General Manager



Attachment A



BROWN ARMSTRONG

Certified Public Accountants

June 19, 2018

To the Board of Directors and
Alex Clifford, Chief Executive Officer
Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, California 95060-2130

BAKERSFIELD OFFICE

(MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE
EAST SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92653
TEL 949.652.5422

STOCKTON OFFICE

5250 CLAREMONT
AVENUE
SUITE 150
STOCKTON, CA 95207
TEL 209.451.4833

Dear Alex and Board of Directors:

We are pleased to confirm our understanding of the services we are to provide Santa Cruz Metropolitan Transit District (Santa Cruz METRO) for the year ended June 30, 2018. We will audit the financial statements of the business-type activities, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Santa Cruz METRO as of and for the year ended June 30, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Santa Cruz METRO's basic financial statements. Such information, 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. As part of our engagement, we will apply certain limited procedures to Santa Cruz METRO's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist 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 will 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. The following RSI is required by accounting principles generally accepted in the United States of America and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Changes in the Net Pension Liability and Related Ratios
- 3) Schedule of Contributions
- 4) Schedule of Changes in the Net Other Postemployment Benefits (OPEB) Liability and Related Ratios

We have also been engaged to report on supplementary information other than RSI that accompanies Santa Cruz METRO's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records

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To the Board of Directors and
Alex Clifford, Chief Executive Officer
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used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Expenditures of Federal Awards
- 2) Statement of Operating Expenses

Also, we will perform the following additional services as specified by our audit engagement with Santa Cruz METRO for the fiscal year ended June 30, 2018:

- 1) Single Audit Compliance report in accordance with Office Management and Budget (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance)
- 2) Independent Auditor Statement – Financial Data
- 3) Measure D Audit Report

Audit Objectives

The objective of our audit is the expression of opinions as to whether Santa Cruz METRO's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Santa Cruz METRO's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Santa Cruz METRO's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Attachment A

To the Board of Directors and
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Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Directors of Santa Cruz METRO. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to Santa Cruz METRO or to acts by management or employees acting on behalf of Santa Cruz METRO. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our

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To the Board of Directors and
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audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by auditing standards generally accepted in the United States of America.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of Santa Cruz METRO and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Santa Cruz METRO's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Santa Cruz METRO's major programs. The purpose of these procedures will be to express an opinion on Santa Cruz METRO's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

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Santa Cruz Metropolitan Transit District
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Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Santa Cruz METRO in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within Santa Cruz METRO from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting Santa Cruz METRO involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud

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could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting Santa Cruz METRO received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that Santa Cruz METRO complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to

Attachment A

To the Board of Directors and
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Page Seven

us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to Santa Cruz METRO; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Brown Armstrong Accountancy Corporation and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely

Attachment A

To the Board of Directors and
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manner to the Department of Transportation or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Brown Armstrong Accountancy Corporation personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Department of Transportation or its designee. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately August 8, 2018, and to issue our reports no later than December 31, 2018. Ryan L. Nielsen is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$39,900 for the financial statements and tax returns, and \$5,000 for the NTD report. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

All disputes under this agreement shall be submitted to mediation. Each party shall designate an executive officer empowered to attempt to resolve the dispute. Should the designated representatives be unable to agree on a resolution, a competent and impartial third party acceptable to both parties shall be appointed to mediate. Each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceedings shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. In the event that the dispute is required to be litigated, the court shall be authorized to assess litigation costs against any party found not to have participated in the mediation process in good faith.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Our most recent peer review report accompanies this letter.

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To the Board of Directors and
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We appreciate the opportunity to be of service to Santa Cruz METRO and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



By: Ryan L. Nielsen

RLN:mlc:jav

Enclosure

Pfx Engagement\74043 6/30/18 Audit\PSR-2-1 Audit Engagement Letter Single Audit Draft

RESPONSE:

This letter correctly sets forth the understanding of Santa Cruz METRO.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____



Attachment A

System Review Report

To the Shareholders of
Brown Armstrong Accountancy Corporation
and the National Peer Review Committee of the AICPA

We have reviewed the system of quality control for the accounting and auditing practice of Brown Armstrong Accountancy Corporation (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based upon our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Brown Armstrong Accountancy Corporation applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brown Armstrong Accountancy Corporation has received a peer review rating of *pass*.


WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 29, 2016



DATE: August 24, 2018
TO: Board of Directors
FROM: Angela Aitken, Chief Financial Officer
**SUBJECT: RENEWAL OF PROPERTY INSURANCE COVERAGE FOR FY19
WITH ZURICH AMERICAN INSURANCE COMPANY**

I. RECOMMENDED ACTION

That the Board of Directors authorize the renewal of property insurance coverage with Zurich American Insurance Company

II. SUMMARY

- Santa Cruz Metropolitan Transit District (METRO) maintains property insurance on all its owned facilities and on leased facilities in accordance with lease agreements, as well as on building contents.
- Staff recommends that the Board of Directors authorize the renewal of property insurance coverage with Zurich American Insurance Company in the amount of \$55,064.

III. DISCUSSION/BACKGROUND

Marsh & McLennan (formerly Barney & Barney) METRO's property insurance broker, has arranged for renewal of property insurance coverage with Zurich American Insurance Company. This is all risk coverage, excluding earthquake and flood, and includes buildings and contents, computer and telephone systems, employee tools, and other equipment, with a \$5,000 deductible.

The Zurich American Insurance Company is rated A+ XV by A. M. Best. The "A+" is the superior or highest rating on the A.M. Best rating scale, and "XV" refers to financial size category (FSC) and is based on adjusted policyholders' surplus. "XV" translates to two billion or greater.

METRO carries separate policies for flood insurance for the Judy K. Souza Operations Building at 1200 "A" River Street and the Fueling and Service Building at 1200 "B" River Street.

METRO does not carry earthquake insurance.

Staff recommends that the Board of Directors authorize the renewal of property insurance coverage with Zurich American Insurance Company in the amount of \$55,064. The annualized year-over-year increase is \$2,872 or 5.50%, and is due

to increasing some of the property limits based on updated Marshall & Swifts data.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The following outlines the elements of the above recommendation:

1. AMOUNT OF RECOMMENDATION: \$55,064
2. SOURCE OF FUNDING: FY19 Operating Budget
3. EXPENSE ACCOUNTS TO CHARGE: Ins. Property - 506011
4. FISCAL IMPACT:
 - The cost for the recommendation of renewal of property insurance in the amount of \$55,064 is included in the Finance Department FY18 - FY19 final operating budget.

V. ALTERNATIVES CONSIDERED

- Using an alternate insurance carrier is certainly an option but could negatively impact the cost.
 - Switching carriers to Zurich American Insurance four years ago, and consolidating all properties into a single policy rather than two, contributed to a significant reduction in our annual premium.
- METRO could self-insure; but, the agency does not currently have the cash reserves to support such a program.

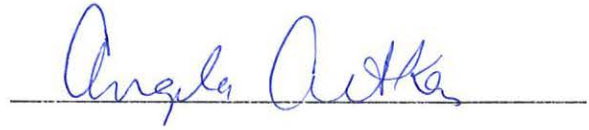
VI. ATTACHMENTS

None

Prepared By: Debbie Kinslow, Finance Deputy Director

VII. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer



Alex Clifford, CEO/General Manager



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DATE: August 24, 2018
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
**SUBJECT: CONSIDERATION OF A RESOLUTION TO RATIFY THE REVISED
BOARD OF DIRECTORS MEETING SCHEDULE FOR THE
CALENDAR YEAR 2018**

I. RECOMMENDED ACTION

**That the Board of Directors approve a resolution to ratify the revised
calendar year 2018 Board Meeting Schedule**

II. SUMMARY

- Staff recommends that the Board Members approve a resolution (Attachment A) to ratify the revised calendar year 2018 Board Meeting Schedule (Attachment B), which changes the August and December locations.

III. DISCUSSION/BACKGROUND

- Annually, the Board of Directors approves a schedule of meeting dates, times and locations for the following calendar year. The Board of Directors meeting schedule typically calls for regular meetings on the fourth Friday of each month, though some dates are modified depending on holidays and public hearing posting requirements. On October 27, 2017, the Board approved its calendar year 2018 Board Meeting Schedule.
- Due to Director scheduling requirements, the 2018 Board Meeting Schedule requires adjustments, as set forth in Attachment B.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The ratification of the revised Board Meeting Schedule has no impact on METRO's budget.

V. ALTERNATIVES CONSIDERED

The Board could suggest alternative revisions to its Board Meeting Schedule. This is not recommended.

VI. ATTACHMENTS

Attachment A: Authorizing Resolution

Exhibit A: Revised Calendar Year 2018 Board of Directors Meeting Schedule (final and redlined versions)

Prepared by: Gina Pye, Executive Assistant

VII. APPROVALS:

Alex Clifford, CEO/General Manager



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Attachment A



BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.
On the Motion of Director:
Duly Seconded by Director:
The Following Resolution is Adopted:

RESOLUTION OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS RATIFYING THE REVISED 2018 BOARD MEETING SCHEDULE

WHEREAS, the Board of Directors shall establish a meeting schedule for all regular meetings; and,

WHEREAS, this schedule shall include the date, location and commencement time for each regular meeting of the Board of Directors and shall be posted on METRO's website and official bulletin board throughout the year; and,

WHEREAS, the Board of Directors, at its October 27, 2017 regular meeting, established its 2018 Board Meeting Schedule pursuant to resolution 17-10-03; and,

WHEREAS, due to Director scheduling requirements, the 2018 Board Meeting Schedule requires adjustments, as set forth in Exhibit A to this Resolution.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Santa Cruz Metropolitan Transit District that the revised Board Meeting Schedule for its 2018 meetings is ratified, resulting in changed locations for the August and December 2018 meetings, per Exhibit A.

PASSED AND ADOPTED this 24th day of August 2018 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:
Bruce McPherson, Chair

Attachment A

Resolution No. _____
Page 2

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie Sherman, General Counsel

Attachment A

Resolution No. _____
Page 3

EXHIBIT A, SANTA CRUZ METROPOLITAN TRANSIT DISTRICT RESOLUTION NO. _____

REVISED 2018 SANTA CRUZ METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS BOARD MEETING SCHEDULE

(Attached)



Exhibit A

BOARD OF DIRECTORS MEETING SCHEDULE

2018

Meetings are scheduled for the 4th Friday of the month unless otherwise indicated.

	January 26, 2018	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	February 23, 2018	9:00am	Watsonville City Council Chambers, 275 Main St., Watsonville
	March 23, 2018	9:00am	Santa Cruz City Council Chambers, 809 Center St., Santa Cruz
	April 27, 2018	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	May 18, 2018	9:00am	Watsonville City Council Chambers, 275 Main St., Watsonville
	June 22, 2018	9:00am	Santa Cruz City Council Chambers, 809 Center St., Santa Cruz
<i>THERE IS NO MEETING IN JULY</i>			
	August 24, 2018	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	September 28, 2018	9:00am	Santa Cruz City Council Chambers, 809 Center St., Santa Cruz
	October 26, 2018	9:00am	Capitola City Council Chambers, 420 Capitola Ave., Capitola
	November 16, 2018	9:00am	Watsonville City Council Chambers, 275 Main St., Watsonville
	December 14, 2018	9:00am	Scotts Valley City Council Chambers, 1 Civic Center Drive, Scotts Valley

August 24 and December 14 Meeting(s) Location Change

Revised 2018 Schedule Approved Under Resolution 18-__-__ at the August 24, 2018 Board Meeting

2018 Meeting Schedule Approved Under Resolution 17-10-03 at the October 27, 2017 METRO Board Meeting

12-19A.Exhibit A.1














Exhibit A - REDLINE

BOARD OF DIRECTORS MEETING SCHEDULE

2018

Meetings are scheduled for the 4th Friday of the month unless otherwise indicated.

	January 26, 2018	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	February 23, 2018	9:00am	Watsonville City Council Chambers, 275 Main St., Watsonville
	March 23, 2018	9:00am	Santa Cruz City Council Chambers, 809 Center St., Santa Cruz
	April 27, 2018	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	May 18, 2018	9:00am	Watsonville City Council Chambers, 275 Main St., Watsonville
	June 22, 2018	9:00am	Santa Cruz City Council Chambers, 809 Center St., Santa Cruz
			<i>THERE ARE NO MEETINGS IN JULY</i>
	August 24, 2018	9:00am	Scotts Valley City Council Chambers, 1 Civic Center Drive, Scotts Valley METRO Admin Offices, 110 Vernon Street, Santa Cruz
	September 28, 2018	9:00am	Santa Cruz City Council Chambers, 809 Center St., Santa Cruz
	October 26, 2018	9:00am	Capitola City Council Chambers, 420 Capitola Ave., Capitola
	November 16, 2018	9:00am	Watsonville City Council Chambers, 275 Main St., Watsonville
	December 14, 2018	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz Scotts Valley City Council Chambers, 1 Civic Center Drive, Scotts Valley

August 24 and December 14 Meeting(s) Location Change

Revised 2018 Schedule Approved Under Resolution 18-__-__ at the August 24, 2018 Board Meeting

2018 Meeting Schedule Approved Under Resolution 17-10-03 at the October 27, 2017 METRO Board Meeting

12-19A.Exhibit A.2

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DATE: August 24, 2018
TO: Board of Directors
FROM: Ciro Aguirre, COO
SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 3-YEAR LEASE FOR THE PROPERTY LOCATED AT 2880 RESEARCH PARK IN SOQUEL

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to execute a Lease Amendment with Soquel III Associates for the ParaCruz Facility at 2880 Research Park in Soquel, extending the term of the Lease Agreement

II. SUMMARY

- The Santa Metropolitan Transit District (METRO) has an existing Lease Agreement with Imwalle Properties, a California general partnership, for the lease of the property located at 2880 Research Park Drive for METRO's ParaCruz facility.
- The current four-year lease term expires on August 31, 2018. All options have been utilized on the current contract, and a new contract would need to be executed for continued use of the property.
- The parties have negotiated an agreement (Lease Amendment) to extend the lease for a three (3) year period, which will terminate on August 31, 2021.
- METRO is currently exploring the possibility of constructing a new ParaCruz facility on the Soquel Park & Ride property on Paul Sweet Road.

III. DISCUSSION/BACKGROUND

METRO's ParaCruz Operations and Facilities offices are located at 2880 Research Park Drive in Soquel. The property has been leased from Soquel III Associates since September 1, 2004. The current lease term and extension options expire on August 31, 2018, necessitating a new Lease Amendment extending the Lease term to be established. Soquel III Associates has requested a three-year extension.

The current monthly rent for the facility is \$15,480.94. This sum includes both the Rent and Common Area charges. The Lease Agreement provides for CPI increases every year on the successive anniversary date of the Commencement Date of the Lease, which is never less than 2% nor more than 6%.

The Finance Department and the Legal Department both contributed background information and data for this report.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Funding in the estimated amount of \$600,622 is budgeted in the FY19 (\$195,464) and FY20 (\$200,160) and FY21 (\$204,998) Paratransit Operating budget within the Facility Lease (512011) account.

V. ALTERNATIVES CONSIDERED

The only alternative to be considered in this report would be moving the Paratransit Operations to a different location.

- METRO currently does not have sufficient space available in any of the other facilities for paratransit to operate out of.
- It would be a difficult challenge to find an alternative commercial property that possesses the parking, office space, and employee accommodations needed by ParaCruz, by the end of August 2018.

VI. ATTACHMENTS

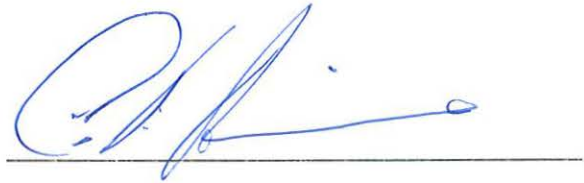
Attachment A: Lease Agreement

Attachment B: Lease Amendment #4

Prepared by: Daniel Zaragoza, Operations Manager: Paratransit Division

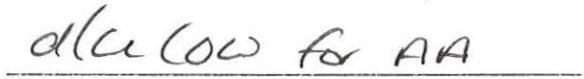
VII. APPROVALS

Ciro Aguirre, COO



Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer

dlc LOW for AA



Alex Clifford, CEO/General Manager



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Attachment A

LEASE AGREEMENT

1. **Parties.** This Lease, dated for reference purposes only as August 13, 2004, is made by and between Soquel III Associates, ("Landlord"), and the Santa Cruz Metropolitan Transit District, a local public agency ("Tenant")

2. **Premises.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, upon the terms and conditions hereinafter set forth, those certain premises (the "Premises") situated in Santa Cruz, County of Santa Cruz, State of California, described as follows: Suite 160 containing approximately 9,318 rentable square feet of floor space as shown on the site plan attached hereto as Exhibit "A", together with the improvements (the "Improvements") to be constructed therein pursuant to Exhibit "B" attached hereto. The Premises also include parking on a non-exclusive pro rata basis, which shall be defined as 13.9% of the spaces identified in Exhibit D to this Lease. The Premises are located in a larger building (the "Building") containing approximately 23,400 square feet of floor space, which building is located at 2880 Research Park Drive, Soquel, CA 95073. Landlord will allow Tenant the use of all the furniture that is currently located in the Premises during the full term of the lease and any extension thereof, without additional consideration. A listing of the furniture is located in Exhibit E, which is attached hereto.

Upon Tenant's occupancy of the Premises, the utility systems, including but not limited to, plumbing, electrical (including light bulbs), heating/ventilation/air conditioning (HVAC), and mechanical systems will be in good working order and condition in addition to roof, sidewalks and parking lot. Landlord shall repair any defective or malfunctioning component of these items for which Landlord has received written notice from Tenant describing the failure or malfunction within sixty (60) days (unless covered by a contractors or manufacturers guarantee which exceed the sixty (60) day period) of the commencement date of the lease at no additional expense to Tenant. Should any improvements be necessary to meet the legal requirements for access by the disabled, Landlord shall make the improvements, the cost of which shall be amortized over the life of the lease.

3. **Term.** The term of this Lease (the "Lease Term") shall be for five (5) years, commencing on September 1, 2004, the Commencement Date, and ending August 31, 2009 thereafter unless sooner terminated pursuant to any provision hereof. Notwithstanding said Commencement Date, if for any reason Landlord cannot deliver possession of the Premises to Tenant on said date, Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Tenant hereunder, but in such case Tenant shall not be obligated to pay rent until the date possession of the Premises is tendered to Tenant. In the event Landlord shall permit Tenant to occupy the Premises prior to the Commencement Date, such occupancy shall be subject to all the provisions of this Lease, except the obligation to pay the Monthly Installment of rent. If Landlord is unable to tender possession to Tenant within 7 days of September 1, 2004, Tenant's obligations pursuant to this lease agreement shall cease. Notwithstanding the five-year term, should Tenant reasonably determine that the parking described herein is insufficient for its use, than Tenant may at any time during the first year of the lease term provide written notice to landlord terminating the lease and having no further obligations pursuant to the lease except that Tenant shall be responsible to pay the non-amortized costs of the tenant improvements and any commissions paid by Landlord for the establishment of the lease.

4. **Rent.**

A. Tenant shall pay to Landlord as rent for the Premises the respective sums specified in Paragraph 4B below (the "Monthly Installment") each month in advance on the first day of each calendar month, without deduction or offset, prior notice or demand, commencing on September 1, 2004 and continuing through the term of this Lease, together with such additional rents as are payable by Tenant to Landlord under the terms of this Lease.

B. The initial Monthly Installment of rent shall be eight thousand, three hundred, eighty-six Dollars and twenty cents (\$8,386.20) per month (the "Initial Monthly Installment"). On each Rental Adjustment Date, the Monthly Installment of rent shall be increased to a sum equal to the Initial Monthly Installment of rent multiplied by a fraction the numerator of which is the New Index existing at that time and the denominator of which is the Initial Index; provided, however, that in no event shall the Monthly Installment of rent payable after any Rental Adjustment Date be less than the Monthly Installment of rent payable immediately preceding such Rental Adjustment Date. In no event shall any such increase be less than two percent (2%) nor greater than six percent (6%) of the amount of the Base Rent immediately preceding the Rent Adjustment. The Monthly Installment of rent as

Attachment A

adjusted on any Rental Adjustment Date shall remain in effect until the next Rental Adjustment Date. As used in this Lease, the following terms, shall have the following meanings:

- (1) "Rental Adjustment Date" means each successive anniversary date of the Commencement Date of the Lease.
- (2) "Index" means the Consumer Price Index for All Urban Consumers (All Items) as published by the United States Department of Labor, Bureau of Labor Statistics, for the San Francisco/Oakland Metropolitan Area (1982-84=100 Base);
- (3) "Initial Index" means the Index last published prior to the Commencement Date of this Lease;
- (4) "New Index" means, with respect to each Rental Adjustment Date, the Index last published prior to such Rental Adjustment Date.

C. Tenant acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges, which may be imposed on Landlord by the terms of any mortgage or deed of trust covering the Premises. Accordingly, if any installment of rent or any other sum due from Tenant shall not be received by Landlord within five (5) days after such amount shall be due, Tenant shall pay to Landlord, as additional rent, a late charge equal to five percent (5%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of its other rights and remedies granted hereunder.

D. All taxes, insurance premiums, Common Area Charges, late charges, costs and expenses which Tenant is required to pay hereunder, together with all interest and penalties that may accrue thereon in the event of Tenant's failure to pay such amounts, and all reasonable damages, costs, and attorneys' fees and expenses which Landlord may incur by reason of any default of Tenant or failure on Tenant's part to comply with the terms of this Lease, shall be deemed to be additional rent ("Additional Rent") and shall be paid in addition to the Monthly Installment of rent, and in the event of nonpayment by Tenant, Landlord shall have all of the rights and remedies with respect thereto as Landlord has for the nonpayment of the Monthly Installment of rent.

E. Rent shall be payable in lawful money of the United States of America to Landlord at 14651 South Bascom Avenue, Suite #280, Los Gatos, CA 95032 or to such other person(s) or at such other place(s) as Landlord may designate in writing.

F. Upon execution of this Lease, Tenant shall pay to Landlord the sum of Ten thousand, eight hundred, eight Dollars (\$10,808.88) to be applied to the rent and Common Area Charges due for the first month of the Lease Term.

5. Security Deposit. Upon execution of this Lease, Tenant shall deposit with Landlord the sum of Eight thousand, three hundred, eighty-six Dollars and twenty cents (\$8,386.20) ("Security Deposit") to secure the faithful performance by Tenant of each term, covenant and condition of this Lease. If Tenant shall at any time fail to make any payment or fail to keep or perform any term, covenant and condition on its part to be made or performed or kept under this Lease, Landlord may, but shall not be obligated to and without waiving or releasing Tenant from any obligation under this Lease, use, apply or retain the whole or any part of the Security Deposit (a) to make any required payment on Tenant's behalf to a third party; or (b) to compensate landlord for any loss, damages, attorneys' fees or expense sustained by Landlord due to Tenant's default. In such event, Tenant shall, within five (5) days of written demand by Landlord, remit to Landlord sufficient funds to restore the Security Deposit to its original sum. No interest shall accrue on the Security Deposit. If the monthly Installment of Rent shall, from time to time, increase during the term of this Lease, Tenant shall, at the time of such increase, deposit with Landlord additional money as a security deposit so that the total amount of the security deposit held by Landlord shall at all times bear the same proportion to the then current Base Rent as the initial security deposit bears to the initial monthly Installment of Rent set forth in paragraph 4 of this Lease. Landlord shall not be required to keep the Security Deposit separate from its

Attachment A

general funds. Should Tenant comply with all the terms, covenants, and conditions of this Lease and at the end of the term of this Lease leave the Premises in the condition required by this Lease, then said Security deposit, less any sums which Landlord is entitled to keep, shall be returned to Tenant within thirty (30) days after the termination of this Lease and vacancy of the Premises by Tenant.

6. Agreed Use of Premises. Tenant shall use the Premises only in conformance with applicable governmental laws, regulations, rules and ordinances for the purpose of operating its entire Paratransit Division including administrating, certifying, scheduling, dispatching, supervising, and maintaining and repairing vehicles and for no other purpose. Notwithstanding the foregoing, Tenant will not repair or replace major components of its vehicles on the Premises. It is understood and agreed that Tenant's business may operate 24-hours a day, 365 days a year. Tenant shall indemnify, defend, and hold Landlord harmless against any loss, expense, damage, attorneys' fees or liability arising out of failure of Tenant to comply with any applicable law. Tenant shall comply with the Rules and regulations specified in Exhibit C and any changes thereto made by Landlord as long as such changes do not unreasonably interfere with Tenant's business operations. Tenant shall not commit or suffer to be committed, any waste upon the Premises, or any nuisance, or other acts or things which may disturb the quiet enjoyment of any other tenant in the buildings adjacent to the Premises, or allow any sale by auction upon the Premises, or allow the Premises to be used for any unlawful purpose, or place any loads upon the floor, walls or ceiling which endanger the structure, or place any harmful liquids in the drainage system of the building. No waste materials or refuse shall be dumped upon or permitted to remain upon any part of the Premises outside of the building proper except on trash containers placed inside exterior enclosures designated for that purpose by Landlord. No materials, supplies, equipment, finished products or semi-finished products, raw materials or articles of any nature shall be stored upon or permitted to remain on any portion of the Premises outside of the building proper.

7. Taxes and Assessments.

A. Tenant's Property. Tenant shall pay before delinquency any and all taxes and assessments, license fees and public charges levied, assessed or imposed upon or against Tenant's fixtures, equipment, furnishings, furniture, appliances and personal property installed or located on or within the Premises. Tenant shall cause said fixtures, equipment, furnishings, furniture, appliances and personal property to be assessed and billed separately from the real property of Landlord. If any of Tenant's said personal property shall be assessed with Landlord's real property, Tenant shall pay Landlord the taxes attributable to Tenant within ten (10) days after receipt of a written statement from Landlord setting forth the taxes applicable to Tenant's property.

B. Property Taxes. Tenant shall pay, as a Common Area Charge, thirty-nine and eight/tenths percent (39.8%) of all Property Taxes levied or assessed with respect to the building of which the Premises are a part (the "Building"), and thirty-nine and eight/tenths percent (39.8%) of all Property Taxes levied or assessed with respect to the land comprising the tax parcel on which the Premises are located (the "Parcel"), which become due or accrued during the term of this Lease. Tenant shall pay its share of such Property Taxes to landlord in accordance with the procedures set forth in Paragraph 12 below. For the purpose of this Lease, "Property Taxes" means and includes all taxes, assessments (including, but not limited to, assessments for public improvements or benefits), taxes based on vehicles utilizing parking areas, taxes based or measured by the rent paid, payable or received under this Lease, taxes on the value, use, or occupancy of the Premises, the Building and/or the Parcel, Environmental Surcharges, and all other governmental impositions and charges of every kind and nature whatsoever, whether or not customary or within the contemplation of the parties hereto and regardless of whether the same shall be extraordinary or ordinary, general or special, unforeseen or foreseen, or similar or dissimilar to any of the foregoing which, at any time during the Lease Term, shall be applicable to the Premises, the Building and/or the Parcel or assessed, levied or imposed upon the Premises, the Building and/or the Parcel, or become due and payable and a lien or charge upon the Premises, the Building and/or the Parcel, or any part thereof, under or by virtue of any present or future laws, statues, ordinances, regulations or other requirements of any governmental authority whatsoever. The term "Environmental Surcharges" shall mean and include any and all expenses, taxes, charges or penalties imposed by the Federal Department of Energy, the Federal Environmental Protection Agency, the Federal Clean Air Act, or any regulations promulgated thereunder or any other local, state or federal governmental agency or entity now or hereafter vested with the power to impose taxes, assessments, or other types of surcharges a means of controlling or abating environmental pollution or the use of energy. The term "Property Taxes" shall not include any federal, state or local net income, estate, or inheritance tax imposed on Landlord.

C. Other Taxes. Tenant shall, as additional rent, pay or reimburse Landlord for, any tax based upon, allocable to, or measured by the area of the Premises or the Building or the rental payable by Tenant under this Lease, including without limitation, any gross receipts tax or excise tax levied by any state, local or federal government with respect to the receipt of such rental; any tax upon or with respect to the possession, leasing, operation, management, maintenance alteration, repair, use of occupancy of the Premises or any portion thereof; any privilege tax, excise tax, business and occupation tax, gross receipts tax, sales and/or use tax, water tax, sewer tax, employee tax, occupational license tax imposed upon Landlord or Tenant with respect to the Premises; any tax upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

8. Insurance and Indemnity.

A. Indemnity. Tenant agrees to indemnify and defend Landlord against and hold Landlord harmless from any and all claims, causes of action, judgments, obligations or liabilities, and all reasonable expenses incurred in investigating or resisting the same (including reasonable attorney's fees), on account of, or arising out of, the operation, maintenance, use or occupancy of the Premises and all areas appurtenant thereto (except for the negligence, active or passive, or intentional conduct of Landlord). This Lease is made on the express understanding that Landlord shall not be liable for, or suffer loss by reason of, injury to person or property, from whatever cause (except for active or passive negligence or intentional conduct of Landlord), in any way may be connected with the operation, use or occupancy of the Premises specifically including, without limitation, any liability for injury to the person or property of the Tenant, its agents, officers, employees, licensees or invitees.

B. Liability Insurance. Tenant shall obtain and keep in force a Commercial General Liability Policy of Insurance protecting Tenant and Landlord against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy, or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$2,000,000 per occurrence. The Policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Tenant's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Tenant nor relieve Tenant of any obligation hereunder. All insurance carried by Tenant shall be primary to and not contributory with any similar insurance carried by Landlord, whose insurance shall be considered excess insurance only. Landlord and Landlord's property management company shall be named as "Additional Insured".

C. Property Insurance. Landlord shall obtain and keep in force during the term of this Lease a policy of Combined Single Limit Bodily Injury and Broad Form Property Damage Insurance, plus coverage against such other risks Landlord deems advisable from time to time, insuring Landlord, but not Tenant, against liability arising out of the ownership, use, occupancy or maintenance of the Building, exclusive of Tenant's fixtures, furnishings, equipment and other personal property. Tenant shall have no interest in or any right to the proceeds of any insurance procured by Landlord on the Building, Premises or Real Property. Tenant shall not be named as additional insured therein. If the Premises are part of a larger building, or of a group of buildings owned by Landlord which are adjacent to the Premises, the Tenant shall pay for any increase in the premiums for the property insurance of such building or buildings if said increase is caused by Tenant's acts, omissions, use or occupancy of the Premises. The cost of such insurance procured and maintained by Landlord shall be a Common Area Charge, and Tenant shall pay to Landlord, as additional rent, Tenant's share of the cost of such insurance in accordance with the procedure set forth in Paragraph 12 below. Tenant acknowledges that such insurance procured by Landlord shall contain a deductible, which reduces Tenant's cost for such insurance and, in the event of loss or damage, Tenant shall be required to pay to Landlord the amount of such deductible.

D. Tenant's Property/Business Interruption Insurance. Tenant acknowledges that the insurance to be maintained by Landlord on the Premises pursuant to subparagraph C above will not insure any of Tenant's property. Accordingly, Tenant, at Tenant's own expense, shall maintain in full force and effect the following insurance:

- (1) Property Damage. Tenant shall obtain and maintain insurance coverage on all of Tenant's personal property, Trade Fixtures, and Tenant Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$5,000 per

Attachment A

occurrence. The proceeds from any such insurance shall be used by Tenant for the replacement of personal property, Trade Fixtures and Tenant Owned Alterations and Utility Installations. Tenant shall provide Landlord with written evidence that such insurance is in force.

(2) Plate Glass Insurance. Tenant, at its sole cost, shall be responsible for the maintenance, repair, and replacement of all plate glass in or enclosing the Premises. If Tenant does not procure insurance on such plate glass, Tenant shall be deemed self-insured for the full replacement cost thereof.

(3) No Representation of Adequate Coverage. Landlord makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Tenant's property, business operations or obligations under this Lease.

E. Form of the Policies. Insurance required herein shall be by companies duly licensed or admitted to transact business in the state where the Premises are located, and maintaining during the policy a "General Policyholders Rating" of at least B+, V, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Tenant shall not do or permit to be done anything that invalidates the required insurance policies. Tenant shall, prior to the Commencement Date, deliver to Landlord certified copies of policies of such insurance or certificates evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after thirty (30) days prior written notice to Landlord. Tenant shall obtain a written obligation on the part of any insurance company providing such insurance to notify Landlord in writing of any delinquency in premium payments and, at least ten (10) days prior thereto, of any cancellation of any such policy. Tenant shall, at least thirty (30) days prior to the expiration of such policies, furnish Landlord with evidence of renewals or "insurance binders" evidencing renewal thereof, or Landlord may order such insurance and charge the cost thereof to Tenant, which amount shall be payable to Tenant to Landlord upon demand. Such policies shall be for term of at least one (1) year, or the length of the remaining term of this Lease, whichever is less. Tenant agrees that if Tenant does not take out such insurance or keep the same in full force and effect, Landlord may take out the necessary insurance and pay the premiums therefor, and Tenant shall repay to Landlord, as additional rent and within ten (10) days of written demand, the amount so paid plus interest from the date of expenditure at the highest rate then permitted by California law.

F. Waiver of Subrogation. Tenant and Landlord hereby mutually waive their respective rights for recovery against each other for any loss or damage to the property of either party, to the extent such loss or damage is insured by any insurance policy required to obtain any special endorsements, if required by the insurer, whereby the insurer waives its right of subrogation against the other party hereto. The provisions of this Subparagraph F shall not apply in those instances in which waiver of subrogation would cause either party's insurance coverage to be voided or otherwise made uncollectible.

G. Exemption of Landlord from Liability. Except as provided below, Landlord shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of tenant, tenant's employees, contractors, invitees, customers, or any other person in or about the premises whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the premises, or upon other portions of the building of which the premises are a part, or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is accessible or not. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of landlord. Notwithstanding the above, Landlord shall be liable to tenant for any injury or damage resulting from Landlord's intentional acts or acts of negligence, or from the failure of landlord to make timely repairs after notice from Tenant as provided in this Lease.

9. Utilities. Tenant shall pay for all water, gas, light, heat, power, electricity, telephone, trash pick-up, sewer charges, and all other services supplied to or consumed on the Premises, and all taxes and surcharges thereon. In the event that any of the utility services are not separately metered to the Premises, the cost of such utility service shall be a Common Area Charge and Tenant shall pay its share of such cost to Landlord as provided in Paragraph 12

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below. In addition, the cost of any utility services supplied to the Common Area shall be a Common Area Charge and Tenant shall pay its share of such cost to Landlord as provided in paragraph 12 below.

10. Repairs and Maintenance.

A. Subject to provisions of Paragraph 16, Landlord shall keep and maintain the exterior roof, structural elements and exterior walls of the building in which the Premises are located in good order and repair. Landlord shall not, however, be required to maintain, repair or replace the interior surface of exterior walls, nor shall Landlord be required to maintain, repair or replace windows, doors, skylights or plate glass. Landlord shall have no obligation to make repairs under this subparagraph until a reasonable time after receipt of written notice from Tenant of the need for such repairs. The cost of such maintenance and repairs which are the obligation of Landlord hereunder shall be a Common Area Charge, and Tenant shall reimburse Landlord, as additional rent, for Tenant's share of the cost of such maintenance and repair in accordance with the procedures set forth in Paragraph 12 below; provided, however, that Tenant shall not be required to reimburse Landlord for the cost of maintenance and repairs of the structural elements of the Building unless such maintenance or repair is required because of the negligence or willful misconduct of Tenant or its employees, agents or invitees, in which case, Tenant shall reimburse Landlord, upon demand, at one hundred percent (100%) of the cost of such maintenance or repair. As used herein, the term "structural elements of the building" shall mean and be limited to the foundation, footings, floor slab (but not flooring), structural walls, sidewalks and roof structure (but not roofing or roof membrane).

B. Except as expressly provided in subparagraph A above, Tenant shall, at its sole cost, keep and maintain the entire Premises and every part thereof, including without limitation, the windows, window frames, plate glass, glazing, skylights, truck doors, doors and all door hardware, the walls and partitions, and the electrical, plumbing, lighting, heating, ventilating and air conditioning systems and equipment in good order, condition and repair. The term "repair" shall include replacements, restorations and/or renewals when necessary as well as painting. The Tenant's obligation shall extend to all alterations, additions and improvements to the Premises, and all fixtures and appurtenances therein and thereto. Tenant shall at all times during the Lease term, have in effect a service contract for the maintenance of the heating, ventilation and air conditioning (HVAC) equipment with a HVAC repair and maintenance contractor approved by Landlord which provides for periodic inspection and servicing at least once every three months during the term hereof and shall provide Landlord with a copy of such contract. Should Tenant fail to make repairs required of Tenant hereunder forthwith upon five (5) days notice from Landlord, Landlord, in addition to all other remedies available hereunder or by law and without waiving any alternative remedies, may make the same, and in that event, Tenant shall reimburse Landlord as additional rent for the cost of such maintenance or repairs within five (5) days of written demand by Landlord. Landlord shall have no maintenance or repair obligations whatsoever with respect to the Premises except as expressly provided in Paragraphs 10A and 11.

11. Common Area. Subject to the terms and conditions of this Lease and such rules and regulations as Landlord may from time to time prescribe, Tenant and Tenant's employees, invitees and customers shall, in common with other occupants of the parcel on which the Premises are located, and their respective employees, invitees and customers, and others entitled to the use thereof, have the non-exclusive right to use the access roads, parking areas and facilities provided and designated by Landlord for the general use and convenience of the occupants of the parcel on which the Premises are located, which areas and facilities are referred to herein as "Common Area". This right shall terminate upon the termination of the Lease. Provided it does not materially interfere with Tenant's business operations, Landlord reserves the right from time to time to make changes in the shape, size, location, amount and extent of the Common Area. Landlord further reserves the right to promulgate such reasonable rules and regulations relating to the use of the Common Area, and any part or parts thereof, as Landlord may deem appropriate for the best interest of the occupants of the parcel except that no rule shall interfere with Tenant's permitted use of the Premises. The rules and regulations shall be binding upon Tenant upon delivery of a copy of them to Tenant, and Tenant shall abide by them and cooperate in their observance. Such rules and regulations may be amended by Landlord from time to time, with or without advance notice, and all amendments shall be effective upon delivery of a copy to Tenant. Tenant shall have the non-exclusive use of no more than its Prorata Share of parking spaces which shall be defined as 13.9% of the spaces identified in Exhibit D.. Tenant shall not park or permit the parking of Tenant's vehicles or trucks or the vehicles or trucks of Tenant's suppliers or others, in any portion of the Common Area not designated by Landlord for such use by Tenant. Tenant shall not abandon any inoperative vehicles or equipment on any portion of the Common Area. Tenant shall make no alterations,

improvements or additions to the Common Area. Landlord shall operate, manage, maintain and repair the Common Area in good order, condition and repair. The manner in which the Common Area shall be maintained and the expenditures for such maintenance shall be at the discretion of Landlord. The cost of such repair, maintenance, operation and management, including without limitation, the cost of maintenance and repair of landscaping, irrigation systems, paving, sidewalks, fences, lighting, and monthly property management fees based on five percent (5%) of the gross receipts from the Building, shall be a Common Area Charge and Tenant shall pay to Landlord its share of such costs as provided in paragraph 12 below. Notwithstanding anything to the contrary common area costs will include the cost of any capital improvements only if such improvements either a.) will significantly effect economies in the operation or maintenance of the Building or b.) are required under any governmental law or regulation or any amendment thereto enacted or otherwise first effective after the Commencement Date; provided, however, that such costs shall be amortized over its useful life as determined in accordance with generally accepted accounting principals. The following items shall not be included in common area charges: i.) costs, fines, interest and penalties incurred due to the late payment of real property taxes or assessments; ii.) interest and principal payment on mortgages and other debt costs; iii.) depreciation; iv.) any bad debt loss, rent loss or other reserves of any kind or nature; v.) management fees other than as described above; v.) the cost of any services provided by Landlord or any affiliate of landlord to the extent the same exceeds the costs of such services rendered by qualified, unaffiliated third parties on a competitive basis in Santa Cruz County; vi.) costs incurred in connection with the sale, financing or refinancing of the Building.

12. Common Area Charges.

A. Tenant shall pay to Landlord, as additional rent, in accordance with the procedures set forth in subparagraph B below, an amount equal to thirty-nine.eight percent (39.8%) of the Common Area Charges as defined in this Lease. Tenant acknowledges and agrees that the Common Area Charge shall include an additional five percent (5%) of the actual expenditures in order to compensate the Landlord for accounting and processing services. Notwithstanding the above, if a common area charge is allocated to the entire Project then Tenant share of that charge shall be prorated based on the square footage of the entire Project.

B. Tenant's share of the Common Area Charges and the Property Taxes shall be payable in advance on the first day of each month, in an amount equal to one-twelfth (1/12) of Landlord's reasonable estimate of Tenant's share of the annual Common Area Charges and Property Taxes. Within ninety (90) days after the end of each calendar year, Landlord shall furnish Tenant a written statement of the actual Common Area Charges and Property Taxes incurred during the preceding calendar year. If Tenant's payments under this Paragraph 12 during said preceding calendar year exceed Tenant's share of the actual Common Area Charges and Property Taxes incurred during said previous year as indicated in said statement, Tenant shall be entitled to credit the amount of such overpayment against Tenant's share of Common Area Charges and Property Taxes next falling due. If Tenant's payments under this paragraph during said preceding calendar year were less than Tenant's share of the actual Common Area Charges and Property Taxes incurred during said previous year as indicated in said statement, Tenant shall pay to Landlord the amount of the deficiency within ten (10) days after delivery by Landlord to Tenant of said statement.

13. **Alterations.** Tenant shall not make, or suffer to be made, any alterations, improvements or additions in, on, about or to the Premises or any part thereof, without the prior written consent of Landlord which shall not be unreasonably withheld. All Tenant alterations, improvements or additions shall be constructed in accordance with applicable building codes and guideline. Tenant as a rapid transit district has the right to self-permit and will do so at its discretion provided it also gives Landlord the applicable equivalent of construction drawings. As a condition to giving such consent, Landlord may require that Tenant post a payment and/or performance bond insuring that all contractor's, subcontractors and material suppliers will be timely paid and/or that Tenant agree to remove any such alteration, improvements or additions at the termination of this Lease, and to restore the Premises to their prior condition. Unless Landlord requires that Tenant remove any such alteration, improvement or addition, any alteration, addition or improvement to the Premises, except moveable furniture and trade fixtures not affixed to the Premises, shall become the property of Landlord upon installation and shall remain upon and be surrendered with the Premises at the termination of this Lease. Without limiting the generality of the foregoing, all heating, lighting, electrical (including all wiring, conduit, outlets, drops, buss ducts, main and subpanels), air conditioning, partitioning, drapery, and carpet installations made by Tenant regardless of how affixed to the Premises, together with all other additions, alterations and improvements that have become an integral part of the building in which the Premises are a part, shall be and become the property of the Landlord upon installation, and shall not be deemed

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trade fixtures, and shall remain upon and be surrendered with the Premises at the termination of this Lease (see Exhibit "B"). If, during the term hereof, any alteration, addition or change of any sort to all or any portion of the Premises is required by law, regulation, ordinance or order of any public agency, Tenant shall promptly make the same at its sole cost and expense. If during the term hereof, any alteration, addition, or change to the Common Area is required by law, regulation, ordinance or order of any public agency, Landlord shall make the same and the cost of such alteration, addition or change shall be a Common Area charge and Tenant shall pay its share of said cost to Landlord as provided in Paragraph 12 above. Notwithstanding the above, Tenant may make non-structural alterations to the Premises of up to \$10,000 without Landlord's consent.

14. Acceptance of the Premises. By entry and taking possession of the Premises pursuant to this Lease, Tenant accepts the Premises as being in good and sanitary order, condition and repair and accepts the Premises in their condition existing as of the date of such entry. Tenant acknowledges that neither the Landlord nor Landlord's agents has made any representation or warranty as to the suitability of the Premises to the conduct of Tenant's business. Any agreements, warranties or representations not expressly contained herein shall in no way bind either Landlord or Tenant, and Landlord and Tenant expressly waive all claims for damages by reason of any statement, representation, warranty, promise or agreement, if any, not contained in this Lease. This Lease constitutes the entire understanding between the parties hereto and no addition to, or modification of, any term or provision of this Lease shall be effective until set forth in writing signed by both Landlord and Tenant.

15. Default.

A. Events of Default. A breach of this Lease shall exist if any of the following events (hereinafter referred to as "Event of Default") shall occur:

- (1) Default in the payment when due of any installment of rent or other payment required to be made by Tenant hereunder, and such default shall not have been cured within three (3) days after written notice of such default is given to Tenant;
- (2) Tenant's failure to perform any other term, covenant or condition contained in this Lease and such failure shall have continued for fifteen (15) days after written notice of such failure is given to Tenant;
- (3) Tenant's vacating or abandonment of Premises;
- (4) Tenant's assignment of its assets for the benefit of its creditors;
- (5) The sequestration of, attachment of, or execution on, any substantial part of the property of Tenant or on any property essential to the conduct of Tenant's business, shall have occurred and Tenant shall have failed to obtain a return or release of such property within thirty (30) days thereafter or prior to such sale pursuant to such sequestration, attachment or levy, whichever is earlier;
- (6) The Tenant or any guarantor of Tenant's obligations hereunder shall commence any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seek appointment of a receiver, trustee, custodian, or other similar official for it or for all or any substantial part of its property;
- (7) The Tenant or any such guarantor shall take any corporate action to authorize any of the actions set forth in Clause 6 above; or
- (8) Any case, proceeding or other action against the Tenant or any guarantor of the Tenant's obligations hereunder shall be commenced seeking to have an order for relief entered against it as debtor, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, and such case, proceeding or other action (i) results in the entry of an order for relief against it which is not fully stayed within seven (7)

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business days after the entry thereof or (ii) remains undismissed for a period of forty-five (45) days.

B. Remedies. Upon any Event of Default, Landlord shall have the following remedies, in addition to all other rights and remedies provided by law, to which Landlord may resort cumulatively, or in the alternative:

(1) **Recovery of Rent.** Landlord shall be entitled to keep this Lease in full force and effect (whether or not Tenant shall have abandoned the Premises) and to enforce all of its rights and remedies under this Lease, including the right to recover rent and other sums as they become due, plus interest at the maximum rate allowable by law per annum from the due date of each installment of rent or other sum until paid.

(2) **Termination.** Landlord may terminate this Lease by giving Tenant written notice of termination. On the giving of the notice all of Tenant's rights in the Premises and the building and parcel of which the Premises are a part, shall terminate. Upon the giving of the notice of termination, Tenant shall surrender and vacate the Premises in the condition required by Paragraph 34, and Landlord may re-enter and take possession of the Premises and all the remaining improvements or property and eject Tenant or any of Tenant's subtenants, assignees or other person or persons claiming any right under or through Tenant or eject some and not others or eject none. This Lease may also be terminated by a judgment specifically providing for termination. Any termination under this paragraph shall not release Tenant from the payment of any sum then due Landlord or from any claim for damages or rent previously accrued or then accruing against Tenant. In no event shall any one or more of the following actions by Landlord constitute a termination of this Lease:

- (a) maintenance and preservation of the Premises;
- (b) efforts to relet the Premises;
- (c) appointment of a receiver in order to protect Landlord's interest hereunder;
- (d) consent to any subletting of the Premises or assignment of this Lease by Tenant, whether pursuant to provisions hereof concerning subletting and assignment or otherwise; or
- (e) any other action by Landlord or Landlord's agents intended to mitigate the adverse effects from any breach of this Lease by Tenant.

(3) **Damages.** In the event this Lease is terminated pursuant to subparagraph 15B-2 above, or otherwise, Landlord shall be entitled to damages in the following sums:

- (a) the worth at the time of award of the unpaid rent which has been earned at the time of termination; plus
- (b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (c) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; and
- (d) any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom including, without limitation, the following:

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(i) expenses for cleaning, repairing or restoring the Premises; (ii) expenses for altering, remodeling or otherwise improving the Premises for the purpose of reletting, including installation of leasehold improvements (whether such installation be funded by a reduction of rent, direct payment or allowance to the succeeding Tenant, or otherwise); (iii) real estate broker's fees, advertising costs and other expenses of reletting the Premises; (iv) costs of carrying the Premises such as taxes and insurance premiums thereon, utilities and security precautions; (v) expenses in retaking possession of the Premises; (vi) attorney's fees and court costs; and (vii) any unamortized real estate brokerage commission paid in connection with this Lease.

(e) the "worth at the time of award" of the amounts referred to in subparagraphs (a) and (b) of this paragraph, is computed by allowing the maximum interest rate applicable by law per annum. The "worth at the time of award" of the amounts referred to in subparagraph (c) of this paragraph is computed by discounting such amount at the discount rate of the Federal Reserve Board of San Francisco at the time of award plus one percent (1%). The term "rent" as used in this paragraph shall include all sums required to be paid by Tenant to Landlord pursuant to the terms of this Lease.

16. Destruction.

A. In the event that any portion of the Premises are destroyed or damaged by an uninsured peril, Landlord or Tenant may, upon written notice to the other, given within thirty (30) days after the occurrence of such damage or destruction, elect to terminate this Lease; provided however, that either party may, within thirty (30) days after receipt of such notice, elect to make any required repairs and/or restoration at such party's sole cost and expense, in which event this Lease shall remain in full force and effect, and the party having made such election to restore or repair shall thereafter diligently proceed with such repairs and/or restoration.

B. In the event the Premises are damaged or destroyed from any insured peril to the extent of thirty percent (30%) or more of the then replacement cost of the Premises, Landlord may, upon written notice to Tenant, given within thirty (30) days after the occurrence of such damage or destruction, elect to terminate this Lease. If Landlord does not give such notice in writing within such period, Landlord shall be deemed to have elected to rebuild or restore the Premises, in which event Landlord shall, at its expense, promptly rebuild or restore the Premises to their condition prior to the damage or destruction and Tenant shall pay to Landlord upon commencement of reconstruction the amount of any deductible from the insurance policy in an amount not to exceed \$5,000.

C. In the event the Premises are damaged or destroyed from any insured peril to the extent of less than thirty percent (30%) of the then replacement cost of the Premises, Landlord shall, at Landlord's expense, promptly rebuild or restore the Premises to their condition prior to the damage or destruction and Tenant shall pay to Landlord upon commencement of reconstruction the amount of any deductible from the insurance policy in an amount not to exceed \$5,000.

D. In the event that, pursuant to the foregoing provisions, Landlord is to rebuild or restore the Premises, Landlord shall, within thirty (30) days after the occurrence of such damage or destruction, provide Tenant with written notice of the time required for such repair or restoration. If such period is longer than one hundred eighty (180) days from the issuance of a building permit, Tenant may, within thirty (30) days after receipt of Landlord's notice, elect to terminate the Lease by giving written notice to Landlord of such election, whereupon the Lease shall immediately terminate. The period of time for Landlord to complete the repair or restoration shall be extended for delays caused by the fault or neglect of Tenant or because of acts of God, acts of publication, labor disputes, strikes, fires, freight embargoes, rainy or stormy weather, inability to obtain materials, suppliers or fuels, acts of contractors or subcontractors, or delay of contractors or subcontractors due to such causes or other contingencies beyond the control of Landlord. Landlord's obligation to repair or restore the Premises shall not

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include restoration of Tenant's trade fixtures, equipment, merchandise, or any improvements, alterations or additions made by Tenant to the Premises.

E. Unless this Lease is terminated pursuant to the foregoing provisions, this Lease shall remain in full force and effect; provided however, that during any period of destruction, repairs or restoration, rent and all other amounts to be paid by Tenant and any other Tenant obligations on account of the Premises and this Lease shall be abated in proportion to the area of the Premises rendered not reasonably suitable for the conduct of Tenant's business thereon. Notwithstanding the foregoing, if the damaged or destroyed portion of the Premises adversely impacts the operation of Tenant's business on the Premises to the extent that Tenant cannot conduct its business on the Premises than no lease obligations shall be owed by Tenant

17. Condemnation.

A. Definition of Terms. For the purpose of this Lease, the term (1) "Taking" means a taking of the Premises or damage to the Premises related to the exercise of the power of eminent domain and includes a voluntary conveyance, in lieu of court proceedings, to any agency, authority, public utility, person or corporate entity empowered to condemn property; (2) "Total Taking" means the taking of the entire Premises or so much of the Premises as to prevent or substantially impair the use thereof by Tenant for the uses herein specified; provided, however, in no event shall a "Taking" of less than ten percent (10%) of the Premises be deemed a Total Taking; (3) "Partial Taking" means the taking of only a portion of the Premises which does not constitute a Total Taking; (4) "Date of Taking" means the date upon which the title to the Premises, or a portion thereof, passes to and vests in the condemn or the effective date of any order for possession if issued prior to the date title vests in the condemn; and (5) "Award" means the amount of any award made, consideration paid, or damage ordered as a result of a Taking.

B. Rights. The parties agree that in the event of a Taking all rights between them or in and to an Award shall be as set forth herein and Tenant shall have no right to any Award except as set forth herein.

C. Total Taking. In the event of a Total Taking during the term hereof (1) the rights of Tenant under the Lease and the leasehold estate of Tenant in and to the Premises shall cease and terminate as of the Date of the Taking; (2) Landlord shall refund to Tenant any prepaid rent; (3) Tenant shall pay the Landlord any rent or charges due Landlord under the Lease, each prorated as of the Date of Taking; (4) Tenant shall receive from the Landlord those portions of the Award attributable to trade fixtures of Tenant and for moving expenses of Tenant; and (5) the remainder of the Award shall be paid to and be the property of Landlord.

D. Partial Taking. In the event of a Partial Taking during the term hereof (1) the rights of Tenant under the Lease and the leasehold estate of Tenant in and to the portion of the Premises taken shall cease and terminate as of the Date of Taking; (2) from and after the Date of Taking the Monthly Installment of rent shall be an amount equal to the product obtained by multiplying the Monthly Installment of rent immediately prior to the taking by a fraction the numerator of which is the number of square feet contained in the Premises after the Taking and the denominator of which is the number of square feet contained in the Premises prior the Taking; (3) Tenant shall receive from the Award the portions of the Award attributable to trade fixtures of Tenant; and (4) the remainder of the Award shall be paid to and be the property of the Landlord. Notwithstanding the foregoing, if the partial taking renders Tenant unable to perform his entire ParaCruz operation on the Premises Tenant may elect to terminate the lease without any further obligation under the lease by giving Landlord thirty (30) days written notice of such termination.

18. Mechanic's Lien. Tenant shall (1) pay for all labor and services performed for, materials used by or furnished to, Tenant or any contractor employed by Tenant with respect to the Premises, and (2) indemnify, defend and hold Landlord and the Premises harmless and free from any liens, claims, demands, encumbrances, or judgments created or suffered by reason of any labor or services performed for, materials, used by or furnished to, Tenant or any contractor employed by Tenant with respect to the Premises, and (3) give notice to Landlord in writing five (5) days prior to employing any laborer or contractor to perform services related to, or receiving materials for use upon the Premises, and (4) permit Landlord to post a notice of non-responsibility in accordance with the statutory requirements of California Civil Code Section 3094 or any amendment thereof. In the event Tenant is required to post an improvement bond with a public agency in connection with the above, Tenant agrees to include Landlord as an additional obligee.

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19. Inspection of the Premises. Tenant shall permit Landlord and its agents to enter the Premises at any reasonable time for the purpose of inspecting the same, performing Landlord's maintenance and repair responsibilities, posting a notice of non-responsibility for alterations, additions or repairs and at any time within ninety (90) days prior to expiration of this Lease, to place upon the Premises, ordinary "For Lease" or "For Sale" signs.

20. Compliance with Laws. Tenant shall, at its own cost, comply with all of the requirements, if applicable, of all municipal, county, state and federal authority now in force, or which may hereafter be in force, pertaining to the use and occupancy of the Premises, and shall faithfully observe, if applicable, all municipal, county, state and federal statutes or ordinances now in force or which may hereafter be in force. The judgment of any court of competent jurisdiction or the admission of Tenant in any action or proceeding against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any such ordinance or statute in the use and occupancy of the Premises shall be conclusive of the fact that such violation by Tenant has occurred.

21. Subordination.

A. Rights. At the option of Landlord, the rights of Tenant under this Lease shall be subject and subordinate to any mortgage or deed of trust which are or may hereafter be placed upon the Premises, or any part thereof, by Landlord.

B. Documents. Tenant shall, upon Landlord's request, promptly execute any instrument (including an amendment to this Lease) of instruments of subordination necessary to subordinate this Lease to any mortgage or deed of trust to be placed upon the Premises, or any part thereof, by Landlord in accordance with Paragraph 21A. Tenant agrees to recognize any mortgagee or beneficiary of the deed of trust subsequently encumbering the Premises and any party acquiring title to the Premises, by judicial foreclosure or a trustee's sale, as a successor to Landlord hereunder.

22. Holding Over. This Lease shall terminate without further notice at the expiration of the Lease Term. Any holding over by Tenant after expiration shall not constitute a renewal or extension or give Tenant any rights in or to the Premises except as expressly provided in this Lease. Any holding over after the expiration with the consent of Landlord shall be construed to be a tenancy from month to month, at one hundred fifty percent (150%) of the monthly rent for the last month of the Lease Term, and shall otherwise be on the terms and conditions herein specified insofar as applicable.

23. Notices. Any notice required or desired to be given under this Lease shall be in writing with copies directed as indicated below and shall be personally served or given by mail. Any notice given by mail shall be deemed to have been given when forty-eight (48) hours have elapsed from the time which such notice was deposited in the United States mails, certified and postage prepaid, addressed to the party to be served with a copy as indicated herein at the last address given by that party to the other party under the provisions of this paragraph.

At the date of execution of this Lease, the address of Landlord is:

14651 S. Bascom Avenue, Suite 280
Los Gatos, CA 95032

At the date of execution of this Lease, the address of Tenant is:

Leslie White, General Manager
Santa Cruz Metropolitan Transit District
370 Encinal, Suite 100
Santa Cruz, CA 95060

24. Attorneys' Fees. In the event either party shall bring any action or legal proceeding for damages for any alleged breach of any provisions of this Lease, to recover rent or possession of the Premises, to terminate this Lease, or to enforce, protect or establish any term or covenant of this Lease or right or remedy of either party, the prevailing party shall be entitled to recover as a part of such action or proceeding, reasonable attorneys' fees and court costs, including attorneys' fees and costs for appeal, as may be fixed by the court or jury. The term "prevailing party" shall mean the party who received substantially the relief requested, whether by settlement, dismissal, summary judgment, judgment, or otherwise.

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25. Nonassignment.

A. Tenant's interest in this Lease is not assignable, by operation of law or otherwise, nor shall Tenant have the right to sublet the Premises, transfer any interest of Tenant therein or permit any use of the Premises by another party, without the prior written consent of Landlord to such assignment, subletting, transfer or use, which consent Landlord agrees not to unreasonably withhold subject to the provisions of Subparagraph B below. A consent to one assignment, subletting, occupancy or use by another party shall not be deemed to be a consent to any subsequent assignment, subletting, occupancy or use by another party. Any assignment or subletting without such consent shall be void and shall, at the option of Landlord, terminate this Lease. Landlord's waiver or consent to any assignment or subletting hereunder shall not relieve Tenant from any obligation under this Lease unless the consent shall so provide.

B. If Tenant desires to assign its interest in this Lease or sublet the Premises, or transfer any interest of Tenant therein, or permit the use of the Premises by another party (hereinafter collectively referred to as a "Transfer"), Tenant shall give Landlord at least thirty (30) days prior written notice of the proposed Transfer and of the terms of such proposed Transfer, including but not limited to, the name and legal composition of the proposed transferee, a financial statement of the proposed transferee, the nature of the proposed transferee's business to be carried on in the Premises, the payments to be made or other consideration to be given on account of the Transfer, and such other pertinent information as may be requested by Landlord, all in sufficient detail to enable Landlord to evaluate the proposed Transfer and the prospective transferee. It is the intent of the parties hereto that this Lease shall confer upon Tenant only the right to use and occupy the Premises, and to exercise such other rights as are conferred upon Tenant by this Lease. The parties agree that this Lease is not intended to have a bonus value nor to serve as a vehicle whereby Tenant may profit by a future Transfer of this Lease or the right to use or occupy the Premises as a result of any favorable terms contained herein, or future changes in the market for leased space. It is the intent of the parties that any such bonus value that may attach to this Lease shall be and remain the exclusive property of Landlord. Accordingly, (i) Landlord may consent to the proposed Transfer on the condition that Tenant agrees to pay to Landlord, as additional rent, fifty percent (50%) of any and all rents or other consideration (including key money) received by Tenant from the transferee by reason of such Transfer in excess of the rent payable by Tenant to Landlord under this Lease (less any brokerage commissions or advertising expenses incurred by Tenant in connection with the Transfer). Tenant expressly agrees that the foregoing is a reasonable condition for obtaining Landlord's consent to any Transfer.

C. In connection with each requested Transfer, Tenant shall pay Landlord's property manager for fees not to exceed Five Hundred Dollars (\$500.00) incurred in connection with reviewing Tenant's request.

26. Successors. The covenants and agreements contained in this Lease shall be binding on the parties hereto and on their respective heirs, successors and assigns (to the extent the Lease is assignable).

27. Mortgagee Protection. In the event of any default on the part of Landlord, Tenant will give notice by registered or certified mail to any beneficiary of a deed of trust or mortgagee of a mortgage, encumbering the Premises whose address shall have been furnished it, and shall offer such beneficiary or mortgagee a reasonable opportunity to cure the default, including time to obtain possession of the Premises by power of sale or judicial foreclosure, if such should prove necessary to effect a cure.

28. Landlord Loan or Sale. Tenant agrees promptly following request by Landlord to (A) execute and deliver to Landlord any documents, including estoppel certificates presented to Tenant by Landlord, (i) certifying, if accurate, that this Lease is unmodified and in full force and effect and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging, if accurate, that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, and (iii) evidencing the status of the Lease as may be required, either by a lender making a loan to Landlord to be secured by deed of trust or mortgage covering the Premises or a purchaser of the Premises from Landlord and (B) to deliver to Landlord the financial statement of Tenant with an opinion of a certified public accountant, including a balance sheet and profit and loss statement, for the last completed fiscal year all prepared in accordance with generally accepted accounting principals consistently applied.

Attachment A

Tenant's failure to deliver an estoppel certificate promptly following such request shall be an Event of Default under this Lease.

29. Surrender of Lease Not Merger. The Voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Landlord, terminate all or any existing subleases or subtenants, or operate as an assignment to Landlord of any or all such subleases or subtenants.

30. Waiver. The waiver of Landlord or Tenant of any breach of any term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained.

31. General.

A. The captions and paragraph headings used in this Lease are for the purposes of convenience only. They shall not be construed to limit or extend the meaning of any part of this Lease.

B. The term Landlord as used in this Lease, so far as the covenants or obligations on the part of the Landlord are concerned, shall be limited to mean and include only the owner at the time in question of the fee title of the Premises, and in the event of any transfer or transfers of the title of such fee, the Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall after the date of such transfer or conveyance be automatically freed and relieved of all liability with respect to performance of any covenants or obligations on the part of Landlord contained in this Lease, thereafter to be performed; provided, that any funds in the hands of Landlord or the then grantor at the time of such transfer, in which Tenant has an interest, shall be turned over to the grantee. It being intended that the covenants and obligations contained in this Lease on the part of Landlord shall, subject as aforesaid, be binding upon each Landlord, its heirs, personal representatives, successors and assigns only during its respective period of ownership.

C. Time is of the essence for the performance of each term, covenant and condition of this Lease.

D. In case any one or more of the provisions contained herein, except for the payment of rent, shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Lease, but this Lease shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein. This Lease shall be construed and enforced in accordance with the laws of the State of California.

E. If Tenant is more than one person or entity, each such person or entity shall be jointly and severally liable for the obligations of Tenant hereunder.

32. Signs. Tenant shall not place or permit to be placed any sign or decoration on the land or the exterior of the building in which the Premises are located without the prior written consent of Landlord. Tenant, upon written notice by Landlord, shall immediately remove any sign or decoration that Tenant has placed or permitted to be placed on the land or the exterior of the building without the prior written consent of Landlord, and if Tenant fails to so remove such sign or decoration within five (5) days after Landlord's written notice, Landlord may enter upon the Premises and remove said sign or decoration and Tenant agrees to pay Landlord, as additional rent upon demand, the cost of such removal. At the termination of this Lease, Tenant shall remove any sign which it has placed on the land or building in which the Premises are located, and shall repair any damage caused by the installation or removal of such sign. All signage shall be per Landlord's criteria and shall be at Tenant's expense.

33. Interest on Past Due Obligations. Any amount due to Landlord not paid when due shall bear interest at the maximum rate applicable by law per annum from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

34. Surrender of the Premises. On the last day of the term hereof, or on sooner termination of this Lease, Tenant shall surrender the Premises to Landlord in their condition existing as of the Commencement Date of this Lease, ordinary wear and tear excepted, with all originally painted interior walls washed, and other interior walls cleaned, and repaired or replaced, all carpets shampooed and cleaned, the air conditioning and heating

Attachment A

equipment serviced and repaired by a reputable and licensed service firm, all floors cleaned and waxed, all to the reasonable satisfaction of Landlord. Tenant shall remove all of Tenant's personal property and trade fixtures from the Premises, and all property not so removed shall be deemed abandoned by Tenant. Tenant, at its sole cost, shall repair any damage to the Premises caused by the removal of Tenant's personal property, machinery and equipment, which repair shall include the patching and filling of holes and repair of structural damage. If the Premises are not so surrendered at the termination of this Lease, Tenant shall indemnify Landlord against loss or liability resulting from delay by Tenant in so surrendering the Premises including without limitation, any claims made by any succeeding tenant or losses to Landlord due to lost opportunities to lease to succeeding tenants.

35. Authority. The undersigned parties hereby warrant that they have proper authority and are empowered to execute this Lease on behalf of Landlord and Tenant, respectively.

36. C. C. & R.'s. This Lease is made subject to all matters of public record affecting title to the property of which the Premises are a part. Tenant shall abide by and comply with all private conditions, covenants and restrictions of public record now or hereafter affecting the Premises and any amendments thereof. All assessments and charges which are imposed, levied or assessed against the parcel and buildings of which the Premises are a part pursuant to the above-described covenants, conditions and restrictions shall be a Common Area Charge and Tenant shall pay its share of such assessments and charges to Landlord as provided in Paragraph 12 above.

37. Hazardous Wastes.

A. Definitions. As used herein, the term "Hazardous Material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the Environmental Protection Agency, the California Water Quality Control Board, the Department of Labor, the California Department of Industrial Relations, the Department of Transportation, the Department of Agriculture, the Consumer Product Safety Commission, the Department of Health and Human Services, the Food and Drug Agency or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment. Without limiting the generality of the foregoing, the term "Hazardous Material" shall include all of those materials and substances defined as "Toxic Materials" in Sections 66680 through 66685 of Title 22 of the California Administrative Code, Division 4, Chapter 30 as the same shall be amended from time to time.

B. Use Restriction. Subject to applicable law and the terms and conditions set forth herein Tenant shall not cause or permit any Hazardous Material to be used, stored, or disposed of in or about the Premises, except that Tenant is permitted to store, use and dispose of all products and substances, including hazardous materials and toxic substances, necessary to maintain and repair its vehicles and vans. The appearance of any Hazardous Material that is not permitted by this Lease in or about the Premises shall be deemed an Event of Default. Without limiting the generality of the foregoing, Tenant, at its sole cost, shall comply with all laws relating to the storage, use and disposal of Hazardous Materials. If the presence of Hazardous Materials on the Premises caused or permitted by Tenant results in damage to or contamination of the Premises or any plumbing or drainage systems on the Premises, or any soil in or about the Premises, Tenant, at its expense, shall promptly take all actions necessary to return the Premises to the conditions existing prior to the appearance of such Hazardous Material. Tenant expressly agrees not to pour any Hazardous Materials into the plumbing or drainage systems on the Premises. Tenant shall defend, hold harmless, protect and indemnify Landlord and its agents and employees with respect to all claims, damages and liabilities arising out of or in connection with any Hazardous Material used, stored, or disposed of in or about the Premises including, but not limited to, providing all closure reports required by Tenant's use of the Premises and Hazardous Materials. Tenant shall not suffer any lien to be recorded against the Premises as a consequence of a Hazardous Material, including any so called state, federal or local "super fund" lien related to the "clean-up" of a Hazardous Material in or about the Premises. Landlord shall be solely responsible for any hazardous materials that were used, stored or brought onto or into the Premises prior to the commencement of this lease.

C. Compliance. Tenant shall immediately notify Landlord of any inquiry, test, investigation, and enforcement proceeding by or against Tenant or the Premises concerning a Hazardous Material. Tenant acknowledges that Landlord, as the owner of the Property, at its election, shall have the sole right, at Tenant's expense, to negotiate, defend, approve and appeal any action taken or order issued with regard to a Hazardous Material brought into the premises by Tenant by an applicable governmental authority. Landlord shall have the right to appoint a consultant, at Tenant's expense, to conduct an investigation to determine whether Hazardous

Attachment A

Materials are being used, stored and disposed of in an appropriate manner by Tenant. Tenant, at its expense, shall comply with all recommendations of the consultant if such recommendations relate to the Premises, are in accordance with applicable hazardous material legal requirements, and such recommendations are reasonable. Tenant is required to produce, at its expense, all reports required to show compliance with the restrictions specified in paragraph 37B including but not limited to providing all closure reports required by Tenant's use of the Premises and Hazardous Materials.

D. Assignment and Subletting. It shall not be unreasonable for Landlord to withhold its consent to any proposed assignment or subletting if (i) the proposed assignee's or sublessee's anticipated use of the Premises involves the storage, use or disposal of Hazardous Materials except as it pertains to Tenant's operations; (ii) if the proposed assignee or sublessee has been required by any prior Landlord, lender or governmental authority to "clean-up" Hazardous Material; (iii) if the proposed assignee or sublessee is subject to investigation or an enforcement order or proceeding by any governmental authority in connection with the use, disposal or storage of a Hazardous Material.

E. Surrender. Upon the expiration or earlier termination of the Lease, Tenant, at its sole cost, shall remove all Hazardous Materials from the Premises and shall surrender the Premises free of Hazardous Materials. If Tenant fails to so surrender the Premises, Tenant shall indemnify, protect, defend and hold Landlord harmless of all damages and liabilities resulting from Tenant's failure to surrender the Premises as required by this paragraph, including without limitation any claims or damages in connection with the condition of the Premises including, without limitation, damages occasioned by the inability to relet the Premises or a reduction in the fair market and/or rental value of the Premises by reason of the existence of any Hazardous Materials in or around the Premises.

F. Landlord shall indemnify, defend and hold Tenant harmless from and against any claims, suits, causes of action, costs and fees, including attorney's fees and costs, arising out of or in connection with any contamination caused by the acts of the Landlord, its agents, employees, invitees or its other current or former tenants.

G. All provisions of this paragraph 37 shall survive the termination of this Lease.

38. Option to Extend.

A. Provided that Landlord has not assigned or sublet all or any part of the Premises, and provided further that Tenant is not in default under this Lease at the time of exercise of the hereinafter described option or at the time of termination of then existing term of this Lease, as the case may be, Tenant shall have two options to extend the term of this Lease for a period of five years each (the "Extended Term"). Tenant may exercise said option only by giving Landlord written notice of its exercise of said option no later than one hundred eighty (180) days prior to the expiration date of this Lease. If Tenant does not notify Landlord in writing prior to the time frame as stipulated above, this Option to Renew shall be null and void. In all respects, the terms, covenants and conditions of this Lease shall remain unchanged during the Extended Term, except that the Monthly Installment of rent payable during the Extended Term shall be increased in accordance with subparagraph B. below, and except that there shall be no further Option to Extend the term of this Lease at the end of the Extended Term. The Option to Extend hereby granted is personal to the original Tenant under this Lease and is granted so that such original Tenant can occupy the Premises for its own use during the Extended Term. Accordingly, if the original Tenant under this Lease assigns this Lease or sublets all or part of the Premises, the option hereby granted shall automatically terminate without notice.

B. Promptly following the exercise of each option to extend, the parties shall meet and endeavor to agree upon the Fair Market Rental (including initial rental rate of the Extended Term and amount and timing of increases during the Extended Term) of the Premises as of the first day of the Extended Term. In determining the Fair Market Rental for the Premises, the Premises shall be compared only to buildings of a similar quality and size and with similar improvements and amenities in Santa Cruz County and all legal uses of the Premises shall be considered. If within thirty (30) days after the exercise of the option, the parties cannot agree upon the Fair Market Rental for the Premises as of the first day of the Extended Term, either party may terminate this Option by giving written notice to the other party prior to the expiration of the thirty (30) day period. If neither party elects to terminate the Option then both parties shall submit the matter to binding appraisal in accordance with the following procedure: Within thirty (30) days after the exercise of the Option, the parties shall either (a) jointly appoint an

Attachment A

appraiser for this purpose or (b) failing this joint action separately designate a disinterested appraiser. No person shall be appointed or designated an appraiser unless he or she has at least five (5) years experience in appraising major commercial property and is a member of a recognized society of real estate appraisers. If, within thirty five (35) days after the appointment, the two appraisers reach agreement on the Fair Market Rental for the Premises as of the first day of the Extended Term, that value shall be binding and conclusive upon the parties. If the two appraisers thus appointed cannot reach agreement on the question presented within thirty (30) days after their appointment, then the appraisers thus appointed shall appoint a third disinterested appraiser having like qualifications. If within thirty (30) days after the appointment of the third appraiser, a majority of appraisers agree on the Fair Market Rental of the Premises as of the first day of the Extended Term, that value shall be binding and conclusive upon the parties. If within thirty (30) days after the appointment of the third appraiser, a majority of the appraisers cannot reach agreement on the question presented, then the three appraisers shall each submit their independent appraisal to the parties and the appraisal farthest from the median of the three appraisals shall be disregarded and the mean average of the remaining two appraisals shall be deemed to be the Fair Market Rental of the Premises as of the first day of the Extended Term and shall be binding and conclusive upon the parties. Each party shall pay the fees and expenses of the appraiser appointed by it and shall share equally the fees and expenses of the third appraiser. If the two appraisers appointed by the parties cannot agree on the appointment of the third appraiser, they or either of them shall give notice of such failure to agree to the parties and if the parties fail to agree upon the selection of such third appraiser within ten (10) days after the appraisers appointment by the parties give such notice, then either of the parties, upon notice to the other party, may request such appointment by the American Arbitration Association, or on its failure, refusal or inability to act, may apply for such appointment to the presiding judge of the Superior Court of Santa Clara County, California.

40. Quiet Possession. Upon payment by Tenant of the rent for the Premises and the performance of all the covenants, conditions and provisions on Tenant's part to be observed and performed under this Lease, Tenant shall have quiet possession of the Premises for the entire term hereof subject to all the provisions of this Lease.

41. Attachments. Attached hereto are the following documents, which constitute a part of this Lease:

- | | |
|-----------|---|
| Exhibit A | Floor Plan |
| Exhibit B | Improvements |
| Exhibit C | Rules and Regulations |
| Exhibit D | Parking Agreement |
| Exhibit E | List of Landlord-owned furniture that is part of this Lease |

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

LANDLORD:

By:

Date:

TENANT:

By: Leslie White

Name: Santa Cruz Metropolitan Transit District

Title: General Manager

Date:

[Handwritten Signature]

Soquel III Associates

Santa Cruz Metropolitan Transit District

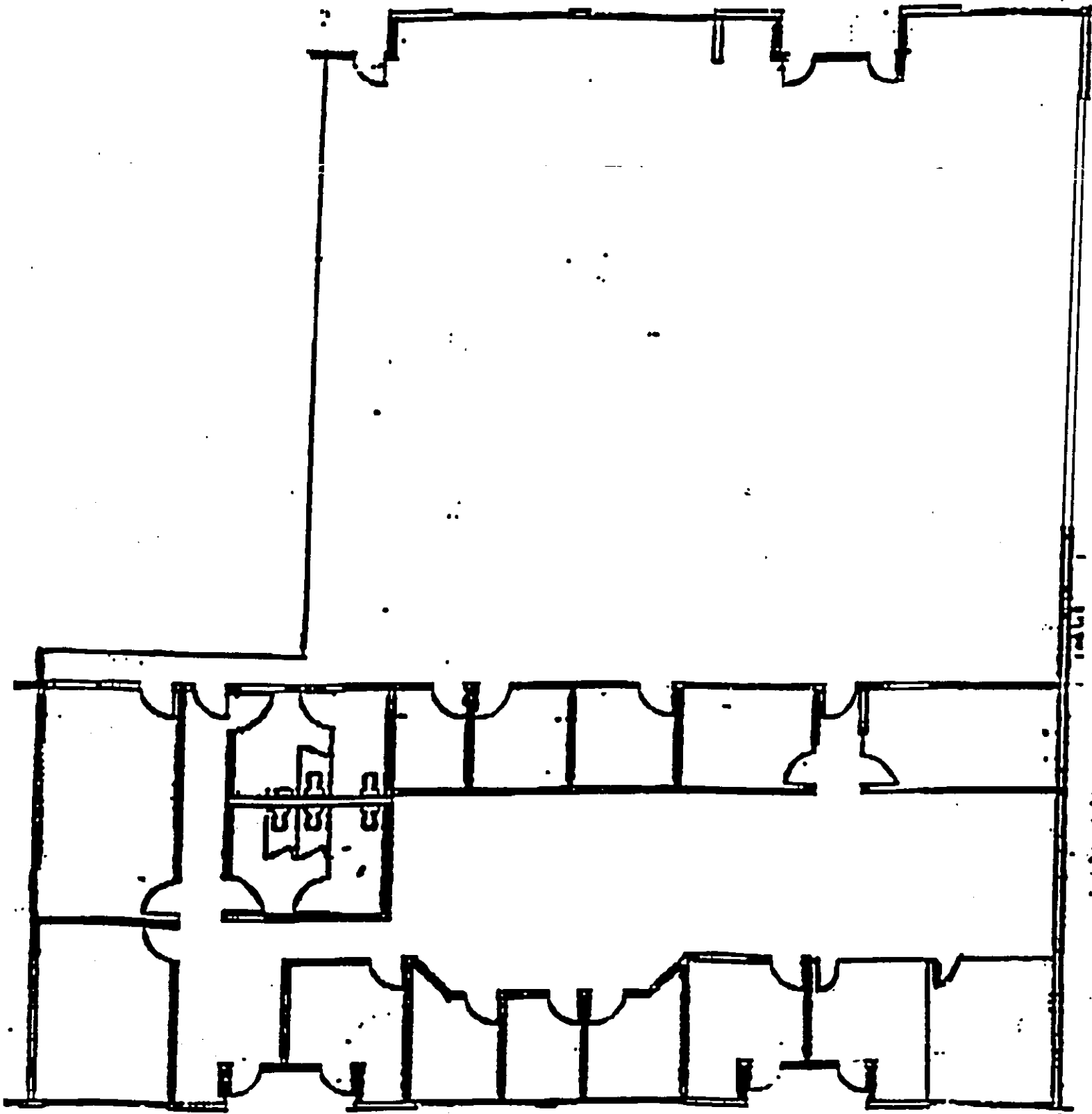
[Handwritten Signature]

9/11/04

Attachment A

EXHIBIT A

2880 Research Park Drive, Suite 160, Soquel
9,318 rentable square feet
9,263 usable square feet



Attachment A

EXHIBIT B IMPROVEMENT PLAN

1. Within 60 days of the execution of this Lease, Landlord shall construct the following certain interior improvements (the "Improvements") in the Premises as shown in Exhibit A:
 - (a.) remove racking in the warehouse area that Tenant does not want to use for its operations;
 - (b.) patch and paint walls in office area;
 - (c.) replace carpet in office area;
 - (d.) replace damaged or stained ceiling tiles;
 - (e.) remove drywall that has been installed inhibiting a fire sprinkler head under staircase in the storage area which is not in compliance with Central Fire Protection District Fire Code;
 - (f.) remove windows from storage area offices;
 - (g.) repair or replace damaged or missing insulation in the warehouse area;
 - (h.) repair one-hour fire wall in order to be in compliance with Central Fire Protection District Fire Code.

Carpet and paint shall be landlord's standard grade and colors. Landlord shall reasonably schedule and perform such improvements so as to minimize any interference with Tenant's operation to the maximum extent possible. Tenant will reasonably cooperate with landlord in the scheduling and completing of the improvement work.

2. No additional improvements to the Premises will be made by Landlord. Any additional improvements made shall be at Tenant's sole cost and expense, subject to approval of Landlord per terms of Lease Agreement and Landlord shall have no responsibility thereafter except that Tenant can make non-structural alterations up to \$10,000. Tenant shall have no right to order extra work or change orders with respect to the construction of the Improvements without the prior written consent of Landlord. All extra work or change orders requested by Tenant shall be made in writing and shall be effective only when approved in writing by the Landlord. In the event a change order requested by Tenant causes an increase in the costs of constructing the Improvements as determined by Landlord's contractor, Tenant shall pay to Landlord in cash prior to commencement of construction of the amount of the change order.
3. Landlord approves of Tenant, at its sole cost and expense, replacing the front door to the Premises with a power door for wheelchair access.
4. Landlord approves of Tenant, at its sole cost and expense, installing necessary vehicle repair and maintenance equipment and storage facilities including an above-ground vehicle lift in order to enable Tenant to repair and maintain its vehicles. Landlord agrees notwithstanding any term or condition of the lease that any equipment or facility installed pursuant to this provision shall remain the property of the Tenant and at the conclusion of the lease Tenant shall remove such equipment. Should repairs of the Premises be necessary as a result of Tenant's removal of such equipment, Tenant shall restore the Premises at its cost.

Attachment A

EXHIBIT C RULES AND REGULATIONS

1. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside of the Building without the written consent of Landlord and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant otherwise.

All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord. Size and design to be standard for the building and Tenant will be obliged to follow criteria as set forth by the Landlord.

Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall, which may appear unsightly from outside the Premises. Tenant shall not, without prior written consent of Landlord cause or otherwise sunscreen any window.

2. The sidewalks, passages, exits, entrances, parking lots, etc. shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective Premises. These areas and the roof are not for the use of the general public and the Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudicial to the safety, character, reputation and interests of the Building and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom the tenants normally deal in the ordinary course of any tenant's business unless such persons are engaged in illegal activities. No tenant and no employees or invitees of any tenant shall go upon the roof of the Building. Any cars blocking driveway can be towed, and if the property of Tenant, Tenant will be charged for cost of said removal.

3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any door of the Premises without the written consent of the Landlord.

4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from violation of this rule shall be borne by the Tenant.

5. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into partitions, woodwork or plaster or in any way deface the Premises or any part thereof. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be permitted except with the prior written consent of the Landlord and as the Landlord may direct. Notwithstanding the above, Tenant may make non-structural repairs and improvements without Landlord's consent, if such repairs do not exceed \$10,000.

6. Landlord shall the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord stand on wood strips of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining such safe or other property shall be repaired at the expense of Tenant. There shall not be used in any space of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards.

7. Tenant shall not use, keep or permit to be used or kept any foul, noxious or dangerous gas or substance in or around the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and or vibrations, or

Attachment A

interfere in any way with other Tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building. No Tenant shall make or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring Buildings or Premises or those having business with them whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way. Notwithstanding any term or condition in the lease agreement or these rules, Tenant shall be permitted to utilize an Exhaust Release System in the repair and maintenance of its vehicles on the Premises.

8. Tenant shall not use or keep in the Premises or around the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by the Landlord except as necessary for the repair and maintenance of its vehicles.

9. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

10. All keys to offices, rooms and toilet rooms shall be obtained from Landlord's Building Management Office. However, Tenant may re-key the Premises in conjunction with its other buildings and operations. However, Tenant must provide Landlord with access to the Premises at reasonable times upon reasonable notice. The Tenant, upon termination of the tenancy, shall deliver to the Landlord the keys of the offices, rooms and toilet rooms which shall have been furnished or shall pay the Landlord the cost of replacing same or of changing the lock or locks operated by such lost key if Landlord deems it necessary to make such changes.

11. No Tenant shall lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by the Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Tenant by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor drugs, or who shall in any manner do any act in violation of any of the Rules and Regulations of the Building.

13. The requirements of Tenant will be attended to only upon application at the Office of the Building. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from the Landlord, and no employee will admit any person (Tenant or otherwise) to Premises without specific instructions from the Landlord.

14. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and the street address of the Building of which the Premises are a part.

15. Tenant agrees that it shall comply with all fire and security regulations that may be issued from time to time by Landlord and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire or security regulations.

16. Landlord reserves the right by written notice to Tenant to rescind, alter or waive any rules or regulations at any time prescribed for the Building when, in Landlord's judgment, it is necessary, desirable or proper for the best interest of the Building and its tenants.

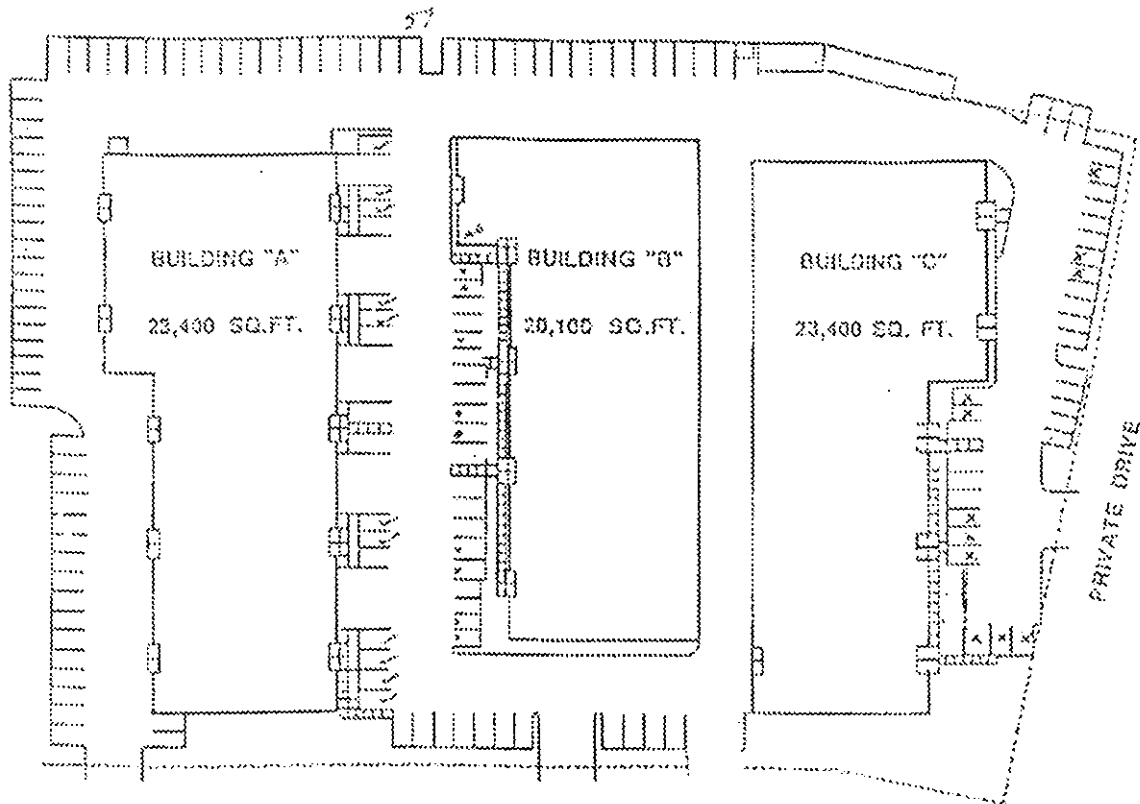
17. Tenants shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.

18. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

Landlord reserves the right to make such other and further reasonable rules and regulations as in its judgment may be for the safety, care and cleanliness of the Premises and for the preservation of good order therein Tenant agrees to abide by all such rules and regulations hereinabove stated and any additional reasonable rules and regulations which are adopted as long as such rules do not interfere with Tenant's business operation.

Attachment A

EXHIBIT D PARKING AGREEMENT



PRORATA SHARE IS: BLDG A - 35% ALLOYED MARKED SPACES ARE: BLDG A - 11 CARS MARKED ✓
BLDG B - 30% BLDG B - 9 CARS MARKED X
BLDG C - 35% BLDG C - 11 CARS MARKED X

All unmarked spaces are open parking for all three buildings.
If any loading zones are restriped for parking, the resultant spaces will be open.

Attachment A

EXHIBIT "E" Furniture Inventory

CONFERENCE TABLES	1
Round side conference tables	2
Lunchroom table	1
Blue "formica-like" draft tables	7
General tables	9
Executive desk with return	1
General desks	8
Credenzas	9
Leather back chairs	5
General chairs	41
Reception station with chair (4' high)	1
Particle board shelves (6'x4')	6
Book shelves	8
Racks	
(4' x 7')	9
(3' x 6' metal)	5
(Heavy duty 12' high)	15 sections
Wood mail racks	4
Work stations	
(6' x 8')	
6' tall	2
5' tall	4
Metal file cabinets	16
Rolling ladder 3'	1
Plastic "In / Out" boxes	Several

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Attachment B

Lease Amendment Number 4

This Lease Amendment Number 4 is made this ____ day of August, 2018 between Soquel III Associates, a California general partnership (hereinafter referred to as "Landlord"), and Santa Cruz Metropolitan Transit District, a local public agency (hereinafter referred to as "Tenant"), who agree as follows:

RECITALS:

- A. Landlord and Tenant entered into that certain Lease Agreement, dated for reference August 13, 2004 for the premises known as 2880 Research Park Drive, Suite 160, Soquel, California 95073 (hereinafter referred to as the "Lease").
- B. Landlord and Tenant entered into Lease Amendment Number 1 on March 27, 2009 and Lease Amendment Number 2 on September 1, 2014, and Lease Amendment Number 3 on August 26, 2016, for the premises known as 2880 Research Park Drive, Suite 160, Soquel, California 95073, which is set to terminate on August 31, 2018.
- C. Tenant desires to extend the term of the Lease.

NOW THEREFORE, the parties hereto agree as follows:

- 1. The term of the Lease shall be extended by a three (3) year period to terminate on August 31, 2021.
- 2. Commencing September 1, 2018, Tenant's base rent shall be \$13,045.20 per month (\$1.40 sf ft).
- 3. Commencing September 1, 2019, Tenant's base rent shall be \$13,436.56 per month (\$1.44 sf ft).
- 4. Commencing September 1, 2018, Tenant's base rent shall be \$13,839.65 per month (\$1.49 sf ft).
- 5. Landlord shall have the right to terminate Lease with six (6) months notice to Tenant.
- 6. All other terms, conditions, covenants or provisions of the Lease shall remain unchanged.

LANDLORD:
Soquel III Associates
A California general partnership

TENANT:
Santa Cruz Metropolitan Transit,
a local public agency

BY: _____
Donald Imwalle, Manager

BY: _____
Alex Clifford, CEO/General Manager

Date: _____

Date: _____

Approved as to form:

Julie Sherman, District Counsel

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DATE: August 24, 2018
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: RECEIVE AN UPDATE FROM THE CEO ON THE CALIFORNIA AIR RESOURCES BOARD (CARB) REVISED ZERO EMISSIONS INTEGRATED CLEAN TRANSIT (ICT) REGULATION

I. RECOMMENDED ACTION

That the Board of Directors Accept and File this report updating the Board on the California Air Resources Board revised proposed Integrate Clean Transit (ICT) Regulation

II. SUMMARY

- This board report is provided for informational purposes and is a follow-up to the recommendations approved by the METRO Board on April 27, 2018.
- Effective October 2002, the California Air Resources Board's (CARB) Fleet Rule for Transit Agencies mandated that transit agencies either purchase diesel fueled buses that would meet strict emission standards, or choose the Alternative Fuel Path which required at least 85% of its annual bus purchases to use alternative fuels. Compressed Natural Gas (CNG) was included on the list of approved alternative fuels.
- Santa Cruz Metropolitan Transit District (METRO) chose the Alternative Fuel Path, purchasing CNG fueled buses from 2002 forward.
- Today, METRO's bus fleet is comprised of 78 CNG fueled buses and 21 1998 diesel fueled buses.
- CARB's Fleet Rule for Transit Agencies expired at the end of 2015.
- Since 2016, CARB has attempted to promulgate a new Fleet Rule for Transit Agencies.
- On December 15, 2017, CARB introduced a draft Innovative Clean Transit (ICT) Regulation.
- The CEO countered the ICT provisions with a letter of response on January 19, 2018.
- On January 26, 2018, the CEO briefed the Board on the ICT and the CEO's response and received initial direction relative to the ICT through the CY18 State and Federal Legislative Agenda Board item.

- Since January, the California Transit Association (CTA) Subcommittee on Transit Electrification, on which the CEO is a member, has been drafting a statewide counter-proposal to the ICT.
- The ICT counter-proposal has been approved by the CTA Executive Committee and transmitted to CARB. The CEO is also a member of the CTA Executive Committee.
- Attachment A reflects the CTA counter proposal and Attachments B and C reflect CARB's recently revised ICT.
- Some progress has been made in achieving some of CTA's recommendations. However, the CARB interpretation of a small transit property remains inadequate.
- The CEO will continue to work with both the CTA and with CARB to achieve a small transit property definition that is consistent with the FTA 5307 Program definition.
- This is a significant change METRO seeks. If METRO is classified as a large transit property, METRO will be required to start purchasing Zero Emission Buses (ZEBs) as early as 2023. If METRO is classified as a small transit property, METRO will not be required to purchase ZEBs until 2026.
- METRO seeks to be classified as a small transit property, in part because of our size and budget. It is difficult for small transit properties to engage in the costly business of research and development.
 - Providing METRO mandatory ZEB purchase relief until 2026 will afford METRO the opportunity to receive the four ZEBs that are currently funded and to test them for several years before having to commit to larger purchases of ZEBs.
 - METRO will benefit from the sharing of knowledge gained by the larger transit properties, as some of them aggressively implement ZEBs into their fleet in the coming years.
 - METRO's objective is to purchase ZEBs that can operate on any METRO bus route. Today, METRO operates routes that require a daily range of up to 300 miles. In the coming years, METRO hopes innovation will continue to improve battery energy density such that buses will achieve a 300 mile end-of-life range and that the buses will be lighter in weight.

III. DISCUSSION/BACKGROUND

CARB seeks to replace its prior Transit Fleet Rule for transit agencies with an Innovative Clean Transit (ICT) Regulation (included in Attachment A) that mandates all transit bus fleets in the state to be 100% zero emission by 2040.

Key proposals in the proposed REVISED ICT which adversely impact METRO are:

- Small transit property versus large transit property
 - As currently proposed by CARB, a small transit property operates <100 buses. Unfortunately, CARB continues to assert that the count of buses must include paratransit vehicles, mainly cutaways. Although METRO owns 98 buses, METRO's fleet exceeds 100 when including the paratransit cutaways in the count.

- Large transit property purchase requirements
 - Effective January 1, 2023 – 25% of annual bus purchases must be ZEBs
 - Effective January 1, 2026 – 50% of annual bus purchases must be ZEBs
 - Effective January 1, 2029 – 100% of bus purchases must be ZEBs

If METRO is classified as a small property, METRO will not be required to purchase ZEBs until 2026 (25%) and then 2029 (100%).

- The ICT applies to all bus purchases with a Gross Vehicle Weight Rating (GVWR) greater than 14,000 pounds. Cutaway vehicles are excluded from the purchase mandates until 2026 or until certain criteria are met.
 - The criteria must be further clarified to be clear that cutaways are not included in the threshold mandates until such time as a zero emission cutaway can be produced that will provide the range needed to run a paratransit vehicle all day uninterrupted.

- The Heavy Duty Vehicle Incentive Program (HVIP) currently provides a \$150,000 voucher for a 40-foot ZEB purchase, or \$165,000 for a 40-foot bus serving a Disadvantaged Community. The ICT would eliminate this voucher for buses purchased in the year of a threshold mandate and would only make HVIP available to transit properties that voluntarily purchase ZEBs ahead of the threshold mandates.
 - METRO has and continues to advocate for HVIP dollars to be available to all transit properties, regardless of whether or not they purchase ZEBs ahead of threshold mandates.

METRO staff has other concerns with the Revised ICT. The notes above represent METRO's most significant concerns.

Going Forward

The CEO will continue to participate in the CTA Electrification Committee and directly with CARB to advocate for these additional changes to the revised ICT. Further, the CEO will attend the September 27, 2018 CARB Hearing and potentially testify on behalf of METRO.

IV. FINANCIAL CONSIDERATIONS/IMPACT

There should be no immediate fiscal impact associated with the CARB ICT. However, if CARB institutes the ICT, each ZEB is expected to cost at least \$300K more than a conventional CNG bus, not including the incremental cost of charging infrastructure. Some of this cost difference may be offset by the HVIP, if METRO qualifies for it. Potential lifecycle maintenance costs savings cannot be calculated at this time due to a lack of medium and long-term transit industry experience with these vehicles. Additionally, it is not currently possible for METRO to estimate the lifecycle electricity propulsion savings or lifecycle maintenance costs when comparing to CNG propulsion.

V. ALTERNATIVES CONSIDERED

This is an accept and file report to the METRO Board. The Board could choose to give the CEO alternate directions.

VI. ATTACHMENTS

- Attachment A:** CTA response to the ICT dated June 19, 2018
- Attachment B:** Title 13 CARB Public Hearing Notice
- Attachment C:** Appendix A Proposed Regulation Order

Prepared by: Alex Clifford, CEO/General Manager

VII. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, Finance Manager

allow for AA

Alex Clifford, CEO/General Manager



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Attachment A

California Transit Association's Zero-Emission Bus Deployment Proposal

Highlights:

The California Air Resources Board (ARB) shall, in 2018, adopt a regulation containing the following elements –

- All transit agencies operating in California are required to transition their standard transit bus fleets to 100% zero-emission by 2040
- The ARB, working alongside transit agencies, directs initial funding to deploy zero-emission buses (ZEBs) (equal in # to the ZEBs that would have been purchased under the draft ICT mandate, from 2020-2023) in disadvantaged communities, state or federal non-attainment areas of the state, and/or, transit agencies with experience in the deployment of ZEBs and the potential to demonstrate the scalability of the technology
 - This ensures communities most impacted by poor air quality, and agencies with the dirtiest fleets, are first in line for ZEB deployments
- By 2020, each transit agency is required to develop and submit an individualized ZEB deployment plan to ARB that details its strategy for reaching 2030 and 2040 ZEB deployment targets (with the 2040 target required to be 100% zero-emission)
 - This approach provides transit agencies with the opportunity to plan for their transition to a ZEB fleet, similar to LA Metro in their [Strategic Plan for Metro's Transition to Zero-Emission Buses, adopted October 2017](#) and King County METRO (Seattle) in their [Feasibility of Achieving a Carbon-Neutral or Zero-Emission Fleet, finalized March 2017](#)
- ARB monitors each transit agency's progress toward fulfilling its ZEB deployment plan, and may impose an agency-level purchase mandate, under specified conditions beginning 2025, ensuring the 2040 ZEB deployment target is met

To reach these goals, each transit agency shall:

1. Beginning 2018, apply for funding to support the guaranteed deployment of approximately 350 ZEBs throughout the state from 2020 to 2023, consistent with the estimated deployment of ZEBs under the draft ICT's proposed purchase mandate in this timeframe
 - Access to funding shall be made available first and foremost, and with equal consideration, to: transit agencies serving disadvantaged communities and/ or state- or federally-designated non-attainment areas of the state; and/or, transit agencies with experience in the deployment of ZEBs and the potential to demonstrate the scalability of the technology
 - This preference for disadvantaged communities and/or state- or federally-designated non-attainment areas of the state, and transit agencies with experience in the deployment of ZEBs shall end in 2023
 - Wherein "funding" means: for the *incremental additional cost* of ZEB technology compared to available baseline non-ZEB technology
 - Wherein "funding" means: VW settlement funding or other new sources, and does not mean the redirection of, or the application of new requirements to, the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), Transit and Intercity Rail Capital Program (TIRCP) or Low Carbon Transit Operations Program (LCTOP)
2. By 2020, develop and submit an initial ZEB deployment plan to ARB that details its individualized strategy for reaching its 2030 ZEB deployment target, and, a fully zero-emission fleet by 2040

Attachment A

California Transit Association's Zero-Emission Bus Deployment Proposal

- This plan shall be updated in 2022 and 2024, and as necessary, to incorporate lessons learned from the targeted early deployments supported by this proposal
- 3. Beginning 2021, submit data annually to ARB on ZEB deployments and purchases, as well as ZEB cost and performance
 - By 2019, transit agencies shall work with ARB to define the data and metrics necessary for reporting costs and performance, as well as the procedures for submitting the data to ARB, so ARB is able to measure agency performance against the benchmarks called for in number 5, below

To ensure progress toward these goals, ARB shall:

- 4. In 2018, estimate the through-2023 incremental additional cost to transit agencies of the regulation, and develop and secure a 5-year funding plan (covering 2018-2023) necessary to deploy approximately 350 ZEBs plus charging infrastructure from 2020 to 2023
 - Wherein "funding" means: for the *incremental additional cost* of ZEB technology compared to available baseline non-ZEB technology
 - Wherein "funding" means: VW settlement funding or other new sources, but does not mean the redirection of, or the application of new requirements to, HVIP, TIRCP or LCTOP
- 5. In 2018, establish, in coordination with transit agencies and manufacturers, benchmarks for future ZEB cost (including purchase costs for battery electric and hydrogen fuel cell, and, electricity rates and hydrogen fuel), performance and weight, compared to future non-ZEB vehicle cost, performance and weight (i.e. so any remaining incremental additional cost increase of ZEBs above the baseline cost for non-ZEBs can be identified)
- 6. In 2018, adopt a commitment to require interoperability between the ZEBs and charging infrastructure offered by different manufacturers
 - The specific standards and protocols for interoperability shall be developed by ARB, transit agencies and manufacturers, in coordination with academic experts
 - Interoperability shall include depot charging infrastructure, including overhead charging, and in-ground inductive charging
- 7. Beginning 2021, monitor the compliance of each transit agency with its ZEB deployment plan
- 8. In 2023 and every two years thereafter, initiate an independent and/ or peer-reviewed analysis of key measures, including, but not limited to:
 - The status of statewide ZEB deployment relative to statewide goals
 - Bus technology, including upfront capital costs (i.e. ZEB, charging and refueling infrastructure and necessary utility upgrades), total cost of ownership (i.e. upfront capital costs, operational costs and maintenance costs), battery density (BEB)/range, battery degradation, operational performance, weight, relevant advances and market availability
 - These measures will be compared against benchmarks established in the initial rulemaking process (see number 5, above)
 - Barriers to electrification, including funding, infrastructure and utility rates
 - These measures will be compared against benchmarks established in the initial rulemaking process (see number 5, above)

Attachment A

California Transit Association's Zero-Emission Bus Deployment Proposal

9. In 2023 and every two years thereafter, report to the Board on the findings of the report, as part of a public hearing
 - o The Board may alter the regulation based on report findings
10. Subject to the independent/peer-reviewed findings, in 2025 and every two years thereafter, if ARB finds that expected costs, performance and weight benchmarks are being met, adequate funding is available statewide (and to the transit agency, specifically), but, an agency has nonetheless not yet made appropriate progress to reach its 2030 ZEB deployment target and/ or a fully zero-emission fleet by 2040, as outlined in accordance with its ZEB deployment plan, ARB shall institute a purchase mandate for that agency to ensure these targets are met

Other provisions:

Funding

- All current funding programs shall continue, pending appropriation, to provide financial support to transit agencies for ZEB purchases
- Utilities shall be wholly responsible for upgrading and providing sufficient electricity to transit agencies to begin deployments in 2020 and to achieve 100% deployment in 2040; where practical, transit agencies may explore private sector solutions to address infrastructure needs
 - o Electric companies shall not charge transit agencies for such upgraded services

Vehicle Specifications

- The regulation shall apply only to standard transit buses above 26,000 lbs. gross vehicle weight (GVW), and shall defer its applicability to cutaways and over-the-road coaches
 - o Applicability to cutaways and over-the-road coaches shall be revisited in 2030
- The regulation shall not require turnover of electric trolley buses to battery-electric or hydrogen fuel cell
- A ZEB shall be considered commercially available only if it meets the curb weight schedule established by current law
- All transit agencies operating in state- or federally-designated non-attainment areas shall purchase low NOx engines, if available, at the time of otherwise-allowable conventional standard bus purchase
- For otherwise-allowable conventional bus purchases, all transit agencies must purchase renewable fuels when diesel or natural gas contracts are renewed, pending availability

Compliance

- Maintains the ability for transit agencies to submit a joint-compliance plan (i.e. as in the draft ICT)
- Maintains credit for innovative mobility options, which must be approved the ARB Executive Officer (i.e. as in the draft ICT)
- Maintains the ability for the ARB Executive Officer to provide flexibility to a transit agency encountering an agency-specific challenge (i.e. as in in the draft ICT)

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Attachment B

TITLE 13. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER PROPOSED INNOVATIVE CLEAN TRANSIT REGULATION, A REPLACEMENT OF THE FLEET RULE FOR TRANSIT AGENCIES, AND DRAFT ENVIRONMENTAL ANALYSIS PREPARED FOR THE REGULATION

This notice announces the availability of the proposed Innovative Clean Transit (ICT) Regulation and a Draft Environmental Analysis (Draft EA) for public comment. The California Air Resources Board (CARB or Board) will conduct a public hearing at the time and place noted below to consider the proposed ICT Regulation.

DATE: September 27, 2018

TIME: 9:00 A.M.

LOCATION: California Environmental Protection Agency
California Air Resources Board
Byron Sher Auditorium
1001 I Street
Sacramento, California 95814

This item will be considered at a meeting of the Board, which will commence at 9:00 a.m., September 27, 2018, and may continue at 8:30 a.m., on September 28, 2018. Please consult the agenda for the hearing, which will be available at least ten days before September 27, 2018, to determine the day on which this item will be considered.

WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

Interested members of the public may present comments orally or in writing at the hearing and may provide comments by postal mail or by electronic submittal before the hearing. The public comment period for this regulatory action and Draft EA will begin on August 10, 2018. Written comments not physically submitted at the hearing must be submitted on or after August 10, 2018 and received **no later than 5:00 p.m. on** September 24, 2018. CARB requests that when possible, written and email statements be filed at least ten days before the hearing to give CARB staff and Board members additional time to consider each comment. The Board also encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action. Comments submitted in advance of the hearing must be addressed to one of the following:

Postal mail: Clerk of the Board, California Air Resources Board
1001 I Street, Sacramento, California 95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

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Please note that under the California Public Records Act (Gov. Code, § 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

Additionally, the Board requests but does not require that persons who submit written comments to the Board reference the title of the proposal in their comments to facilitate review.

AUTHORITY AND REFERENCE

This regulatory action is proposed under the authority granted in California Health and Safety Code, sections 38501, 38510, 38560, 39002, 39003, 39012, 39017, 39018, 39027, 39500, 39600, 39601, 39606, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43701(b), 43801 and 43806. This action is proposed to implement, interpret, and make specific California Health and Safety Code, sections 38501, 38510, 38560, 38596, 39002, 39003, 39017, 39027, 39500, 39600, 39601, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43101, 43104, 43105, 43701(b), 43801 and 43806; California Vehicle Code, sections 233, 350, 545, and 28114; Title 49, United States Code, Sections 5303 and 5324; Title 49, Code of Federal Regulations, section 665.13.

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW (GOV. CODE, § 11346.5, subd. (a)(3))

Sections Affected:

Proposed amendments to California Code of Regulations, title 13, sections 2023, 2023.1, 2023.2, 2023.3, 2023.4, and adoption of sections 2023.5, 2023.6, 2023.7, 2023.8, 2023.9, 2023.10 and 2023.11, and to recodify all of these into a new Article 4.3.

Documents Incorporated by Reference (Cal. Code Regs., tit. 1, § 20, subd. (c)(3)):

The following procedure would be incorporated in the regulation by reference as specified by sections 2023(b)(39) and 2023.4(c)(3)(C):

- Society of Automotive Engineering (SAE) International, Recommended Practice for Measuring Fuel Economy and Emissions of Hybrid-Electric and Conventional Heavy-Duty Vehicles, J2711_200209 (September 20, 2002), available at: https://www.sae.org/standards/content/j2711_200209/.

Background and Effect of the Proposed Regulatory Action:

Transit fleets operate in local communities and have a key role, not only in helping transit-dependent riders, but also in helping to shape transportation systems. Public

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transit agencies are our clean air partners and have played, and will continue to play, an important role in helping California meet air quality standards and greenhouse gas (GHG) emissions reduction goals; namely, by employing the cleanest technologies, providing safe and reliable public transit services in low income and disadvantage communities (DAC) to reduce light-duty passenger vehicle miles traveled and single occupancy trips, and reducing congestion on roadways.

Under the current Fleet Rule for Transit Agencies (Transit Fleet Rule), sections 2023, 2023.1, 2023.2, 2023.3, and 2023.4, title 13, California Code of Regulations (CCR), public transit agencies operating urban bus fleets were required to select either the diesel bus path or the alternative-fuel bus path and comply with retrofit, fuel purchase, fleet average, and reporting requirements. The diesel bus path required retrofitting existing buses with diesel particulate filters, while agencies utilizing alternative-fuel path had to ensure that eighty-five percent of urban bus purchases were alternative fueled buses. To date, about 55 percent of all buses in California operate on alternative fuels.

In the 2006 amendment to the Transit Fleet Rule, there was a 15 percent zero-emission bus (ZEB) purchase requirement for larger transit agencies defined as with more than 200 urban buses to purchase ZEBs starting in 2011. Ten transit agencies subject to the ZEB purchase requirements accounted for about 60 percent of the statewide urban bus fleet. To date, except for the ZEB purchase requirement, all other regulatory provisions have been met and are being implemented.

In 2009, CARB staff presented ZEB technology evaluations to the Board and concluded that the ZEB technologies were not commercially ready at that time. The Board, through Resolution 09-49, found, among other things, that technologies had not sufficiently advanced to appropriately assess commercial readiness, that costs of ZEBs remained significantly higher than the target prices on which the existing fleet rule had been premised, and that a new focus on GHG emissions reductions from transit was appropriate. The Board directed staff to prepare proposed amendments to the regulation to delay the ZEB purchase requirement, conduct further research on commercial-readiness metrics, implement the purchase requirement once commercial readiness had been achieved, and report back to the Board in 2012 on progress towards ZEB commercialization.

In 2010, CARB staff issued a regulatory advisory to temporarily withhold the implementation of the purchase requirement for ZEBs. In the advisory, CARB stated it did not intend to enforce the ZEB purchase requirement until CARB had developed and the Board had approved new purchase requirements based on the technology evaluation.

As part of the ZEB purchase requirement, the 2006 amendments included an advanced demonstration of ZEBs for transit agencies on the diesel path and a CARB evaluation of the status of technology. Five transit agencies in the Bay Area formed the Zero-Emission Bay Area (ZEBA) program. The original ZEBA program included twelve

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fuel cell electric buses (FCEBs) deployed in 2010 with an additional FCEB was added to the fleet and put into service in late in 2015. At the time, FCEBs were the only available zero-emission technology to meet the demands of transit service. To date, the ZEBA program has demonstrated impressive milestone accomplishment and the feasibility of incorporating ZEBs into transit fleet operation.

CARB staff conducted a comprehensive technology evaluation in 2015 and concluded the ZEB technologies were now in their early commercialization stage. To date, both battery electric and fuel cell electric buses in active fleets can have bus availability of nearly 90%, which demonstrates technology improvement and viability. CARB staff updated the Board in February 2016 at a public hearing about the status of ZEB technology, price, and deployment. Significant technology advancements have been made in ZEBs with increased reliability and availability, declining costs for both vehicle and infrastructure, improved performance, and extended mileage range. Essential ZEB deployment experience has been gained from multiple fleets, including transit agencies and universities, through operating ZEBs in regular revenue service. A viable ZEB market has now developed with several transit agencies committing to fully electrify their fleets, all major bus manufacturers announcing ZEB production, and ZEB production facilities moving to California. In the update to the Board, staff discussed plans to reinstate ZEB purchase requirements, including the public process on amending the rule with a broader goal of making a transition to an all ZEB fleet. Staff has continued to analyze and update technical and cost information, as well as evaluate various regulatory strategies. This proposed ICT regulation is a result of that process.

Staff is proposing the following elements to ensure a successful and smooth transition to a complete ZEB fleet:

(1) ZEB Rollout Plan

- Each transit agency would be required to submit a ZEB Rollout Plan approved by governing board.
- The Rollout Plan will demonstrate how a transit agency plans for ZEB purchase and infrastructure buildout, and associated financial planning and workforce training.
- The ZEB Rollout Plan would be submitted to the Board, with due dates of June 30, 2020, for a large transit agency (with 100 or more transit buses) and June 30, 2023, for a small transit agency (with fewer than 100 transit buses).

(2) ZEB purchase requirements

- A large transit agency would purchase ZEBs according to the following schedule:
 - Starting January 1, 2023, 25 percent of annual new buses purchased;
 - Starting January 1, 2026, 50 percent of annual new buses purchased; and
 - Starting January 1, 2029, 100 percent of annual new buses purchased.

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- A small transit agency would purchase ZEBs according to the following schedule:
 - Starting January 1, 2026, 25 percent of annual new buses purchased; and
 - Starting January 1, 2029, 100 percent of annual new buses purchased.
- (3) Waiver for early compliance
 - purchase requirements otherwise effective in calendar year 2023 would be waived if California transit agencies collectively purchase 1,000 or more ZEBs by December 31, 2020.
 - purchase requirements otherwise effective in calendar year 2024 would be waived if California transit agencies collectively purchase 1,150 or more ZEBs by December 31, 2021.
- (4) Zero-Emission Mobility Option
 - A transit agency may use zero-emission cars or vans or bicycles to meet a portion of its ZEB requirements.
- (5) ZEB Bonus credit
 - Bonus credits for early placement of ZEBs, including extra credits for early FCEBs; however,
 - Bonus credits do not apply to the waiver for early compliance.
- (6) Optional Joint Zero-Emission Bus Group
 - Allows for transit agencies to form a Joint Zero-Emission Bus Group to pool resources and more efficient utilization of infrastructure.
- (7) Use of low NOx engines
 - Starting January 1, 2020 transit agencies would be required to purchase low NOx engines if available for the bus and fuel type being purchased. The requirement does not apply to buses dispatched from NOx exempt areas.
- (8) Use of renewable fuels
 - Starting January 1, 2020, large transit agencies would be required to use renewable fuels for diesel and compressed natural gas (CNG) buses when fuel contracts are renewed to support existing renewable fuel policies.
- (9) Deferral from ZEB purchase requirements
 - A transit agency may submit a request for extension or exemption from ZEB purchase requirements, under conditions outside the transit agency's control.
- (10) Reporting
 - Starting 2021 all transit agencies would be required to report their fleet information annually for the prior compliance year.

Staff recognizes the challenges transit agencies are facing to transition to ZEB fleets, and the commitments that transit agencies, local government agencies, and the State

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need to make. Even though ZEB technologies have advanced rapidly in recent years, continued improvements in ZEB costs and performance are still needed to facilitate the transition to full zero-emission technologies. Staff plans to provide the Board with an update on costs and performance of ZEBs by the end of 2021, which is two years before the first ZEB purchase requirement starts in 2023.

The performance review would identify the status of ZEB technology and would help the State design policies to further advance zero-emission technologies, and inform funding strategies related to zero-emission vehicles and infrastructure.

Objectives and Benefits of the Proposed Regulatory Action:

The proposed ICT regulation is identified in the State Strategy for the State Implementation Plan (State SIP Strategy) and 2017 Scoping Plan as a necessary component for California to achieve established near- and long-term air quality and climate mitigation targets. In California, the transportation sector is responsible for 41 percent of total GHG emissions, 80 percent of NO_x emissions, and 90 percent of diesel particulate matter (PM). Diesel PM is a fine particulate, a toxic air contaminant, and a carcinogen that significantly threatens public health and the environment.¹

Broadly implementing zero-emission technologies is a necessary component to effectively address these multiple and complicated air quality and climate protection issues. ZEBs have a higher equivalent fuel efficiency compared to the conventional internal combustion engine (ICE) technologies and provide immediate health benefits to local communities and significantly reduce petroleum and other fossil fuel use. The proposed ICT regulation is one step needed to accelerate the transition to zero emissions in the heavy-duty vehicle sector.

In general, the proposed ICT regulation would provide benefits in the following areas:

- (1) Health benefits to Californians and workers at transit agencies through improved air quality and reduced premature mortality, hospital visits, and lost school or work days;
- (2) Environmental benefits in air quality improvement, climate protection, and energy consumption reductions.

The anticipated benefits are summarized below:

Air Quality and Climate Benefits

The demanding air quality and climate protection goals that California faces require cleaner technologies deployed, especially in the transportation sector. The proposed ICT regulation helps reduce emissions through several ways:

¹ California Air Resources Board (CARB). Overview: Diesel Exhaust and Health. Available: <https://ww2.arb.ca.gov/resources/overview-diesel-exhaust-and-health>. Accessed July 23, 2018.

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- (1) Eliminates tailpipe emissions and avoids excess emissions caused by deteriorated vehicles;
- (2) Increases fuel efficiency and thereby reduces the use of energy, which is the major source of carbon dioxide (CO₂) emissions through a combustion process;
- (3) Better utilizes non-emitting renewable sources, such as solar energy;
- (4) Reduces emissions from oil and gas extraction and production processes; and
- (5) For the near term, pairs with the use of low NO_x engines for additional NO_x emission reduction.

Public Health and Worker Safety Benefits

Reduced emissions of PM_{2.5} and NO_x reduce premature mortality, hospitalizations, and emergency room visits. These benefits will accrue to the general public and workers exposed to emissions from transit buses, such as bus operators, passengers, and employees who work around bus traffic.

Energy Saving and Reduction of Petroleum Fuel Dependence

In the long term, implementation of the proposed ICT regulation will lead the heavy-duty vehicle sector to transform from petroleum and other fossil-based fuels toward hydrogen or electricity for public transportation. The superior equivalent fuel efficiency of ZEBs and the fuel sources together help pave a low carbon future for the heavy-duty vehicle sector.

In addition, the proposed ICT regulation incents other zero-emission mobility options for transit agencies. The zero-emission mobility option can further reduce emissions, enhance mobility, and improve efficiency in the public transit system.

Leading Zero-Emission Technologies in Other Heavy-Duty Sectors

Transit agencies have played an important role as the leader deploying cleaner, more efficient technologies in the heavy-duty vehicle sector. Examples include diesel particulate matter filters, CNG engines, and low NO_x engines. Transit agencies are also playing that leadership role in transforming the heavy duty sector to zero-emission technologies. Transferable technologies include drivetrains, fueling and charging systems, workforce training, and operations and maintenance expertise.

Benefits in Disadvantaged Community and Job Creation

The proposed ICT regulation is anticipated to deliver public health and environmental benefits that include GHG, criteria, and toxic pollutant emission reductions in disadvantaged communities (DACs) where there are more transit dependent riders. Additionally, California is home to ZEB manufacturing, which brings high-quality jobs to local communities. There are several ZEB manufacturing plants in California, which

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stand to increase production of ZEBs, and thus manufacturing and related jobs, including in DAC areas. Electricians, construction companies (such as infrastructure installers), some bus manufacturers, fuel cell and battery production, and electric drivetrain parts and components businesses can fall into the small business category, which may benefit.

Other Societal Benefits

The proposed ICT regulation includes options to encourage improved mobility and connectivity with zero-emission transportation modes. These efforts would make communities and cities more sustainable and enhance the benefits of investments in cleaner technologies by reducing growth in light-duty vehicle miles traveled (VMT). In the long term, advanced transportation systems and technologies, such as battery electric vehicles and zero-emission micro transit, have the potential to be a transformative element of a cleaner, safer, and more efficient transportation system.

Comparable Federal Regulations:

There are no comparable federal regulations, necessitating the proposed ICT regulations to protect public health and achieve climate protection benefits.

An Evaluation of Inconsistency or Incompatibility with Existing State Regulations (Gov. Code, § 11346.5, subd. (a)(3)(D)):

During the process of developing the proposed regulatory action, CARB conducted a search of any similar regulations on this topic and concluded these regulations are neither inconsistent nor incompatible with existing state regulations.

DISCLOSURE REGARDING THE PROPOSED REGULATION

Fiscal Impact/Local Mandate Determination Regarding the Proposed Action (Gov. Code, § 11346.5, subds. (a)(5)&(6)):

The determinations of the Board's Executive Officer concerning the costs or savings incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulatory action are presented below.

Cost to Any Local Agencies and School Districts Requiring Reimbursement under section 17500 et seq.

Pursuant to Government Code sections 11346.5, subdivision (a)(5) and 11346.5, subdivision (a)(6), the proposed regulatory action is a mandate that would create costs and cost-savings to local agencies, but not to school districts. However, these costs to local agencies are not reimbursable by the State under Government Code, title 2, division 4, part 7 (commencing with section 17500). Costs are not reimbursable when

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they may be fully financed by local agencies raising their own fees. (See, e.g., *Clovis Unified School Dist. v. Chiang* (2010) 188 Cal App. 4th 794, 812; *Connell v. Superior Court* (1997) 59 Cal. App. 4th 382, 397-403; *County of Fresno v. State of California* (1991) 53 Cal. 3d 482, 487-88; Cal. Gov. Code section 17556(d)). The local transit agencies have authority to raise fees, if needed, to address the costs of this regulation. Therefore this is not a reimbursable mandate.

The proposed ICT regulation directly impacts transit agencies, who are local agencies. The costs and cost-savings to transit agencies varies annually. Specific costs to each agency are expected to vary based on the size of their bus fleet. Agencies with the largest bus fleets are likely to be impacted the most. Without additional funding support, upfront costs from purchasing ZEBs and improving or adding infrastructure would outweigh cost-savings in the early years of regulation adoption. Over time, cost-savings in ZEB maintenance, fuel costs, credit value from the Low Carbon Fuel Standard (LCFS) program, and the buildout of ZEB infrastructure is estimated to result in an overall cost-savings to transit agencies. This total cost estimate does not consider the potential incentives, grants, or other funding sources available to transit agencies, which is estimated to reduce some of the upfront cost.

Transit agencies will need to identify means of addressing capital costs of bus purchase and infrastructure buildout in early years. The proposed ICT regulation is structured to provide an opportunity for transit agencies to take early action, ahead of regulatory deadlines, and would allow agencies to be eligible for grant funding, which could substantially reduce or eliminate the incremental costs of ZEB purchases and infrastructure.

The State is committed to providing funding to help with transition to zero-emission technologies. There are several funding sources that could offset the incremental costs to transit agencies without relying on financing options (see the Initial Statement of Reason (ISOR) Chapter III, Section C). For example, on May 31, 2018, the California Public Utility Commission (CPUC) unanimously approved transportation electrification projects proposed by three major Investor Owner Utilities (IOUs), with a total of \$738 million including \$236 million from Pacific Gas and Electric and \$343 million from Southern California Edison on medium and heavy-duty infrastructure, required under Senate Bill 350, chapter 547, statutes of 2015.² This approval would reduce the infrastructure costs to transit agencies in those utility service areas. In addition, on May 25, 2018, CARB approved allocations for Volkswagen Environmental Trust Funds that included up to \$65 million for zero-emission transit buses.

If insufficient funding is available to cover the upfront incremental costs, local agencies may also need to consider alternative methods to purchase buses, including battery

² *Application of San Diego Gas & Electric Company (U 902E) for Approval of SB 350 Transportation Electrification Proposals (Cal.P.U.C. Decision 18-05-040 May 31, 2018) No. A 17-01-020 and Related Matters A 17-01-021, 17-01-022.*

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lease arrangements that mitigate the higher bus costs. In some cases, local governments or transit agencies may need to augment grant funding to address the remaining incremental costs. Local governments or transit agencies may need to reallocate revenue resources among different municipality services or transportation programs to comply with the ICT regulation.

Cost or Savings for State Agencies:

The ICT proposal will impose costs on CARB. In addition to current resources allocated to transit-related programs, CARB estimates one additional position is necessary to:

- develop a reporting system prior to initial reporting by transit agencies in 2021, assisting transit agencies with compliance and annual reporting,
- disseminate information to transit fleets, and
- conduct compliance and enforcement activities, including auditing reported information and visiting sites to confirm vehicle equipment.

The cost of the position is estimated to be \$165,000 in 2020, and \$164,000 every year afterwards. The fund to cover the additional staff is expected to come from the Air Pollution Control Fund.

The ICT proposal is not expected to have adverse impacts on other state agencies.

Other Non-Discretionary Costs or Savings on Local Agencies:

The proposed ICT regulation affects transit agencies and is not expected to impose any non-discretionary costs or saving to transit agencies.

Cost or Savings in Federal Funding to the State:

The Federal Transit Administration (FTA) provides grants to local public transit systems, including buses. Since 1964, FTA has partnered with state and local governments to create and enhance public transportation systems, investing more than \$11 billion annually to support and expand public transit services. FTA provides annual formula grants to transit agencies nationwide as well as discretionary funding in competitive processes. The proposed ICT regulation is not expected to impose any costs or saving in Federal Funding to the State.

Housing Costs (Gov. Code, § 11346.5, subd. (a)(12)):

The Executive Officer has also made the initial determination that the proposed regulatory action will not have a significant effect on housing costs. Nothing in the regulation is expected to impact housing costs.

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Significant Statewide Adverse Economic Impact Directly Affecting Business, Including Ability to Compete (Gov. Code, §§ 11346.3, subd. (a), 11346.5, subd. (a)(7), 11346.5, subd. (a)(8)):

The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons.

Industries that manufacture or support ZEB technologies will see a demand increase as a result of the proposed ICT regulation. These businesses vary in size, revenue, and type of operations. The main impacted businesses include:

- ZEB manufacturers within motor vehicle manufacturing industries (NAICS code 3361)
- Electrical vehicle supply equipment (EVSE) suppliers and installers (NAICS codes 3359 and 3353)
- Construction and engineering service for hydrogen fueling station (NAICS code 5413)
- Utilities (NAICS code 2211) as electricity generator and distribution, and hydrogen producer (NAICS code 3251)

There are several ZEB manufacturers with plants located in California, including BYD Motors Inc., Complete Coach Works, Ebus, El Dorado National-California, Gillig, GreenPower, and Proterra. The increase in the production and usage of ZEBs could also benefit various businesses related to the ZEB component supply chain, including those involved in battery, fuel cell, and electric drivetrain businesses. Some of these are also located in California.

Because of the reduced use of conventional buses with internal combustion engines, the demand decrease is expected in the industries of conventional bus manufacturing and oil and gas. As most conventional bus manufacturers are likely to manufacture ZEBs at the same time, they may shift their operations to ZEB manufacturing to accommodate the increased demand for ZEB technologies.

Small businesses in the industries described above could face similar impacts as typical businesses. Electricians, construction companies, including infrastructure installers, some bus manufacturers, fuel cell and battery production, and electric drivetrain parts and components businesses may fall into the small business category. The benefits to ZEB manufacturers and other related business discussed above also apply to small businesses. But there is insufficient information about these indirect effects to quantify them or conclude they would be significant.

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MAJOR REGULATION: Statement of the Results of the Standardized Regulatory Impact Analysis (Gov. Code, § 11346.3, subd. (c)):

In April 2018, CARB submitted a Standardized Regulatory Impact Analysis (SRIA) to the Department of Finance (DOF) for its review. CARB has updated the proposed ICT regulation since the original SRIA submittal, and to address DOF comments. The revisions are discussed in the ISOR, Chapter VIII, Section A.

The Creation or Elimination of Jobs within the State

Employment growth slows minimally for local government during the early years of the assessment as transit agencies begin phasing-in ZEB technologies. In later years, as operating and maintenance spending decreases, local government sees positive, though small, employment growth relative to current conditions.

Industries that manufacture, install, and support ZEB technologies see employment growth at levels higher than current conditions. These industries include ZEB manufacturing, charging infrastructure manufacturing, engineering services, electricity generation, and hydrogen generation. With manufacturing facilities located in California, BYD, Proterra and GreenPower may bring significant employment opportunities. Some of these industries may fall into the category of small businesses and they would expect to see an increase in these types of jobs.

As transit agencies begin the deployment of ZEBs, demand for maintenance and conventional fuels decline, corresponding with the slowing in employment growth that is anticipated in these industries.

The Creation of New Businesses or the Elimination of Existing Businesses within the State

The proposed ICT regulation would provide incentives for the expansion of ZEBs and related component manufacturing. Business creation can occur both within the state and outside. Many manufacturers of ZEBs and component suppliers are already operating in California, suggesting there will be growth in the state.

The Competitive Advantages or Disadvantages for Businesses Currently Doing Business within the State

The proposed ICT regulation imposes requirements on California transit agencies that are publically owned and operated. No significant impacts to the competitiveness of businesses in California due to the proposed ICT regulation are anticipated.

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The Increase or Decrease of Investment in the State

Private domestic investment consists of purchases of residential and nonresidential structures and of equipment and software by private businesses and nonprofit institutions. It is used as a proxy for impacts on investments in California because it provides an indicator of the future productive capacity of the economy.

The proposed ICT regulation is unlikely to have any significant impact on investments in California. The induced demand for ZEB technologies by the transit agencies is not likely responsible for the overall decrease in gross domestic private investment for the proposed ICT regulation. As modeled, the proposed ICT regulation shows a slight decrease in investment growth, likely driven by the cumulative changes in government demand across multiple industries as ZEB technologies are phased in. The relative changes to growth in private investment, however, were indiscernible from the baseline (current conditions) in the SRIA analysis (ISOR Appendix B). The updated assumptions in the proposed ICT regulation analyzed here are not anticipated to change this result.

The Incentives for Innovation in Products, Materials, or Processes

Due to the proposed ICT regulation, there is anticipated to be growth in the industries that manufacture ZEB technologies, including the manufacturing industry for ZEB infrastructure and parts. There is still opportunity to improve upon existing technologies as there have been steady advancements in BEBs and FCEBs historically, which staff assumes will continue throughout the life of the ICT regulation but were not quantified. The innovation and technology demonstration as a result of the proposed ICT regulation could assist with the development of other zero emission heavy-duty vehicles.

The Benefits of the Regulations, Including, But Not Limited to, Benefits to the Health, Safety, and Welfare of California Residents, Worker Safety, and the State's Environment and Quality of Life, Among Any Other Benefits Identified By the Agency

The proposed ICT regulation would reduce GHG, PM, and NO_x emissions. When compared with current conditions from 2020 to 2050, the proposed ICT regulation is estimated to result in cumulatively 19 million metric tons (MMT) of reductions in CO_{2e}, 7,032 tons reduction in NO_x, and 39.4 tons reduction in PM_{2.5}.

Reduced emissions of PM_{2.5} and NO_x provided health benefits which lead to avoided premature mortality, avoided hospitalizations, and avoided emergency room visits. Emission reductions also reduce occupational exposure for individuals, such as bus operators, passengers, and employees who work around bus traffic.

Department of Finance Comments and Responses

The responses to DOF's comments are also included in the ISOR, Appendix B-2.

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- 1. DOF Comment:** Battery disposal will increasingly be an issue once this proposed regulation is fully implemented. Either transit agencies will face disposal costs, or there will be environmental costs. The SRIA must include one or the other to fully cover regulatory impacts.

Response:

All batteries have a finite lifetime. Proper disposal at the end of battery life is important for environmental protection. However, the batteries used by ZEBs are expected to outlast the transit buses and the cost of recycling may not be incurred by the transit agencies.

Batteries used by zero-emission technologies are rechargeable and have a longer life span compared to conventional batteries. Though the energy capacity of the batteries used in ZEBs will degrade over time, when used properly, the battery life can often outlast the bus life. According to a study conducted by the National Renewable Energy Laboratory (NREL), it is anticipated that the batteries will retain approximately 70 percent of their initial capacity, and potentially operate for 10 years after bus retirement when treated properly.^{3, 4} Some ZEB manufacturer(s) even provide a 12-year battery warranty. A transit agency can choose to recondition a battery to extend its useful life. The average bus life in California is about 14 years. Upon the retirement of a transit bus, if the battery still has remaining useful life, the battery can be reconditioned and resold or repurposed for other uses, such as energy storage, which does not have as severe demand on the battery.

NREL suggested that used batteries could replace grid-connected combustion turbine peaker plants, and provide peak-shaving service.⁵ The NREL study concluded that the battery's second use can "eliminate end-of-service costs for automotive battery owner and provide low- to zero-emission peaking services to electric utilities, reducing cost, use of fossil fuels, and greenhouse gas emissions ... the overall benefit to society can be quite large."⁶

If a battery continues to be used after bus retirement, it will not incur a disposal cost to the transit agencies. On the contrary, it could become a new revenue source for the transit agencies when these batteries are repurposed for different uses. However, the cost of battery disposal has to be paid at a certain point of its lifetime. This new

³ National Renewable Energy Laboratory (NREL). Battery Second Use for Plug-In Electric Vehicles Analysis. Available: <https://www.nrel.gov/transportation/battery-second-use-analysis.html>. Accessed July 23, 2018.

⁴ NREL (2015). Identifying and Overcoming Critical Barriers to Widespread Second Use of PEV Batteries. February, 2015. Available: <https://www.nrel.gov/docs/fy15osti/63332.pdf>.

⁵ NREL (2015). Identifying and Overcoming Critical Barriers to Widespread Second Use of PEV Batteries. February, 2015. Available: <https://www.nrel.gov/docs/fy15osti/63332.pdf>.

⁶ (NREL). Battery Second Use for Plug-In Electric Vehicles Analysis. Available: <https://www.nrel.gov/transportation/battery-second-use-analysis.html>. Accessed July 23, 2018.

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revenue source from battery repurposing could be used to pay for the disposal cost. Staff was not able to obtain sufficient data regarding the residual value of the batteries after they are retired from buses to provide estimates, because few battery electric buses have reached the end of life stage. However, some lithium-ion battery manufacturers do provide an attractive residual value to customers upon the retirement of a battery.⁷ Therefore, staff believes that the residual value can offset the recycling cost and does not include a residual battery value in the economic analysis for the transit agencies.

- 2. DOF Comment:** the SRIA must have growth in the number of buses over time that is at least proportional to population growth, rather than assuming that the total remains at 2016 levels.

The 2029 population is projected to be more than 10 percent larger than the 2016 population. Economic trends suggest that growth is more urban, and with limited road capacity, the demand for public transportation will likely rise. The SRIA notes that the relative costs per bus will remain the same no matter the total, but a higher total will increase electricity demand and demand for low-carbon fuels. A key assumption is that renewable fuel prices decrease, with hydrogen prices falling to around 30 percent of current levels, and greater demand could either stimulate production or stress supplies and raise prices. There is a great deal of inherent uncertainty about how markets will develop, but the current static assumption will likely understate the scale of changes. Not keeping up with population growth also understates the health benefits of reducing emissions in urban areas.

Response:

In the SRIA, a static population based on the National Transit Database (NTD) 2016 was used for cost analysis.⁸ The total number of buses may increase over time as human population and/or passenger mile grows. The cost analysis in the ISOR has been updated to incorporate growth of bus population, which represents Metropolitan Planning Organizations' (MPOs) forecasts and human population increase. As shown in CARB's mobile source emissions inventory, EMFAC 2017, the statewide growth rates of urban buses ranges from 0.7 percent to 1.4 percent per year between 2020 and 2050. This forecast is based on MPOs' vehicle miles traveled (VMT) targets and human population growth. For areas governed by an MPO that forecasts transit growth in target years of the Regional Transportation Plan/Sustainable Communities Strategy, the growth rate is generated by linear interpolation of the growth between the base year and target years. For areas that are not covered by an MPO, or where a local MPO does not

⁷ EnerDel applies a 25% of residual value to retired batteries. Available: <http://enerdel.com/services/guaranteed-residual-value/>. Accessed July 10, 2018.

⁸ National Transit Database (NTD) (2016). 2016 Annual Database Revenue Vehicle Inventory. Available: https://www.transit.dot.gov/sites/fta.dot.gov/files/Revenue%20Vehicle%20Inventory_0.xlsx.

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provide transit growth, the county-level human population growth rate published by the Department of Finance was used as a surrogate for transit growth.⁹

This growth will increase the number of ZEBs projected under the proposed ICT regulation, as well as the number of conventional internal combustion buses projected under current conditions. The vehicle number growth will then have an effect on the associated costs for both the proposed ICT regulation and current conditions. The growth impact on cost is modeled and included for ZEB infrastructure with the proposed ICT regulation because all infrastructure will be new. However, it is difficult to model for the infrastructure for buses with internal combustion engines due to limited or no information. For instance, it is uncertain which transit agencies will need to have major infrastructure expansion, like adding a new facility, or whether existing fueling infrastructure and space will need to be upgraded or expanded to accommodate such growth. For example, a depot yard that is servicing 100 buses may have a capacity of 110 buses, or may need to be expanded. This granular information is not readily available. Therefore, the increase of fueling infrastructure for buses with internal combustion engines is not included in the current conditions, which will result in a lower total cost. If total costs in the current conditions are a lower estimate, the incremental costs in the proposed ICT regulation relative to current conditions would be a higher estimate. This assumption results in a conservative assumption for total costs in the proposed ICT regulation.

The bus population growth was accounted for in the emission reduction modeling and the infrastructure for ZEBs. Therefore, there is no change on emission reductions and health benefit. This growth will also not change the fuel prices for conventional fossil fuels and electricity. The prices of compressed natural gas, gasoline and diesel are based on the energy prices for the transportation sector in the Energy Information Administration (EIA)'s Annual Energy Outlook 2018 (Reference case and Pacific region). Compared with other vehicles in the transportation sector, transit buses consume a small amount of the total energy. A population increase of 0.7 to 1.4 percent is not expected to impact fuel prices. Electricity price is determined by rate schedules and is also not anticipated be impacted by minor changes in the bus population.

Hydrogen price, however, is more dependent on station throughput. The higher the throughput is, the lower the hydrogen price. It is possible that an increase in the population of buses that use hydrogen could result in a decrease in the price of hydrogen. Given the lack of hydrogen market history, the price impact of this change in bus population is difficult to predict and was not estimated as part of the economic analysis. The current assumption without incorporating bus growth for hydrogen price is conservative, and the costs may be lower than presented.

⁹ California Air Resources Board (CARB) (2018). EMFAC2017 Volume III – Technical Documentation. March 1, 2018. Available: <https://www.arb.ca.gov/msei/downloads/emfac2017-volume-iii-technical-documentation.pdf>.

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3. **DOF Comment:** Public transit is no longer the only option to personal vehicles for individuals, and some private companies are now providing bus service, for their employees, as an alternative to public buses. If transit agencies raise prices to cover higher initial costs of this proposed regulation, such alternatives may be even more attractive, and undercut the estimated benefits. The SRIA could usefully add a discussion of these dynamics.

Response:

There will be upfront capital costs associated with ZEBs and their infrastructure due to the proposed ICT regulation. This might raise concerns that transit agencies may pass on the incremental costs to individuals through changes in service or fares. The State is aware of these concerns and is committed to providing incentives to help ease the transition to zero-emission technologies. In fact, the proposed ICT regulation is structured to provide opportunities for transit agencies to take advantage of substantial incentive funding that is being prioritized to ensure a successful transition to zero-emission technologies. These funding opportunities should substantially offset the upfront capital costs.

There are several major funding programs established to reduce the incremental costs associated with zero-emission technologies, such as Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). For fiscal year (FY) 2017-2018, the budget allocated up to \$180 million for the HVIP program with a minimum of \$35 million set aside to fund ZEBs exclusively. An additional \$125 million has been allocated to the HVIP program per Senate Bill 856 for the FY 2018-2019. Transit agencies can use state and federal grant funding to reduce or eliminate most of the initial incremental capital costs of the proposed regulation. In addition, staff estimated that, in the long-term, the cost savings outweigh the capital costs of adding ZEBs. Therefore, the likelihood of transit agencies raising fares to cover the higher initial cost is low. If a transit agency considers a fare increase, any increase has to be approved by the board of a transit agency.

Transit systems are evolving, and there could be many innovative alternatives to public transit in the near future. Some alternatives, such as private shuttle and ride-hailing (transportation network companies) services, have become popular in recent years. This would be the case with or without the proposed ICT regulation. Alternatives that might arise to supplant public transit cannot be easily predicted. In addition, the emissions impacts of those replacements could be minimal because other transportation modes are transitioning to low- and zero-emission pathways. The proposed ICT regulation itself is not anticipated to significantly alter the dynamic between public transit and other personal/private alternatives. Staff views any significant change in fares by transit agencies to cover initial capital costs as unlikely, given that the proposed regulation is structured to provide ample funding for transit agencies to offset those costs. In addition, the proposed ICT regulation contains a

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Zero-Emission Mobility program option that can synergistically work with these alternatives to increase accessibility to the entire transit system.

Business Report (Gov. Code, §§ 11346.5, subd. (a)(11); 11346.3, subd. (d)):

There are no reporting requirements for businesses. The only reporting requirements are for transit agencies. Even if Government Code sections 11346.5, subdivision (a)(11), and 11346.3, subdivision (d), applied, the Executive Officer finds the reporting requirements of the proposed regulatory action which apply to transit agencies are necessary for the health, safety, and welfare of the people of the State of California. The information contained in the reports is necessary for CARB to assess transit agencies' ability and potential to transition to zero-emission technologies, and to mitigate barriers.

Cost Impacts on Representative Private Persons or Businesses (Gov. Code, § 11346.5, subd. (a)(9)):

In developing this regulatory proposal, CARB staff evaluated the potential economic impacts on representative private persons or businesses. The proposed ICT regulation directly impacts transit agencies, who are local governmental agencies. The impacts are discussed in ISOR Appendix B. There are no direct regulatory costs incurred by individuals as a result of the proposed ICT regulation. Transit agencies that experience increased costs may pass on costs to individuals, through changes in service or bus fares. However, grant funding can help reduce or eliminate most of the initial capital costs of the proposed ICT regulation, and in the long term the cost savings outweigh the incremental capital costs of adding ZEBs.

Effect on Small Business (Cal. Code Regs., tit. 1, § 4, subs. (a) and (b)):

The Executive Officer has also determined under California Code of Regulations, title 1, section 4, that the proposed regulatory action would not affect small businesses because the proposed ICT regulation directly impacts transit agencies, which are a part of local governments. There is no cost for small or typical private-sector businesses.

Consideration of Alternatives (Gov. Code, § 11346.5, subd. (a)(13)):

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

The analysis of such alternatives can be found in Chapter IX of the ISOR for the proposed alternatives. Staff has discussed eight alternative concepts in the ISOR,

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including stricter and less stringent ZEB purchase requirement, buses with low NOx engines paired with renewable fuel purchase requirement, performance based approach, bus manufacturer sales requirement, voluntary ZEB purchase, California Transit Association's Statewide Transit Electrification Proposal, and proposals from environmental groups and labor unions.

Staff has conducted economic analyses on two of the alternatives. Alternative 1 requires 100 percent ZEB purchase starting 2020, which is much more stringent than the proposed ICT regulation. Alternative 1 could provide more emission reductions and health benefits from early years; however, it also bears some risks. First, it moves all infrastructure cost earlier which could be too much of a financial burden for transit agencies to accommodate. Second, a sudden high cost in the early years does not allow transit agencies time to plan for funding sources and could result in adverse impacts like service cuts. Third, it does not allow transit agencies time to adjust for the new technology learning curve and troubleshooting. Fourth, this alternative does not allow the use of funding sources that may be available in later years and therefore increases the upfront program incremental cost. The costs of Alternative 1 in combination with limited access to funding programs make it unlikely for transit agencies to continue normal bus purchase patterns. This may result in transit agencies keeping high emitting buses longer or may result in transit agencies reducing service. Alternative 1 was rejected due to the high initial costs without adequate opportunity for funding.

Alternative 2 requires purchase of low NOx engines when new bus purchases are made, and the use of renewable fuels. It does not require the purchase of any ZEBs. This alternative results in lower direct costs to transit agencies and fewer emission benefits. It would not decrease GHG or PM emissions, would not achieve the maximum NOx reduction possible, and would not advance the adoption of heavy duty zero-emission technologies that have a great fuel efficiency advantage and therefore potentials to reduce GHG emissions and fossil fuel dependency. Though Alternative 2 requires renewable fuel purchase, GHG emission reductions are already claimed by the LCFS program. The proposed ICT regulation is identified as a State SIP strategy and is designed to help achieve California's air quality and climate protection goals. Alternative 2 is rejected because it will not reduce GHG emissions, which is a key goal of the regulation and will not help the State to achieve the long-term air quality and climate protection goals.

No alternative proposed was found to be less burdensome and equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the authorizing law. The Board has not identified any reasonable alternatives that would lessen any adverse impact on small business.

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STATE IMPLEMENTATION PLAN REVISION

If adopted by CARB, CARB plans to submit the proposed regulatory action to the United States Environmental Protection Agency (U.S. EPA) for approval as a revision to the California State Implementation Plan (SIP) required by the federal Clean Air Act (CAA). The adopted regulatory action would be submitted as a SIP revision because it amends regulations intended to reduce emissions of air pollutants in order to attain and maintain the National Ambient Air Quality Standards promulgated by U.S. EPA pursuant to the CAA.

ENVIRONMENTAL ANALYSIS

CARB, as the lead agency for the proposed ICT regulation, has prepared a draft environmental analysis (Draft EA), which analyzes the ICT Regulation in accordance with the requirements of its regulatory program certified by the Secretary of Natural Resources. (California Code of Regulation, title 17, sections 60006-60008; California Code of Regulation, title 14, section 15251, subdivision (d)). The Draft EA assesses the potential for significant adverse and beneficial environmental impacts associated with the proposed actions and provides a programmatic environmental analysis of the reasonably foreseeable compliance responses that could result from implementation of the proposed regulations.

The resource areas from the California Environmental Quality Act (CEQA) Guidelines Environmental Checklist were used as a framework for a programmatic environmental analysis of the direct, and reasonably foreseeable indirect, environmental impacts resulting from implementation of the proposed regulations. The Draft EA provides an analysis of both the beneficial and adverse impacts and feasible mitigation measures for the reasonably foreseeable compliance responses associated with the recommended amendments.

The Draft EA concluded that implementing the proposed regulations could result in the following short-term and long-term beneficial and adverse impacts:

- beneficial impacts to energy demand, and greenhouse gases;
- less than significant impacts, or no impacts, to air quality, energy demand, greenhouse gases, land use planning, mineral resources, population and housing, public service, and recreation; and
- potentially significant adverse impacts to aesthetics, agricultural and forest resources, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use planning, mineral resources, noise, transportation and traffic, and utilities and service systems.

The potentially significant and unavoidable adverse impacts are primarily related to short-term, construction-related activities. This explains why some resource areas are

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identified above as having both less-than-significant impacts and potentially significant impacts. Please refer to the Draft EA for further details.

The Draft EA is included as Appendix C to the ISOR and can be obtained from CARB's website at: <https://www.arb.ca.gov/regact/2018/ict2018/ict2018.htm>

Copies of the Draft EA may also be obtained from CARB's Public Information Office, 1001 I Street, First Floor, Environmental Services Center, Sacramento, California, 95814.

SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language; and
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing.

TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alterno u otro idioma; y
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

AGENCY CONTACT PERSONS

Inquiries concerning the substance of the proposed regulatory action may be directed to the agency representative Yachun Chow, Manager, Zero Emissions Truck and Bus Section, at (916) 322-7450 or (designated back-up contact) Shirin Barfjani, Air Pollution Specialist, at (916) 445-6017.

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AVAILABILITY OF DOCUMENTS

CARB staff has prepared a Staff Report: Initial Statement of Reasons (ISOR) for the proposed regulatory action, which includes a summary of the economic and environmental impacts of the proposal. The report is entitled: Staff Report: Initial Statement of Reasons – Public Hearing to Consider the Proposed Innovative Clean Transit Regulation a Replacement of the Fleet Rule for Transit Agencies.

Beginning on August, 7, 2018, copies of the ISOR and the full text of the proposed regulatory language, in underline and strikethrough format to allow for comparison with the existing regulations, may be accessed on CARB's website listed below:

<https://www.arb.ca.gov/regact/2018/ict2018/ict2018.htm>

Copies may also be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814.

The agency representative to whom nonsubstantive inquiries concerning the proposed administrative action may be directed is Chris Hopkins, Regulations Coordinator, (916) 445-9564. The Board staff has compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

HEARING PROCEDURES

The public hearing will be conducted in accordance with the California Administrative Procedure Act, Government Code, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340).

Following the public hearing, the Board may vote on a resolution directing the Executive Officer to:

- make any proposed modified regulatory language that is sufficiently related to the originally proposed text that the public was adequately placed on notice and that the regulatory language as modified could result from the proposed regulatory action, and any additional supporting documents and information, available to the public for a period of at least 15 days;
- consider written comments submitted during this period; and
- make any further modifications as may be appropriate in light of the comments received available for further public comment.

The Board may also direct the Executive Officer to:

- evaluate all comments received during the public comment periods, including comments regarding the Draft Environmental Analysis, and prepare written responses to those comments; and

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- present to the Board, at a subsequently scheduled public hearing, the final proposed regulatory language, staff's written responses to comments on the Draft Environmental Analysis, along with the Final Environmental Analysis for action.

FINAL STATEMENT OF REASONS AVAILABILITY

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on CARB's website listed below.

INTERNET ACCESS

This notice, the ISOR and all subsequent regulatory documents, including the FSOR, when completed, are available on CARB's website for this rulemaking at <https://www.arb.ca.gov/regact/2018/ict2018/ict2018.htm>

CALIFORNIA AIR RESOURCES BOARD



Richard W. Corey
Executive Officer

Date: July 24, 2018

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website at www.arb.ca.gov.

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APPENDIX A – PROPOSED REGULATION ORDER

Amend sections 2023, 2023.1, 2023.2, 2023.3, and 2023.4, title 13, California Code of Regulations California Code of Regulations, to read as follows, add new sections 2023.5 – 2023.11, and codify under new Article 4.3:

(Note: The proposed amendments are shown in underline to indicate additions and ~~strikeout~~ to indicate deletions from the existing regulatory text.)

~~13 CCR § 2023~~

~~§ 2023. Fleet Rule for Transit Agencies.~~

~~(a) The definitions in section 2020 shall apply to sections 2023, 2023.1, 2023.2, 2023.3 and 2023.4. In addition, the following definitions apply only to sections 2023, 2023.1, 2023.2, 2023.3 and 2023.4.~~

~~(1) "Active fleet" means the total number of urban buses operated by a transit agency or under contract to a transit agency, including spare buses, but not emergency contingency vehicles or non-revenue producing vehicles.~~

~~(2) "Commuter Service Bus" means a passenger-carrying vehicle powered by a heavy heavy-duty diesel engine or of a type normally powered by a heavy heavy-duty diesel engine that is not otherwise an urban bus and which operates on a fixed route primarily during peak commute hours and that has no more than ten scheduled stops per day, excluding park-and-ride lots. A commuter service bus is a transit fleet vehicle.~~

~~(3) "Diesel PM emission total," for the purposes of sections 2023.1 and 2023.2, means the sum of the particulate matter (PM) value, based on the~~

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Article 4.3. Innovative Clean Transit.

§ 2023. Innovative Clean Transit Regulations.

(a) Applicability.

(1) Except as provided in sections 2023(a)(2), these Innovative Clean Transit regulations, title 20, article 4.3, California Code of Regulations, apply to a transit agency that owns, operates, leases, rents, or contracts with another entity to operate buses in California.

(2) These regulations do not apply to any of the following:

(A) Vehicles that operate on rails or trolleybuses;

(B) Caltrans, Caltrain, Amtrak, or any local school district.

(b) **Definitions.** For the purposes of the regulations in this Article 4.3, the following definitions apply:

(1) “Active Bus” means a bus in a particular fleet at year-end that is available to operate in revenue service, including a spare bus and a bus temporarily out of service for routine maintenance and minor repairs. A bus in storage, an emergency contingency vehicle, a bus pulled from the active bus fleet but awaiting sale, or a bus out of service for an extended period of time for major repairs is not considered an active bus.

(2) “Air Basin” has the same meaning as defined in section 39012 of Health and Safety Code.

(3) “Articulated Bus” is a 54-foot to 60-foot bus with two connected passenger compartments.

(4) “Battery Electric Bus” means a bus that is all-electric and relies only on batteries as the power source. It has no internal combustion engine in the powertrain for the vehicle. A battery electric bus can store electricity on board the vehicle in a battery and the battery can be recharged repetitively by an external source.

(5) “Bus” means a rubber-tire vehicle designed to transport passengers by road with gross vehicle weight rating (GVWR) greater than 14,000 pounds, but does not include a trolleybus as specified in section 2023(a)(2)(B).

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- (6) “Bus Purchase” or “Purchase” means one of the following:
- (A) A written “Notice to Proceed” executed by a transit agency to a bus manufacturer to begin production of a bus under a previously-entered purchase contract or to execute a contract option;
 - (B) If no Notice to Proceed is issued, a written purchase agreement between a transit agency and a bus manufacturer for a bus that specifies the date when the bus manufacturer is to proceed with the work to manufacture the bus; or
 - (C) A signed written lease agreement between a transit agency and a bus manufacturer or sales representatives for a new bus to be placed in revenue service for a contract term of five years or more.
- (7) “Bus Testing Report” means the complete test report for a bus model required by title 49 of Code of Federal Regulations (CFR) section 665.13. These bus tests are also commonly called “Altoona Testing”.
- (8) “Bus Type” means a form of bus used by transit agencies for revenue operations, including a bus, articulated bus, over-the-road bus, double-decker bus, and cutaway buses.
- (9) “CalEnviroScreen” means a mapping tool that is developed by Office of Environmental Health Hazard Assessment (OEHHA) at the request of California Environmental Protection Agency (CalEPA) to identify California’s most pollution-burdened and vulnerable communities based on geographic, socioeconomic, public health and environmental hazard criteria. The CalEnviroScreen is available for public use at <https://oehha.ca.gov/calenviroscreen> .
- (10) “CARB” is the same as California Air Resources Board.
- (11) “Commercially Available” in reference to an engine means an engine on a bus that is certified by CARB’s On-Road New Vehicle & Engine Certification Program for a specified application and is available for purchase or lease. The term “Commercially Available,” as used in this regulation, applies only to

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- low-NOx engines certified to meet the lowest level of emissions on conventional internal combustion engine buses.
- (12) “Compressed Natural Gas” or “CNG” has the same meaning as specified in the Low Carbon Fuel Standard Regulation, title 17, California Code of Regulations, section 95481(21).
- (13) “Conventional Internal Combustion Engine Bus” means a bus with an internal combustion engine (ICE) propulsion system or a combination of an internal combustion engine with an electric propulsion system commonly referred to as a hybrid powertrain.
- (14) “Conversion to a Zero-Emission Bus” means converting a conventional internal combustion engine bus, to a zero-emission bus as defined in section 2023(b)(52).
- (15) “Criteria Pollutants” or “Criteria Air Pollutants” are air pollutants for which air quality criteria have been issued by the Administrator of the United States Environmental Protection Agency under title 42 of United States Code, section 7408.
- (16) “Curb Weight” has the same meaning as defined in title 49 of Code of Federal Regulations, section 571.3.
- (17) “Cutaway Bus” means a vehicle in which a bus body designed to transport passengers is mounted on the chassis of a van or light- or medium-duty truck chassis, and that has a GVWR greater than 14,000 pounds but not more than 26,000 pounds. The original van or light- or medium- duty truck chassis may be reinforced or extended. A cutaway bus may accommodate some standing passengers.
- (18) “Date In-Service” means the date a purchased bus is brought into revenue service.
- (19) “Diesel” has the same meaning as defined in title 13, California Code of Regulations, sections 2281 and 2282.
- (20) “Double-Decker” means a high-capacity bus that has two levels of seating, one over the other, connected by one or more stairways. Total bus height is

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- usually 13 to 14.5 feet, and typical passenger seating capacity ranges from 40 to 80 people.
- (21) “Emergency” has the same meaning as defined in title 49 of United States Code, section 5324(a)(2).
- (22) “Emergency Contingency Vehicle” is a revenue vehicle placed in an inactive fleet for local emergencies after this revenue vehicle has reached the end of its normal minimum useful life.
- (23) “Engine Family Name” or “EFN” is an identifier, which is unique to an engine of a specific model year, build, and manufacturer, and can be found on the emission control label located on the engine.
- (24) “Executive Officer” means the Executive Officer of the California Air Resources Board (CARB) or his/her designee.
- (25) “Fleet Size” means the total number of active buses in a fleet as described in section 2023(b)(1) as of December 31, 2017, that are subject to requirements of this regulation as described in section 2023(a) and have GVWR greater than 14,000 pounds.
- (26) “FTA” is the Federal Transit Administration.
- (27) “Fuel Cell Electric Bus” or “FCEB” means an electric bus that includes both a hydrogen fuel cell stack and a battery. The fuel cell stack generates electricity on board to charge the battery that powers the on board motor. It has no internal combustion engine in the powertrain. A fuel cell electric bus does not need to be equipped with a large battery for the energy storage purpose and relies on its hydrogen tank and fuel cell stack on board for energy supply.
- (28) “Gross Vehicle Weight Rating” or “GVWR” has the same meaning as defined in California Vehicle Code, section 350, subdivision (a).
- (29) “Large Transit Agency” means a transit agency with a fleet size of one-hundred (100) or more buses.
- (30) “Low-NOx Engine” has the same meaning as defined in title 13 of California Code of Regulations, section 2208(c)(18).

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- (31) “Manufacture Year” means the year of original manufacture of the vehicle. It is not necessarily the same as the model year.
- (32) “Metropolitan Planning Organization” or “MPO” has the same meaning as defined in 49 U.S.C. section 5303(b)(2).
- (33) “Minimum Useful Life” means the minimum years of service or accumulations of miles at which a transit agency is allowed to retire its federally funded bus without penalty.
- (34) “New Bus” means a bus, the equitable or legal title to which has never been transferred to a first entity who in good faith purchases the bus for purposes other than resale.
- (35) “New Entrant” means a transit agency that is newly established or is created through a merger of two or more transit agencies on or after December 31, 2017.
- (36) “Notice to Proceed” means a written direction to a bus manufacturer to commence production of a bus as provided in a contract.
- (37) “NOx” means oxides of nitrogen.
- (38) “NOx Exempt Areas” means the following counties and air basins: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Eastern Kern (portion of Kern County within the Eastern Kern Air Pollution Control District), Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Monterey, Nevada, Northern Sonoma (as defined in title 17, California Code of Regulations, section 60100(e)), Plumas, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz, Shasta, Sierra, Siskiyou, Northern Sutter (portion of Sutter County that is north of the line that extends from the south east corner of Colusa County to the southwest corner of Yuba County), the portion of El Dorado that is within the Lake Tahoe Air Basin (as defined in title 17, California Code of Regulations, section 60113), the portion of Placer that is East of Highway 89 or within the Lake Tahoe Air Basin, Trinity, Tehama, Tuolumne, and Yuba.

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- (39) “Orange County Bus Cycle” means a chassis dynamometer test developed by West Virginia University based on real bus operating data from the Orange County Transportation Authority. The test is based on Society of Automotive Engineers (SAE) International Recommended Practice for Measuring Fuel Economy and Emissions of Hybrid-Electric and Conventional Heavy-Duty Vehicles J2711_200209 (September 20, 2002), available at: https://www.sae.org/standards/content/j2711_200209/, which is incorporated by reference.
- (40) “Over-The-Road Bus” means a bus characterized by an elevated passenger deck located over a baggage compartment, generally used for long-distance bus services and connecting outlying areas with central cities with limited stops. Over-The-Road buses are also commonly called Coaches or Motor Coaches.
- (41) “Regional Transportation Planning Organization” has the same meaning as defined in 49 U.S.C. section 5303(b)(5). It is an organization that identifies local transportation needs, conducts planning, assists local governments, and supports the statewide transportation planning process in non-metropolitan regions of the State with a population size less than 50,000, as determined by the U.S. Census.
- (42) “Renewable Diesel” or “Biomass-Based Diesel” has the same meaning as defined in title 17, California Code of Regulations, section 95481(18).
- (43) “Renewable Natural Gas” or “Biomethane” or “RNG” has the same meaning as defined in title 17, California Code of Regulations, section 95481(19).
- (44) “Repower,” for the purpose of this regulation, only means to replace the engine in a vehicle with a newer engine. The term “repower,” as used in this regulation, refers to replacing an older engine with a newer model engine that meets the lowest level of NOx emissions standards.
- (45) “Revenue Vehicle” means a bus that is available to operate in revenue service carrying passengers.

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- (46) “Revenue Service” means the time when a bus is available to the general public and there is an expectation of carrying passengers.
- (47) “School Bus” has the same meaning as defined in California Vehicle Code, section 545.
- (48) “Spare Vehicle” means a revenue vehicle that is maintained by the transit agency to preserve scheduled service operations during following occurrences:
- (A) Meet routine and heavy maintenance requirements; or
 - (B) Meet unexpected vehicle breakdowns or accidents.
- (49) “Small Transit Agency” means a transit agency with a fleet size of fewer than one-hundred (100) buses.
- (50) “Transit Agency” has the same meaning as defined in title 13, California Code of Regulations, section 2020(b). A transit agency does not mean a correctional facility, airport, college or university, national park, tour bus service providers, or an entity that provide shuttle services solely for patrons of its organization.
- (51) “Trolleybus” means a rubber-tired, electrically powered passenger vehicle operated on city streets drawing power from overhead wires using trolley poles.
- (52) “Zero-Emission Bus” or “ZEB” means a bus with zero tailpipe emissions.
- (A) A battery electric bus shall qualify as a zero-emission bus, and
 - (B) A fuel cell electric bus shall qualify as a zero-emission bus.
- (53) “Zero-Emission Passenger Miles” means the number of miles traveled by passengers determined by multiplying the number of passengers who board a vehicle by the length of their trips. The term “Zero-Emission Passenger Miles,” as it used in this regulation, refers to passenger miles driven on a zero-emission vehicles other than buses with a GVWR of over 14,000 pounds.

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NOTE: Authority cited: Sections 38501, 38510, 38560, 39002, 39003, 39012, 39017, 39018, 39027, 39500, 39600, 39601, 39606, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43701(b), 43801 and 43806, Health and Safety Code. Reference: Sections 38501, 38510, 38560, 39002, 39003, 39017, 39027, 39500, 39600, 39601, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43101, 43104, 43105, 43701(b), 43801 and 43806, Health and Safety Code; Sections 233, 350, 545, and 28114, Vehicle Code; sections 5303 and 5324, title 49, United States Code; Code of Federal Regulations, title 49, section 665.13.

§ 2023.1. Zero-Emission Bus Requirements.

(a) Zero-Emission Bus Purchase Requirements.

(1) In any given calendar year, transit agencies must purchase or operate a minimum number of zero-emission buses as determined by the following schedules:

(A) For a large transit agency:

- a. Starting January 1, 2023, twenty-five percent of the total number of new bus purchases in each calendar year must be zero-emission buses;
- b. Starting January 1, 2026, fifty percent of the total number of new bus purchases in each calendar year must be zero-emission buses; and
- c. Starting January 1, 2029, all new bus purchases must be zero-emission buses.

(B) For a small transit agency:

- a. Starting January 1, 2026, twenty-five percent of the total number of new bus purchases in each calendar year must be zero-emission buses; and
- b. Starting January 1, 2029, all new bus purchases must be zero-emission buses.

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- (2) If the calculated required minimum number of zero-emission buses as set forth in section 2023.1(a) in a given calendar year does not result in a whole number, the number must be rounded to the nearest integer.
- (3) The zero-emission bus purchase requirements set forth in section 2023.1(a) apply only to the total number of new bus purchases in a calendar year. The following purchases are not considered to be new bus purchases for the purposes of calculating the minimum number of zero-emission buses required in a given calendar year:
- (A) Purchase of used buses;
 - (B) Zero-emission buses that are converted from conventional internal combustion engine buses; and
 - (C) Purchase of a cutaway bus, over-the-road bus, or articulated bus, until the latter of either January 1, 2026 or until the criteria specified in section 2023.1(c) have been met.
- (4) The required minimum number of zero-emission buses in section 2023.1(a) can be achieved with any combination of new zero-emission bus purchases and number of zero-emission buses already present in the fleet, less any available zero-emission bus bonus or zero-emission mobility credits, as provided in sections 2023.3 and 2023.5. The number of zero-emission buses in the fleet include all of the following zero-emission buses regardless of how and when they are acquired:
- (A) Any zero-emission bus from a previous purchase that has been delivered;
 - (B) Any leased zero-emission bus that has been delivered; and
 - (C) Any zero-emission bus converted from a conventional internal combustion engine bus and is an active bus.
 - (D) A zero-emission bus identified in section 2023.1(a)(4)(A) through (C) may only be used once in accounting for the required minimum number of zero-emission buses in section 2023.1(1).

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- (5) A purchased new bus must be delivered within two years from the initial date of a Notice to Proceed, unless a transit agency has been granted an extension by the Executive Officer as set forth in section 2023.4(c)(1) and (2).
 - (6) If a transit agency cancels a Notice to Proceed at any time before the bus delivery date, the purchase will be considered invalid and will not count towards required total new bus purchases.
 - (7) Starting January 1, 2023, a transit agency must retain a newly purchased zero-emission bus for at least five years starting from the date of being placed in the active bus fleet.
 - (8) Annual compliance with the zero-emission bus purchase requirements is determined as of December 31 of each calendar year.
- (b) **Waiver of Initial Zero-Emission Bus Purchase Requirements.** The zero-emission bus purchase requirements in section 2023.1(a) for calendar year 2023 and 2024 are waived if the following circumstances exist:
- (1) The zero-emission bus purchase requirements for calendar year ending December 31, 2023, are waived if California transit agencies collectively have at least one-thousand (1,000) zero-emission buses purchased or in active bus fleets by December 31, 2020, as determined by the Executive Officer based on the reporting data for calendar year 2020 required by section 2023.8.
 - (2) If the 2023 zero-emission bus purchase requirement is waived as a result of the implementation of section 2023.1(b)(1), then the zero-emission bus purchase requirements for calendar year ending December 31, 2024, are waived if California transit agencies collectively have at least one-thousand and one hundred fifty (1,150) zero-emission buses purchased or in active bus fleets by December 31, 2021, as determined by the Executive Officer based on the reporting data for calendar year 2021 required by section 2023.8.
 - (3) Zero-Emission Bus Bonus Credits as specified in section 2023.3 cannot be used to meet the bus-fleet requirements of the waivers.
- (c) **Cutaway, Over-The-Road, Double Decker, and Articulated Buses.** Purchases of cutaway, over-the-road, double decker, or articulated buses are

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subject to the zero-emission bus purchase requirements as specified in section 2023.1(a) on or after January 1, 2026, if the cutaway, over-the-road, double decker, or articulated bus type has a model that has passed the bus testing procedure and obtained a Bus Testing Report as described in section 2023(b)(7) for a given weight class.

(d) **Zero-Emission Bus Rollout Plan.** A transit agency must submit a Zero-Emission Bus Rollout Plan (Rollout Plan) to the Executive Officer that meets the following requirements.

(1) Rollout Plans must include all of the following components:

- (A) A goal of full transition to zero-emission buses by 2040 with careful planning that avoids early retirement of conventional internal combustion engine buses;
- (B) Identification of the types of zero-emission bus technologies a transit agency is planning to deploy, such as battery electric or fuel cell electric bus;
- (C) A schedule for construction of facilities and infrastructure modifications or upgrades, including charging, fueling, and maintenance facilities, to deploy and maintain zero-emission buses. This schedule must specify the general location of each facility, type of infrastructure, service capacity of an infrastructure, and a timeline for construction;
- (D) A schedule for zero-emission and conventional internal combustion engine buses purchases and lease options. This schedule for bus replacements must identify the bus types, fuel types, and number of buses;
- (E) A schedule for conversion of conventional internal combustion engine buses to zero-emission buses, if any. This schedule for bus conversion must identify number of buses, bus types, the propulsion systems being removed and converted to;
- (F) A plan on how a transit agency plans to deploy zero-emission buses in disadvantaged communities as listed in the latest version of

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CalEnviroScreen (<https://oehha.ca.gov/calenviroscreen>) at the time of the Rollout Plan is submitted;

- (G) A training plan and schedule for zero-emission bus operators and maintenance and repair staff; and
- (H) Identification of potential funding sources.
- (2) Each transit agency's governing board must approve the Rollout Plan through the adoption of a resolution, and submit the Rollout Plan and a copy of the resolution to the Executive Officer according to the following schedule:
 - (A) A large transit agency must submit its board approved Rollout Plan along with its approval to the Executive Officer by July 1, 2020;
 - (B) A small transit agency must submit its board approved Rollout Plan along with its approval to the Executive Officer by July 1, 2023.
- (3) Transit agencies that are collectively complying with the requirements of Joint Zero-Emission Bus Groups as set forth in section 2023.2 may submit one joint Rollout Plan in lieu of individual transit agency Rollout Plan along with board approval from each participating transit agencies. The joint Rollout Plan must be submitted to the Executive Officer based on the submittal date of the largest transit agency in the Joint Group, as set forth in section 2023.1(d)(2).
- (e) **New Entrant.** A new entrant must meet the following requirements:
 - (1) It must submit a compliance report by the first March 31 after its existence and every year thereafter as specified in section 2023.8; and
 - (2) It must submit a Rollout Plan within 18 months of its existence.

NOTE: Authority cited: Sections 38501, 38510, 38560, 39002, 39003, 39012, 39017, 39018, 39027, 39500, 39600, 39601, 39606, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43701(b), 43801 and 43806, Health and Safety Code. Reference: Sections 38501, 38510, 38560, 39002, 39003, 39017, 39027, 39500, 39600, 39601, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43101, 43104, 43105, 43701(b), 43801 and

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43806, Health and Safety Code; Sections 233, 350, 545, and 28114, Vehicle Code; sections 5303 and 5324, title 49, United States Code; Code of Federal Regulations, title 49, section 665.13.

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§ 2023.2. Compliance Option for Joint Zero-Emission Bus Groups.

- (a) Two or more transit agencies may choose to form a Joint Zero-Emission Bus Group (Joint Group) to comply with the requirements of section 2023.1 collectively. A Joint Group must meet at least one of the following eligibility criteria:
- (1) All participating transit agencies are located within the same service area of a Metropolitan Planning Organization or Regional Transportation Planning Organization;
 - (2) All participating transit agencies are located within the same Air Basin;
 - (3) All participating transit agencies are located within the same Air Quality Management District, Air Pollution Control District, or Air Resources District;
or
 - (4) All participating transit agencies share infrastructure.
- (b) **Procedure to form a Joint Group.**
- (1) A group of transit agencies forming a Joint Group must provide the Executive Officer a notice at least one year before the Joint Group takes effect. The notice must include all of the following information:
 - (A) A list of all participating transit agencies;
 - (B) A statement of intent to form the Joint Group from a responsible official for each participating transit agency;
 - (C) The proposed start year and if known the end date of the Joint Group;
 - (D) A description on which criteria specified in section 2023.2(a) are met to form a Joint Group.
 - (2) The Executive Officer may approve the joint agreement provided one of the criteria set forth in section 2023.2(a) has been met and assign a Joint Group Number to the group to be used by each participating transit agency for the purpose of annual reporting as specified in section 2023.8.

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(c) **Joint Group Compliance Requirements.**

- (1) Members of a Joint Group collectively may submit one joint Rollout Plan in lieu of individual transit agency Rollout Plans, along with board approval from each transit agency's governing board as set forth in section 2023.1(d)(3).
- (2) Members of a Joint Group must collectively purchase and operate at least the same total number of zero-emission buses annually as each transit agency would be required to purchase and operate individually as set forth in section 2023.1(a).
- (3) A Joint Group that is requesting a deferral from zero-emission bus purchase requirements as described in section 2023.4 must explain why the compliance requirements cannot be met by any member of the Joint Group.
- (4) If a Joint Group fails to comply with the zero-emission bus requirements set forth in section 2023.1 in a given year, each transit agency will be evaluated for compliance individually.
- (5) If the largest transit agency in a Joint Group, based on fleet size, is a large transit agency, then in any given calendar year, this transit agency must have the required minimum number of zero-emission buses as a percentage of its total new bus purchases in that calendar year as set forth in section 2023.1(a).

(d) **Changes to a Joint Group.** In case of a change in membership, all participating transit agencies, including the new or departing transit agency, must collectively submit a request to change membership to the Executive Officer explaining the change and its expected effective date. The Member Change Request must be signed by the responsible official of each participating transit agency, including the new or departing transit agency, and must be submitted to the Executive Officer along with the board approvals for each participating transit agency, for such a change.

(e) All transit agencies participating in a Joint Group must individually meet the reporting and record-keeping requirements of sections 2023.8 and 2023.9.

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NOTE: Authority cited: Sections 38501, 38510, 38560, 39002, 39003, 39012, 39017, 39018, 39027, 39500, 39600, 39601, 39606, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43701(b), 43801 and 43806, Health and Safety Code. Reference: Sections 38501, 38510, 38560, 39002, 39003, 39017, 39027, 39500, 39600, 39601, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43101, 43104, 43105, 43701(b), 43801 and 43806, Health and Safety Code; Sections 233, 350, 545, and 28114, Vehicle Code; sections 5303 and 5324, title 49, United States Code; Code of Federal Regulations, title 49, section 665.13.

§ 2023.3. Zero-Emission Bus Bonus Credits.

- (a) A transit agency may earn Zero-Emission Bus Bonus Credits (Bonus Credits) for each early adoption of a zero-emission bus as determined based on the following criteria:
- (1) Each fuel cell electric bus that was purchased on or before December 31, 2017 and remained in the fleet as of January 1, 2018 receives two Bonus Credits;
 - (2) Each fuel cell electric bus placed in service between January 1, 2018 and December 31, 2022 receives one Bonus Credit;
 - (3) Each battery electric bus that was purchased on or before December 31, 2017 and remained in service as of January 1, 2018 receives one Bonus Credit;
- (b) Transit agencies that have Bonus Credits can use them in any subsequent years until December 31, 2028 to meet the required minimum number of zero-emission buses as set forth in section 2023.1(a)(4).
- (1) Each bonus credit may only be used once to meet the zero-emission bus purchase requirements set forth in section 2023(a)(4);
 - (2) All Bonus Credits will expire on January 1, 2029 when the one hundred percent zero-emission bus purchase requirement begins.

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- (c) A Bonus Credit cannot be transferred to another transit agency, but may be used by transit agencies participating in a Joint Group to comply with zero-emission bus purchase requirements collectively as set forth in section 2023.2(c)(2).

NOTE: Authority cited: Sections 38501, 38510, 38560, 39002, 39003, 39012, 39017, 39018, 39027, 39500, 39600, 39601, 39606, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43701(b), 43801 and 43806, Health and Safety Code. Reference: Sections 38501, 38510, 38560, 39002, 39003, 39017, 39027, 39500, 39600, 39601, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43101, 43104, 43105, 43701(b), 43801 and 43806, Health and Safety Code; Sections 233, 350, 545, and 28114, Vehicle Code; sections 5303 and 5324, title 49, United States Code; Code of Federal Regulations, title 49, section 665.13.

§ 2023.4. Provisions for Extension or Exemption of a Zero-Emission Bus Purchase.

- (a) Transit agencies may request an extension or exemption from the zero-emission bus requirements set forth in section 2023.1 as provided in this section.
- (b) A Request for Extension or Request for Exemption for a particular calendar year's compliance obligation must be submitted to the Executive Officer by November 30th of that year.
- (c) A Request for Extension must demonstrate as provided below that at least one of the following circumstances exists beyond the transit agency's control:
- (1) Delay in the bus delivery is caused by the bus manufacturer. A transit agency may request an extension of the requirements of section 2023.1(a)(4) if the purchased bus cannot be delivered in time due to manufacturing delays. This exemption is available for all bus purchases, including conventional internal combustion engine buses, zero-emission buses, and buses fully converted to zero-emission.

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(A) A request for extension for delay in bus delivery caused by the bus manufacturer must include the following information:

1. An explanation of the delay and proof the manufacturer delayed delivery of the bus beyond the original delivery date;
2. A copy of the Notice to Proceed that shows when a transit agency notified the bus manufacturer to start with production of a bus; and
3. A copy of the contractual agreement for purchase and delivery of a bus.

(B) The Executive Officer may grant up to a one-year extension from the original expected delivery date.

(2) Delay in bus delivery is caused by setback of construction schedule. A transit agency may request an extension of the requirements of section 2023.1(a)(4), if it cannot finalize the zero-emission bus infrastructure in time to operate the purchased buses after delivery due to circumstances beyond the transit agency's control. Zero-emission bus infrastructure includes charging stations, hydrogen stations, and maintenance facilities. Such circumstances may include space limitations for zero-emission bus infrastructure that would require the transit agency to purchase new rights-of-way or construct new facilities, change of a general contractor, delays obtaining power from a utility, delays obtaining construction permits, archeological discovery of historical or tribal cultural resources under the California Environmental Quality Act, or natural disaster.

(A) A transit agency must submit a Request for Extension to the Executive Officer by submitting documentation, including an official letter from its Board of Directors, the licensed contractor performing the work, related utility, building department, or other organizations explaining the reasons for delay and estimating the completion date of the project.

(B) The Executive Officer may grant up to a one-year extension from the original expected bus delivery date, after validating the claim.

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- (C) If the required infrastructure still cannot be completed within the approved extension period, the transit agency may request an exemption from the zero-emission bus purchase requirements set forth in section 2023.1(a). The approved exemption would be valid until the transit agency's next purchase cycle. A transit agency may purchase conventional internal combustion engine buses instead of zero-emission buses once the exemption is granted.
- (3) When available zero-emission buses at the end of battery or fuel cell stack warranty period cannot meet a transit agency's daily mileage needs.
- (A) A transit agency may submit a Request for Extension if zero-emission buses at the end of the battery or fuel cell stack warranty provided by the ZEB manufacturer or battery manufacturer cannot be placed in revenue service to meet the daily mileage needs of any bus in the fleet. For this purpose, a transit agency must show that the miles travelled between charges of a depot charging battery electric bus cannot meet the transit agency's daily operational needs for any bus in the existing fleet.
- (B) The Request for Extension must include the following information:
1. An explanation of why the extension is needed along with how zero-emission buses that have already been purchased or placed in service were suitable, and why daily mileage of any available depot charging battery electric bus is insufficient to meet the service needs of any conventional internal combustion engine bus in the fleet;
 2. A monthly mileage report for each bus type in the fleet to show the daily usage for all of the buses of that type;
 3. A copy of the zero-emission bus request for proposal and resulting bids including battery capacity that is available for each of the buses; and
 4. If available, measured energy use data from available zero-emission buses operated on daily assignments in transit

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agency's service which includes, but is not limited to, battery degradation, air conditioning, passenger loading, grades, and driving behavior.

(C) The Executive Officer will review the submitted information as set forth in section 2023.4(c)(3)(B) and compare the transit agency's required mileage with ranges of battery electric buses currently available using the Orange County Bus Cycle as described in section 2023(b)(39) to determine the energy use per mile. If the transit agency's required range is higher than eighty (80) percent of the range on battery electric buses (using the largest available battery pack at the end of battery or fuel cell stack warranty period) on this cycle, the transit agency will be granted an extension until the next bus purchase.

(4) When a required zero-emission bus type for the applicable weight class based on gross vehicle weight rating (GVWR) is unavailable for purchase.

(A) A transit agency may request an exemption from an immediate zero-emission bus purchase requirement as set forth in section 2023.1(a) if zero-emission buses are unavailable as described below, provided that all available zero-emission buses have been purchased in that compliance year.

(B) A zero-emission bus type is considered unavailable if any of the following circumstances exists:

1. The zero-emission bus has not passed the complete Bus Testing and not obtained a Bus Testing Report as described in section 2023(b)(7);
2. The zero-emission bus cannot be configured to meet applicable requirements of the Americans with Disabilities Act (ADA); or
3. The physical characteristics of the zero-emission bus would result in a transit agency violating any federal, state, or local laws, regulations, or ordinances.

(C) The request for exemption must include the following information:

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1. A summary of all bus body-types, vehicle weight classes being purchased with their GVWR, chassis (if applicable), and the reasons why existing zero-emission buses are unavailable for purchase;
 2. The transit agency must update its fleet information to show how many zero-emission buses are already in service and how many are on order to show that the purchase requirement cannot be met with purchase of other types of zero-emission buses in that year;
 3. If the zero-emission bus type and vehicle weight class to be purchased cannot be adequately equipped to meet applicable Americans with Disabilities Act requirements, then the transit agency must submit documentation to show what Americans with Disabilities Act requirement cannot be met and why the manufacturer cannot meet it by submitting information from the manufacturer; and
 4. If the zero-emission bus would result in a transit agency violating any federal, state, or local law, regulation, or ordinance, then the transit agency must submit an official letter from its Board of Directors that details how the physical characteristics of the zero-emission bus would violate such federal, state, or local law, regulation or ordinance. This letter must include all relevant citations to state and federal regulatory code sections.
- (D) The Executive Officer may grant an exemption from the requirement to purchase unavailable zero-emission bus types described in section 2023.4(d)(1)(A). A transit agency may purchase conventional internal combustion engine buses instead of such unavailable zero-emission buses in a designated cycle of purchase once the exemption is granted. The exempted buses shall be excluded from the total number of new bus purchases in that year.

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- (5) When a required zero-emission bus type cannot be purchased by a transit agency due to financial hardship. A transit agency may request an exemption from the zero-emission bus purchase requirements set forth in section 2023.1(a) due to financial hardship.
- (A) Financial hardship would be restricted to a fiscal emergency declared under a resolution by a transit agency's Board of Directors following a public hearing.
- (B) The request for exemption must include a resolution by a transit agency's Board declaring a fiscal emergency.
- (C) The Executive Officer may grant an exemption from purchase of zero-emission buses. A transit agency may purchase conventional internal combustion engine buses instead of zero-emission buses in a designated purchase cycle once the exemption is granted. The exempted buses shall be excluded from the total number of new bus purchases in that year.

NOTE: Authority cited: Sections 38501, 38510, 38560, 39002, 39003, 39012, 39017, 39018, 39027, 39500, 39600, 39601, 39606, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43701(b), 43801 and 43806, Health and Safety Code. Reference: Sections 38501, 38510, 38560, 39002, 39003, 39017, 39027, 39500, 39600, 39601, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43101, 43104, 43105, 43701(b), 43801 and 43806, Health and Safety Code; Sections 233, 350, 545, and 28114, Vehicle Code; sections 5303 and 5324, title 49, United States Code; Code of Federal Regulations, title 49, section 665.13.

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Adopt new sections 2023.5, 2023.6, 2023.7, 2023.8, 2023.9, 2023.10, and 2023.11, title 13, California Code of Regulations to read as follows:

(Note: The entire text of sections 2023.5, 2023.6, 2023.7, 2023.8, 2023.9, 2023.10, and 2023.11 set forth below is new language in “normal type” proposed to be added to the California Code of Regulations.)

§ 2023.5. Zero-Emission Mobility Option.

- (a) A transit agency may opt to use a Zero-Emission Mobility Program in lieu of making a zero-emission bus purchase to meet the required minimum number of zero-emission buses as set forth in section 2023.1(a)(4) if such program meets the following requirements:
 - (1) The program provides zero-emission mobility services by using bicycles, zero-emission vehicles with a GVWR of 14,000 pounds or less, or a combination of both;
 - (2) The program must be either directly operated by the transit agency or operated by a contractor to the transit agency;
 - (3) The transit agency must be able to track and record zero-emission passenger miles for each zero-emission vehicle.
 - (4) A transit agency must achieve the following zero-emission passenger miles per year to be eligible to receive each mobility credit:
 - (A) A large transit agency must achieve at least 320,000 zero-emission passenger miles per year;
 - (B) A small transit agency must achieve at least 180,000 zero-emission passenger miles per year.
- (b) Procedure to opt-in and opt-out of a Zero-Emission Mobility Option.
 - (1) To opt into a zero-emission mobility option, a transit agency must submit a Request to Opt-In to the Executive Officer with the following information to prove it is meeting the requirements set forth in section 2023.5(a):

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- (A) A description of the types of vehicles, including their GVWR and types of propulsion systems;
 - (B) Documentation to show who will operate these services; and
 - (C) A description of the method of collecting accurate zero-emission passenger miles per vehicle.
- (2) A transit agency may choose to opt out from the Zero-Emission Mobility Option at any time with the submittal of a Request to Opt-Out to the Executive Officer with expected date of program termination.
- (c) Calculation and issuance of mobility credits.
- (1) Upon approval by the Executive Officer, a transit agency that opts into a Zero-Emission Bus Mobility Option may receive one credit that is equivalent to operation of one zero-emission bus in the fleet based on the following calculations:
- (A) When a bicycle is used in a Zero-Emission Mobility Option, a multiplier of 3 shall apply when quantifying zero-emission passenger miles from a bicycle.
 - (B) The zero-emission mobility credit is calculated by using the total zero-emission passenger miles in each calendar year divided by 320,000 passenger miles per year for a large transit agency or divided by 180,000 passenger miles per year for a small transit agency;
 - (C) For each calendar year, if a transit agency maintains at least the same zero-emission passenger miles as required in section 2023.5(a)(4) then the mobility credits will continue to count as zero-emission buses in the fleet.
 - (D) If the calculated number of mobility credits as set forth in section 2023.5(c)(1)(A) does not result to a whole number, the number must be rounded to the nearest integer to determine the number of credits.
- (d) Use of mobility credits.

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- (1) Each calculated credit as set forth in section 2023.5(c)(1)(A) will be treated the same as operating one zero-emission bus in the fleet in a given calendar year.
 - (2) Each mobility credit earned annually by a transit agency will be used when calculating the required minimum number of zero-emission buses in the following year of achieving passenger miles as set forth in section 2023.1(a)(4).
- (e) Reporting. Any transit agency that is approved to use Zero-Emission Mobility Option must report annually to show the total zero-emission passenger miles achieved in the previous calendar year. A transit agency using the Zero-Emission Mobility Option must meet the reporting and record keeping requirements set forth in sections 2023.8(f) and 2023.9(c) for zero-emission passenger miles.

NOTE: Authority cited: Sections 38501, 38510, 38560, 39002, 39003, 39012, 39017, 39018, 39027, 39500, 39600, 39601, 39606, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43701(b), 43801 and 43806, Health and Safety Code. Reference: Sections 38501, 38510, 38560, 39002, 39003, 39017, 39027, 39500, 39600, 39601, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43101, 43104, 43105, 43701(b), 43801 and 43806, Health and Safety Code; Sections 233, 350, 545, and 28114, Vehicle Code; sections 5303 and 5324, title 49, United States Code; Code of Federal Regulations, title 49, section 665.13.

§ 2023.6. Low-NOx Engine Purchase Requirements.

- (a) Starting January 1, 2020, when new conventional internal combustion engine bus purchases are made, transit agencies must purchase buses with Low-NOx engines if the Low-NOx engines meet both following criteria:

- (1) The engine must have been commercially available for at least two years; and

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- (2) The engine must be certified to the lowest level of NOx emissions at the time of purchase that is suitable for the bus and fuel type for the engine being purchased.
- (b) The Low-NOx engine purchase requirements apply to purchase of all new conventional internal combustion engine buses, but does not apply to the buses that are dispatched from areas defined as NOx Exempt Areas as described in section 2023(b)(37).
- (c) Any early Low-NOx engine purchases prior to January 1, 2020, including any voluntary engine repower, may be counted once towards meeting the requirements set forth in section 2023.6 (a) through (b).
- (d) A transit agency that is subject to Low-NOx engine purchase requirements must report annually as set forth in section 2023.8(g) and keep records of all conventional internal combustion engine bus purchases as required in section 2023.9(d).

NOTE: Authority cited: Sections 38501, 38510, 38560, 39002, 39003, 39012, 39017, 39018, 39027, 39500, 39600, 39601, 39606, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43701(b), 43801 and 43806, Health and Safety Code. Reference: Sections 38501, 38510, 38560, 39002, 39003, 39017, 39027, 39500, 39600, 39601, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43101, 43104, 43105, 43701(b), 43801 and 43806, Health and Safety Code; Sections 233, 350, 545, and 28114, Vehicle Code; sections 5303 and 5324, title 49, United States Code; Code of Federal Regulations, title 49, section 665.13.

§ 2023.7. Requirements to Use Renewable Fuels.

- (a) Starting January 1, 2020, a large transit agency must purchase only renewable diesel or renewable natural gas when renewing fuel purchase or delivery

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contracts for diesel or natural gas. A small transit agency is exempt from this requirement.

- (b) A large transit agency that is subject to the requirements set forth in section 2023.7(a) must meet the reporting and record keeping requirements set forth in sections 2023.8(h) and 2023.9(e) for all new and renewed fuel purchase or delivery contracts.

NOTE: Authority cited: Sections 38501, 38510, 38560, 39002, 39003, 39012, 39017, 39018, 39027, 39500, 39600, 39601, 39606, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43701(b), 43801 and 43806, Health and Safety Code. Reference: Sections 38501, 38510, 38560, 39002, 39003, 39017, 39027, 39500, 39600, 39601, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43101, 43104, 43105, 43701(b), 43801 and 43806, Health and Safety Code; Sections 233, 350, 545, and 28114, Vehicle Code; sections 5303 and 5324, title 49, United States Code; Code of Federal Regulations, title 49, section 665.13.

§ 2023.8. Reporting Requirements for Transit Agencies.

- (a) Commencing March 31, 2021, and continuing every year thereafter through March 31, 2050, each transit agency must annually submit by March 31 to the Executive Officer a compliance report meeting the requirements of this section for the prior calendar year.
- (b) The initial report must be submitted by March 31, 2021, and must include the number and information of active buses in the transit agency's fleet as of December 31, 2017.
- (c) Each transit agency must report the following information annually:
 - (1) Transit agency information. Name of the transit agency, its mailing address, 5-digit National Transit Database (NTD) identification number, name of related Metropolitan Planning Organization (MPO) or Regional Transportation Planning Agencies, air district, air basin, the Joint Group Number (if

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- applicable as set forth in section 2023.2(b)(2), and name of a contact person, that person's e-mail address, title, and phone number;
- (2) Information on each bus purchased, owned, operated, leased, or rented by a transit agency, including the following:
- (A) Information on vehicle. Vehicle identification number (VIN), license plate, transit agency fleet's own vehicle ID, ownership type (owned, leased, rented), make, model, type, length, chassis (if applicable), fuel type, GVWR, curb weight, manufacture year, propulsion technology type, vehicle status (active, emergency contingency, or retired), date in-service, and retire date;
 - (B) Information on engine and propulsion system. Engine manufacturer, engine model, engine model year, engine family name, engine cylinder displacement size (liters), battery capacity or energy level (kWh), bus charging strategy type (on-route, in depot, combination), fuel cell system manufacturer, fuel cell system model, and fuel cell system rated power;
 - (C) Information on bus purchases. Quantity of zero-emission and conventional internal combustion engine buses purchased in the calendar year and their status as new or used, effective date of a Notice to Proceed, and actual or expected bus delivery date; and
 - (D) Information on converted buses. Quantity of buses fully converted to zero-emission from conventional internal combustion engine buses in each calendar year.
- (d) Each transit agency subject to requirements of section 2023.2 must report the same information as required under sections 2023.8(a) through 2023.8(c) using the assigned Joint Group Number.
- (e) CARB will calculate the number of bonus credits set forth in section 2023.3(a) based on required information in section 2023.8(c).
- (f) Each transit agency operating a Zero-Emission Mobility Option as set forth in section 2023.5 must report the following information:

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- (1) Total accumulated annual zero-emission passenger miles provided by vehicles with a GVWR of 14,000 pounds or less;
 - (2) Total accumulated annual zero-emission passenger miles provided by bicycles; and
 - (3) CARB will calculate the number of mobility credits annually according the requirement of section 2023.5(c)(1)(A) and reported total zero-emission passenger miles.
- (g) Each transit agency subject to requirements for purchase of Low-NOx engines as set forth in section 2023.6(b)(1) must submit an annual report identifying the general location a conventional internal combustion engine bus is dispatched from, the NOx Certification Standard, and the NOx Executive Order number.
- (h) Each transit agency subject to requirements to use renewable fuels as set forth in section 2023.7 must submit annual report identifying fuel types used, quantity of renewable and non-renewable fuel purchased, and fuel contract number and its effective date and expected or actual end date.
- (i) A report that does not contain all required information in sections 2023.8(c) through (h) will not be considered complete. A report will be considered to be complete as of the date that all required information is submitted.

NOTE: Authority cited: Sections 38501, 38510, 38560, 39002, 39003, 39012, 39017, 39018, 39027, 39500, 39600, 39601, 39606, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43701(b), 43801 and 43806, Health and Safety Code. Reference: Sections 38501, 38510, 38560, 39002, 39003, 39017, 39027, 39500, 39600, 39601, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43101, 43104, 43105, 43701(b), 43801 and 43806, Health and Safety Code; Sections 233, 350, 545, and 28114, Vehicle Code; sections 5303 and 5324, title 49, United States Code; Code of Federal Regulations, title 49, section 665.13.

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§ 2023.9. Record Keeping Requirements.

- (a) Each transit agency subject to the reporting requirements of section 2023.8 must maintain copies of the information reported under section 2023.8, as well as the records described in subsections (b) through (e) in this section, and retain such records as required below in subsection (g).
- (b) Each transit agency must maintain records of all purchased, leased, rented or operated conventional internal combustion engine buses, zero-emission and full converted buses to zero-emission buses for the purpose of demonstrating compliance with the requirements of sections 2023.1 through 2023.4 and section 2023.6. Transit agencies must keep record of the following:
 - (1) Every Notice to Proceed sent to bus manufacturers or sales representatives for the purpose of purchasing buses;
 - (2) Bus purchase contracts that Notice to Proceeds are based upon;
 - (3) Any lease agreements with bus manufacturers or sales representatives;
 - (4) Documentation to show ownership transfer for purchase of used buses;
 - (5) Documentation to show when a conventional internal combustion engine bus is fully converted to a zero-emission bus;
 - (6) Copy of vehicle's registration;
 - (7) Proof of bus delivery date.
- (c) A transit agency opted-in to a Zero-Emission Mobility Option must keep records of zero-emission passenger miles generated by eligible vehicles and bicycles.
- (d) Each transit agency subject to requirements of section 2023.6 must maintain bus purchase contracts of conventional internal combustion engine buses, including the ones with Low-NOx engines, to demonstrate compliance.
- (e) Each large transit agency must maintain records of every fuel contracts that are executed on and after January 1, 2020, demonstrate compliance with requirements specified in section 2023.7.
- (f) Audit of Records. A transit agency must make records available to CARB within 10 calendar days of its request for audit to verify the accuracy of the reported information.

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(g) Record Retention. A transit agency shall maintain the records for each bus, zero-emission passenger miles, and fuel contracts that are subject to reporting requirements of section 2023.8 and record keeping requirements of section 2023.9(b) through (e) for three (3) years after the bus is retired, ownership is transferred, or fuel contract is expired.

NOTE: Authority cited: Sections 38501, 38510, 38560, 39002, 39003, 39012, 39017, 39018, 39027, 39500, 39600, 39601, 39606, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43701(b), 43801 and 43806, Health and Safety Code. Reference: Sections 38501, 38510, 38560, 39002, 39003, 39017, 39027, 39500, 39600, 39601, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43101, 43104, 43105, 43701(b), 43801 and 43806, Health and Safety Code; Sections 233, 350, 545, and 28114, Vehicle Code; sections 5303 and 5324, title 49, United States Code; Code of Federal Regulations, title 49, section 665.13.

§ 2023.10. Authority to Suspend, Revoke, or Modify.

(a) If the Executive Officer finds that any zero-emission bus bonus or mobility credit was obtained based on false information, the Executive Officer may revoke the credit. Each revoked credit is equivalent to one required zero-emission bus the agency has failed to purchase. A transit agency with a deficit in numbers of required zero-emission buses is considered to be in violation of zero-emission bus requirements as set forth in section 2023.1.

NOTE: Authority cited: Sections 38501, 38510, 38560, 39002, 39003, 39012, 39017, 39018, 39027, 39500, 39600, 39601, 39606, 39650, 39655, 39658, 39659, 39667, 40000, 43000.5, 43013, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43701(b), 43801 and 43806, Health and Safety Code. Reference: Sections 38501, 38510, 38560, 39002, 39003, 39017, 39027, 39500, 39600, 39601, 39650, 39655, 39658, 39659,

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39667, 40000, 43000.5, 43013, 43018, 43101, 43104, 43105, 43701(b), 43801 and 43806, Health and Safety Code; Sections 233, 350, 545, and 28114, Vehicle Code; sections 5303 and 5324, title 49, United States Code; Code of Federal Regulations, title 49, section 665.13.

§ 2023.11. Severability.

(a) If any subsection, paragraph, subparagraph, sentence, clause, phrase, or portion of the Innovative Clean Transit Regulations in this article 4.3 is for any reason held invalid, unconstitutional, or unenforceable by any court of competent jurisdiction, such portion shall be deemed as a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of these Innovative Clean Transit Regulations.

NOTE: Authority cited: Sections 38596, 39600, and 39601, Health and Safety Code.

Reference: Sections 38596, 39600, and 39601.

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DATE: August 24, 2018
TO: Board of Directors
FROM: Erron Alvey, Purchasing & Special Projects Director

SUBJECT: CONSIDERATION OF AUTHORIZING THE ISSUANCE OF A FORMAL REQUEST FOR PROPOSALS FOR A CONSTRUCTION MANAGEMENT FIRM TO ASSIST WITH THE PACIFIC STATION ROOF AND WINDOWS REPLACEMENT PROJECT

I. RECOMMENDED ACTION

That the Board of Directors authorize the Purchasing & Special Projects Director to issue a formal Request for Proposals for a construction management firm to assist with the Pacific Station roof and windows replacement project

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) requires Construction Management Services for the Roof and Window Replacement Project at its Pacific Station Transit Center.
- On March 23, 2018 the Board of Directors approved proceeding with a procurement for construction to replace the roof and windows at Pacific Station.
- Construction Management and a Building Assessment were not included, but were later determined to be needed.
- Due to the anticipated damage to the roof membrane and walls from years of leaking, the assistance of a professional Construction Manager is requested to help METRO mitigate risk and costs of these unseen conditions by being closely involved in all of the day-to-day activities.
- The Construction Manager will assist METRO with a Building Assessment, focusing on the roof and windows, and develop an Engineer's Estimate before proceeding with an IFB for construction.
- The Capital Projects Standing Committee met on August 10, 2018 and reviewed this item. Based on the committee's approval of the recommendation to issue an RFP, staff is submitting for review and approval from the full Board.
- Staff recommends this approach as in-house Facilities Maintenance staff does not have the expertise or the capacity to handle a Project of this scope and size.

III. DISCUSSION/BACKGROUND

At its March 23, 2018 meeting, METRO's Board of Directors approved issuing an IFB for Replacement of the Roof and Windows at Pacific Station and funding the project with PTMISEA. Staff subsequently met to kick-off the project and quickly determined that drafting the scope of work for an IFB, as well as handling the day-to-day construction activities of a project this size, was beyond the expertise and staff capacity of METRO's Facilities Maintenance Department.

Contracting for Construction Management Services would provide assistance to perform a Building Assessment, prepare an Engineer's Estimated, draft an IFB in a manner best to encompass the scope of replacing the roof and windows, as well as address and try to control the risks and cost of repairing the anticipated damaged areas beneath the roof and in the walls surrounding the leaking windows.

On August 10, 2018, staff presented this element of the overall project to the Capital Standing Committee requesting a recommendation to the full Board of Directors for approval of the issuance of a formal Request for Proposals for Construction Management Services for the Pacific Station Roof and Windows Replacement Project and the allocation of PTMISEA funding in the amount of \$70,000. The Committee recommended the issuance of a formal RFP for a construction management firm to assist with the Pacific Station roof and windows replacement project as presented. The selected construction manager will scope all repairs and return to the Committee and full Board with the best estimate for further consideration should the estimated costs exceed the funding currently approved by the Board.

IV. FINANCIAL CONSIDERATIONS/IMPACT

This action will authorize the initiation of a procurement estimated to result in a contract with a value of \$70,000. Funding will be provided out of PTMISEA funds previously programmed and not needed from the MetroBase allocation. These funds are currently estimated at \$250,000.

V. ALTERNATIVES CONSIDERED

- Do not use the services of a professional construction manager. This is not recommended as in-house Facilities Maintenance staff does not have the technical expertise or capacity to manage a project of this scope and size.

VI. ATTACHMENTS

Attachment A: Draft Scope of Work for RFP

Prepared by: Erron Alvey, Purchasing & Special Projects Director

VII. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer

allow for AA

Alex Clifford, CEO/General Manager

Alex Clifford

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Attachment A



SCOPE OF WORK

Description

The Santa Cruz Metropolitan Transit District (METRO) is seeking professional construction management services for all activities related to replacement of the roof and windows, including repairs required to any water-damaged materials discovered during construction, at its Pacific Station Transit Center (“the Project”). The roof at Pacific Station was last replaced in 1997, twenty years ago. The roof has been patched many times since and is currently exhibiting leaks throughout the upstairs office areas. Several of the windows in the building also leak significantly during periods of rain. Due to the suspected conditions beneath the roof membrane and in the walls, Santa Cruz METRO seeks the services of a professional construction management firm to closely oversee construction and help mitigate costs.

Under the direction of METRO, the consulting firm will coordinate Project tasks with multiple departments, with consultants in the various design and construction disciplines, and with those agencies having jurisdiction over the Project. In many instances, the construction manager will act as METRO’s owner-representative in meetings and report to METRO as required.

The capability of firms submitting proposals shall include construction management services that cover the full spectrum (“cradle-to-cradle”) of a project.

Anticipated Services

The proposed Agreement anticipated by this RFP comprehensively covers services that can be defined as construction management. The services may include, but are not limited to, some or all of the following services:

Design services

- Cost estimates (hard and soft costs)
- Value engineering
- Review of building systems
- Formal constructability review
- Consideration of life cycle costs

Bidding / RFP or IFB assistance

- Assistance drafting scope of work for construction IFB
- Assistance drafting scope of work for Project support services RFPs

Attachment A

- Stimulate bid / proposal interest
- Pre-qualify / Qualify bids/ proposals including evaluation of bonds, insurance coverage and financial capability.
- Clarify scope of each trade
- Assistance with possible pre-purchase of long lead materials
- Assist in the conduct of pre-bid / pre-proposal and pre-construction meetings

Construction and inspection services

- Work with Owner, Architect, and Contractors / Design-Build-Entity to clearly define roles and responsibilities during construction and develop a construction management plan.
- Coordinate the work of the Contractor / Design-Build-Entity without interfering in the progress of the Project and make them a part of the project team.
- Chair and conduct meetings with Owner, Architect, and Contractor / Design-Build-Entity and produce minutes from each meeting. Assure that the project is on schedule and if not, develop recovery plans with Contractor / Design-Build-Entity.
- Establish notification procedures for any shutdowns of utilities for the progress of the work.
- Coordinate the testing and inspection of the Project and review test reports and make recommendations as necessary.
- Coordinate the activities of the multiple contracts between projects to assure that they are not interfering with each other.
- Produce monthly cost reports to monitor the current and project final costs of the Project. Prepare cash flow projections as needed.
- Provide administrative assistance to manage the filing systems, meeting minutes and the office.
- Develop and maintain correspondence logs.
- Review and make recommendations on change order requests from the contractors. In particular, determine if the requests are legitimate.
- Review any Owner or design team document changes and prepare cost estimates for each.
- Maintain a change order log reflecting the status of each change order and the total cost of changes.
- Develop and maintain submittal and shop drawing logs. Review both as they are received before transmittal to the design teams to assure that they are complete and accurate.
- Develop and maintain a Request for Information (RFI) log. Coordinate and track responses with the design teams.
- Produce a weekly management report summary defining the progress of the work including change orders, RFI's, submittals, schedule and potential

Attachment A

claims. Produce a more detailed monthly report of the same items.

- Review the monthly payment requests for completeness and accuracy, including ensuring that proper payroll documentation and lien releases are in order, and make recommendation for payment to Owner.
- Monitor the construction schedule provided by the Contractor/ Design-Build-Entity.
- Provide progress photos and video taping of the project on a regular basis.
- Review any potential claims. If any are received, review them and make recommendations.
- Perform field inspections to evaluate work in progress to confirm that it conforms to the contract documents. Santa Cruz METRO seeks generalist inspection skills related to building systems such as mechanical, electrical, plumbing and telecommunications. Santa Cruz METRO may also want the Construction Manager to satisfy the inspection requirements for essential service facility rating of the buildings.
- Schedule City of Santa Cruz and special inspections.
- Work with all local and government agencies to keep them informed of any related progress of the Project. Meet with them as required.
- Monitor the Contractors' / Design-Build-Entity's safety program.
- Prepare all punch-lists in conjunction with the design team and Owner. Monitor the completion of the punch-lists by the Contractor / Design-Build-Entity.
- Coordinate and receive all close-out items including as-built drawings, operation and maintenance manuals, and warranties as required.
- Assist with resolving all contract issues, warranties, bonds, etc. at closeout of project.
- Prepare a final close out report with recommendation as to final payment, notice of completion, and file system for retrieval of closeout documentation.
- Assist with commissioning the building and owner training.

METRO may request from the consulting firm any and all of the above tasks, according to the needs of the Project. The firm must be staffed as to render these services expeditiously upon request.

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DRAFT



DATE: August 24, 2018
TO: Board of Directors
FROM: Angela Aitken, Chief Financial Officer
**SUBJECT: ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL
REPORT AS OF MAY 31, 2018**

I. RECOMMENDED ACTION

**That the Board of Directors accept and file the Year to Date Monthly
Financial Report as of May 31, 2018**

II. SUMMARY OF ISSUES

- An analysis of Santa Cruz Metropolitan Transit District's (METRO) financial status is prepared monthly in order to inform the Board of Directors regarding METRO's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year.
- This staff report is the web-accessible companion document to the attached PowerPoint presentation titled "Year to Date Monthly Financial Report as of May 31, 2018."
- Staff recommends that the Board of Directors accept and file the attached report.

III. DISCUSSION/BACKGROUND

Below are the written explanations of the various charts and graphs in the attached Year to Date Monthly Financial Report as of May 31, 2018. The fiscal year has elapsed 92%.

Slide 1

(Cover) Year to Date Monthly Financial Report as of May 31, 2018

Slide 2

FY18 Operating Revenue and Expenses for the Month Ending May 31, 2018

- Operating Revenues for the month are favorable by \$317K
- Operating Expenses
 - Labor Regular - unfavorable by \$25K
 - Labor OT - unfavorable by \$178K
 - Fringe Benefits – favorable by \$139K
 - Non-Personnel - favorable by \$35K

- Total Operating Expenses – unfavorable by \$29K
- Total Budget to Actual Variance – favorable by \$288

Slide 3

FY18 Operating Revenue and Expenses Year to Date as of May 31, 2018

- Operating Revenues Year to Date are favorable by \$496K
- Operating Expenses
 - Labor Regular - favorable by \$624K
 - Labor OT - unfavorable by \$1,328K
 - Fringe Benefits - favorable by \$1,946K
 - Non-Personnel - favorable by \$409K
- Total Operating Expenses –favorable by \$1,652K

Total Budget to Actual Variance - favorable by \$2,148

Slide 4

FY18 Operating Revenue by Major Funding Source - Year to Date as of May 31, 2018

- Passenger Fares- actual is \$9,458K while budget is \$9,726K
- Sales Tax Revenue (including Measure D)- actual is \$20,617K while budget is \$20,662K
- TDA- actual and budget are \$6,768K
- Other Revenue- actual is \$557K while budget is \$450K
- Other Op Assistance/Funding- actual is \$86K while budget is \$9K
- STA – Op Assistance- actual is \$1,235K while budget is \$838K
- STIC- Op Assistance-actual is \$2,543K while budget is \$2,210K
- Federal Op Assistance – actual is \$4,197K while budget is \$4,302K

Slide 5

Favorable/ (Unfavorable) Revenue Variance to Budget Year to Date as of May 31, 2018

- Passenger Fares variance to budget is unfavorable by \$267K primarily due to:
 - Fixed Route and Highway 17 Fares under budget.
- Sales Tax Revenue variance to budget is unfavorable by \$45K due to transfers of Sales Tax Measure D funds to the Capital Budget as per 5-Year Program of Projects funded by Measure D Revenues. (The FY18 budget was finalized, prior to submitting the 5-Year Program of Projects to RTC and

therefore does not reflect the transfers of Sales Tax Measure D funds to the Capital Budget.)

- Other Revenue variance to budget is favorable by \$107K primarily due to Advertising and Interest income.
- Other Op Assistance/Funding variance to budget is favorable by \$77K due to additional funding received by UCSC for the Articulated Bus Project (that was not anticipated and budgeted in FY18).
- STA – Op Assistance variance to budget is favorable by \$397K as FY18 transfers to the Capital Budget are postponed until year-end, while the budget reflects quarterly transfers.
- STIC – Op Assistance variance to budget is favorable by \$332K due to a higher apportionment.
- Federal Op Assistance variance to budget is unfavorable by \$105K.

Slide 6

FY18 Operating Expenses by Major Expense Category Year to Date as of May 31, 2018

- Labor - Regular- actual is \$14,407K while budget is \$15,031K
- Labor – OT - actual is \$2,840K while budget is \$1,512K
- Fringe Benefits - actual is \$17,615K (*of which \$4,297K is the Retirement Expense YTD*) while budget is \$19,561K
- Services - actual is \$2,908K while budget is \$3,268K
- Mobile Materials & Supplies - actual is \$2,720K while budget is \$2,695K
- Other Expenses - actual is \$1,950K while budget is \$2,023K.

Slide 7

FY18 Operating Expenses by Major Expense Category Year to Date as of May 31, 2018

- Labor – Regular variance to budget is favorable by \$624K due to:
 - Vacant funded positions
 - Extended unpaid leaves of absence
- Labor – OT variance to budget is unfavorable by \$1,328K due to vacant positions and extended leaves of absence in various departments.
- Fringe Benefits variance to budget is favorable by \$1,946K primarily due to lower medical and workers comp insurance costs.
- Services variance to budget is favorable by \$360K primarily due to Prof & Tech Fees under budget.

- Mobile Materials & Supplies variance to budget is unfavorable by \$25K due to Rev Veh Parts.
- Other Expenses variance to budget is favorable by \$74K primarily due to Casualty & Liability (Settlement Costs).

Slide 8

FY18 Capital Budget Spending Year to Date (by Funding Source) as of May 31, 2018

- Total Capital Spending year to date is \$2,750K; FY18 budget is \$17.6M
 - Cal-OES Prop 1B Transits Security Grant funding (CTSGP) is \$1.3M
 - Operating and Capital Reserve funding is \$304K
 - Federal Capital Grants (FTA) funding is \$441K
 - Sales Tax Measure D funding is \$511K
 - State Transits Assistance (STA) – Transfers from Operating Budget funding is \$57K
 - State – PTMISEA (1B) funding is (\$134K).(Settlement proceeds)
 - Statewide Transportation Improvement Program (STIP) funding is \$247K

Slide 9

FY18 Capital Budget Spending Year to Date as of May 31, 2018

- Total Capital Projects spending year to date is \$2,750K; FY18 budget is \$17.6M
 - Construction Related Projects spending is \$1,388K
 - Revenue Vehicle Replacements spending is \$965K
 - Non-Revenue Vehicle Replacements spending is \$272K
 - IT Projects spending is \$62K
 - Facilities Repair & Improvements spending is \$27K
 - Misc. spending is \$27K
 - Office Equipment is \$9K

Slide 10

(Cover Sheet) - Additional Information

Slide 11

Additional Information for the Month of May 2018

- Unemployment Rate % in Santa Cruz County is 4.3%
- \$ Gasoline per Gallon for the San Francisco-Oakland-San Jose area is \$3.80

- Monthly Ridership - Without UCSC (Cabrillo, Highway 17 and Fixed Route) has increased in May 2018.

Slide 12

FY19 Operating Expenses Year to Date as of July 31, 2018: Preliminary

- Operating Expenses
 - Labor Regular - favorable by \$207K
 - Labor OT - unfavorable by \$80K
 - Fringe Benefits - favorable by \$121K
 - Non-Personnel - favorable by \$446K
- Total Operating Expenses - favorable by \$695

Slide 13

(Cover Sheet) – FY18 & FY19 Non-Controllable Budget Risks as of August 9, 2018

Slide 14

FY18 & FY19 Non-Controllable Budget Risks (exceeding \$200K)

- SB1 Repeal Risk; New TDA-STA PUC 99313 & 99314; New TDA –STA-SGR Revenue
 - Operating Budget-TDA-STA-SB1-100% of the SB1 is at risk due to potential voter repeal – \$1,230K and \$1,766 at risk, in FY18 and FY19, respectively.
 - Capital Budget-TDA-STA-SB1-SGR-100% of the SB1-SGR is at risk due to potential voter repeal – \$671K at risk, in both FY18 and FY19 (as per Revised SCO estimate dated 11/3/17).
 - Capital Budget- SB1-LPP-100% is at risk due to potential voter repeal - \$314K at risk, in both FY18 and FY19.
 - Total SB1 Repeal Operating and Capital Budget Risk is \$2,215K in FY18 and \$2,751K in FY19.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Total Budget to Actual Variances for the month and year to date are favorable by \$288K and \$2,148K, respectively.

Non-Controllable budget risks currently exist that could have a significant impact to the operating and capital budgets. Staff will have more information about the potential SB1 voter repeal (Proposition 6) issue later in the year.

V. ALTERNATIVES CONSIDERED

- There are no alternatives to consider, as this is an accept and file Year to Date Monthly Financial Report.

VI. ATTACHMENTS

Attachment A: Year to Date Monthly Financial Report as of May 31, 2018
Presentation

Attachment B: FY18 Capital Budget Project Status Report as of May 31,
2018

Prepared By: Kristina Mihaylova, Sr. Financial Analyst

VII. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer

allow for AA

Alex Clifford, CEO/General Manager



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Year to Date Monthly Financial Report as of May 31, 2018

Santa Cruz METRO Board of Directors

August 24, 2018

Angela Aitken, Chief Financial Officer

FY18 Operating Revenue and Expenses

For the Month Ending May 31, 2018

92% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual
Operating Revenue:	\$11,361	\$11,044	\$317
Operating Expenses:			
Labor - Regular	\$1,391	\$1,366	(\$25)
Labor - Overtime	\$315	\$137	(\$178)
Fringe Benefits	\$1,639	\$1,778	\$139
Non-Personnel Expenses	\$729	\$764	\$35
Total Operating Expenses:	\$4,075	\$4,046	(\$29)
Operating Budget Favorable/ (Unfavorable):			\$288



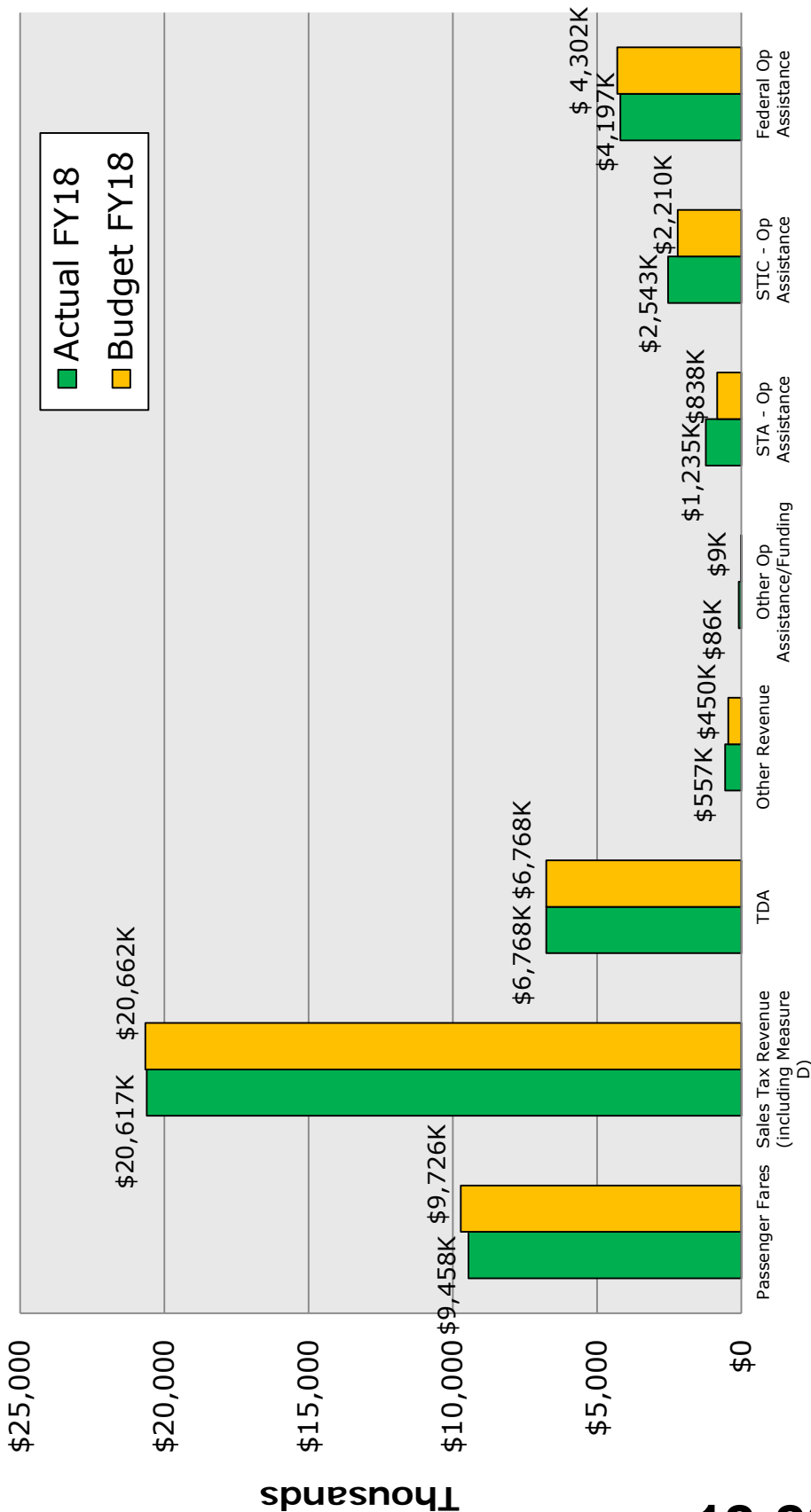
FY18 Operating Revenue and Expenses

Year to Date as of May 31, 2018

92% of Fiscal Year Elapsed

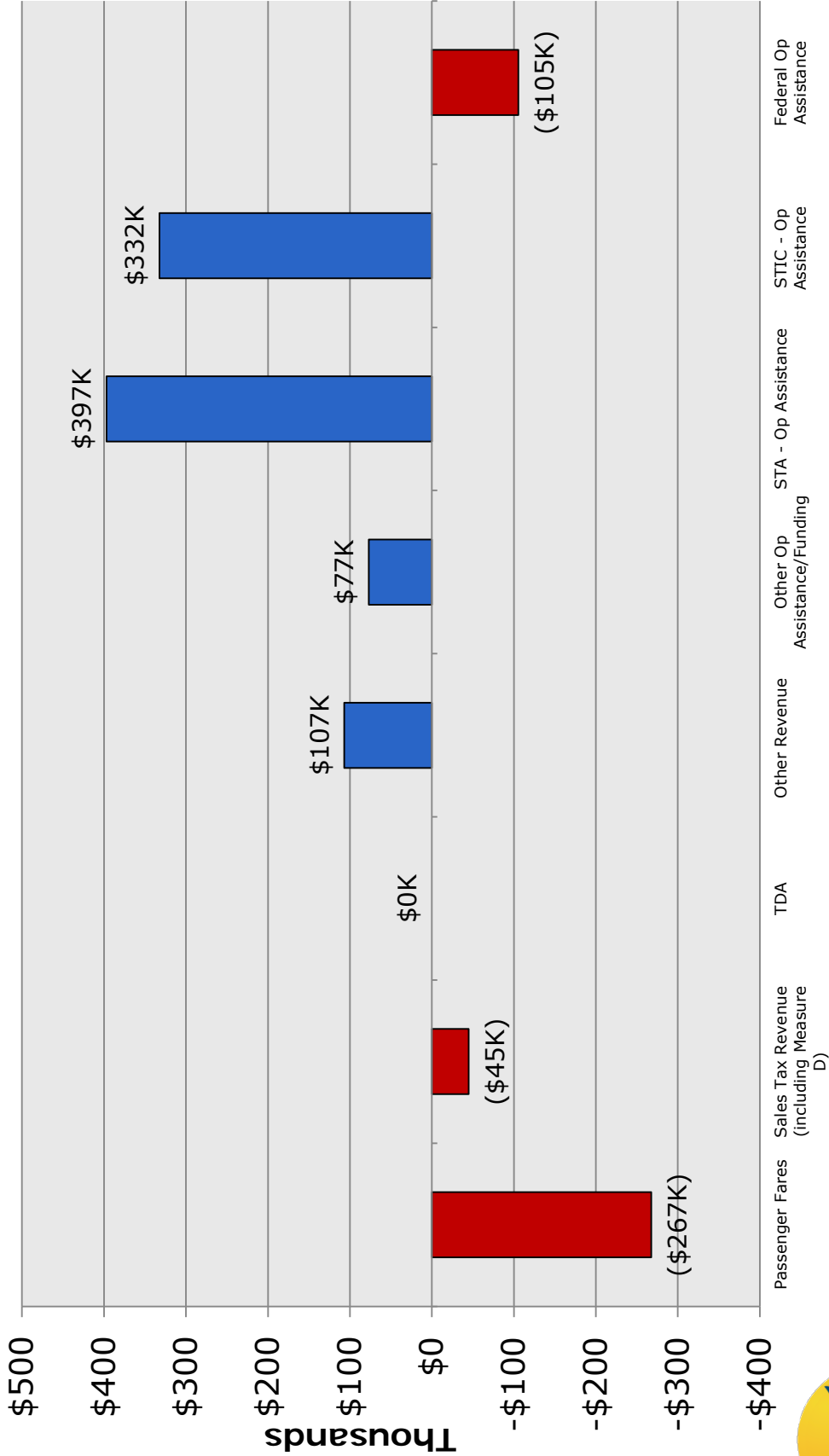
\$ In Thousands	Actual	Budget	Budget to Actual
Operating Revenue:	\$45,462	\$44,966	\$496
Operating Expenses:			
Labor - Regular	\$14,407	\$15,031	\$624
Labor - Overtime	\$2,840	\$1,512	(\$1,328)
Fringe Benefits	\$17,615	\$19,561	\$1,946
Non-Personnel Expenses	\$7,578	\$7,986	\$409
Total Operating Expenses:	\$42,439	\$44,091	\$1,652
Operating Budget Favorable/ (Unfavorable):			\$2,148

FY18 Operating Revenue by Major Funding Source
Year to Date as of May 31, 2018
 92% of Fiscal Year Elapsed



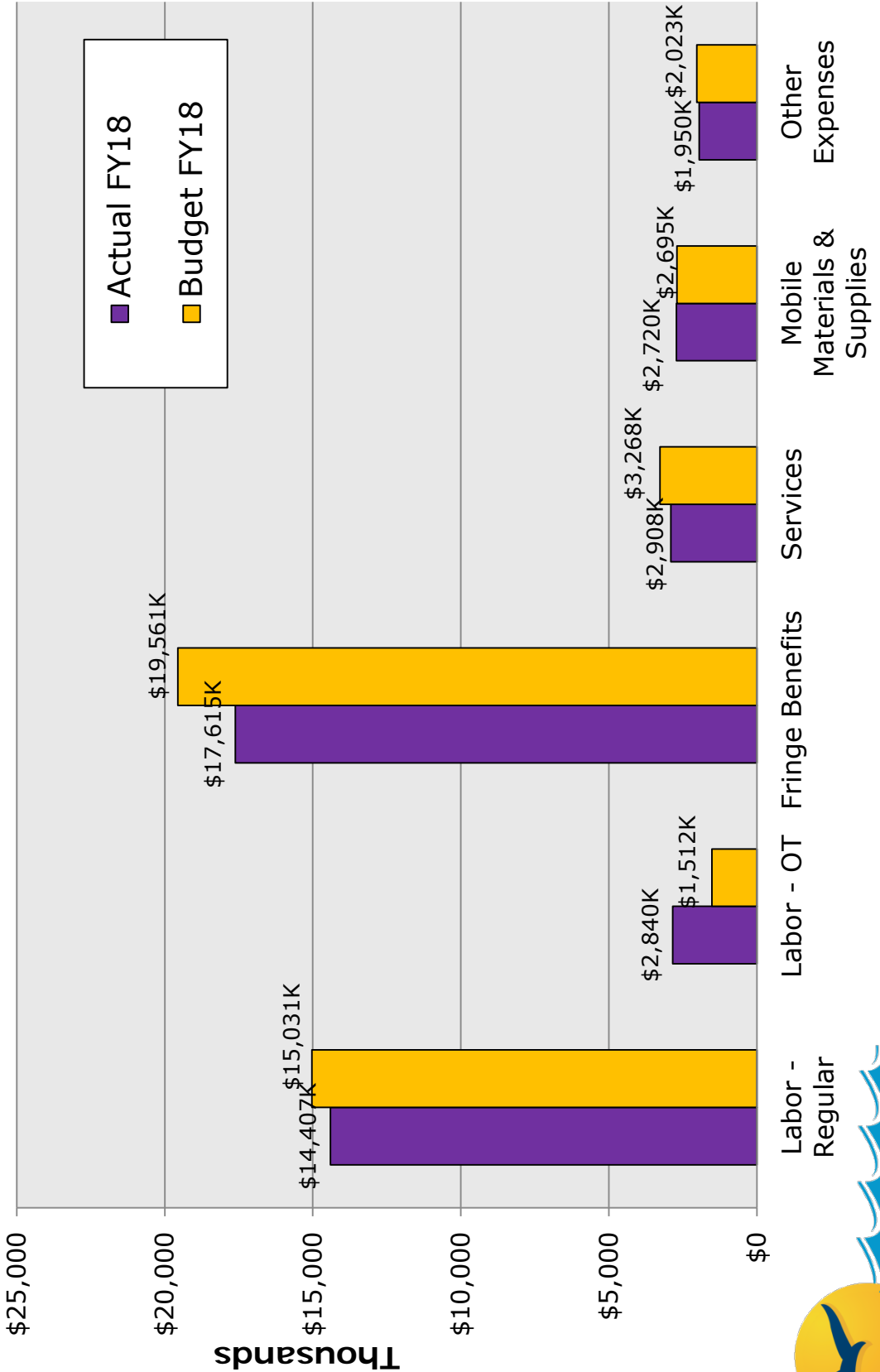
Favorable/(Unfavorable) Revenue Variance to Budget
Year to Date as of May 31, 2018

92% of Fiscal Year Elapsed



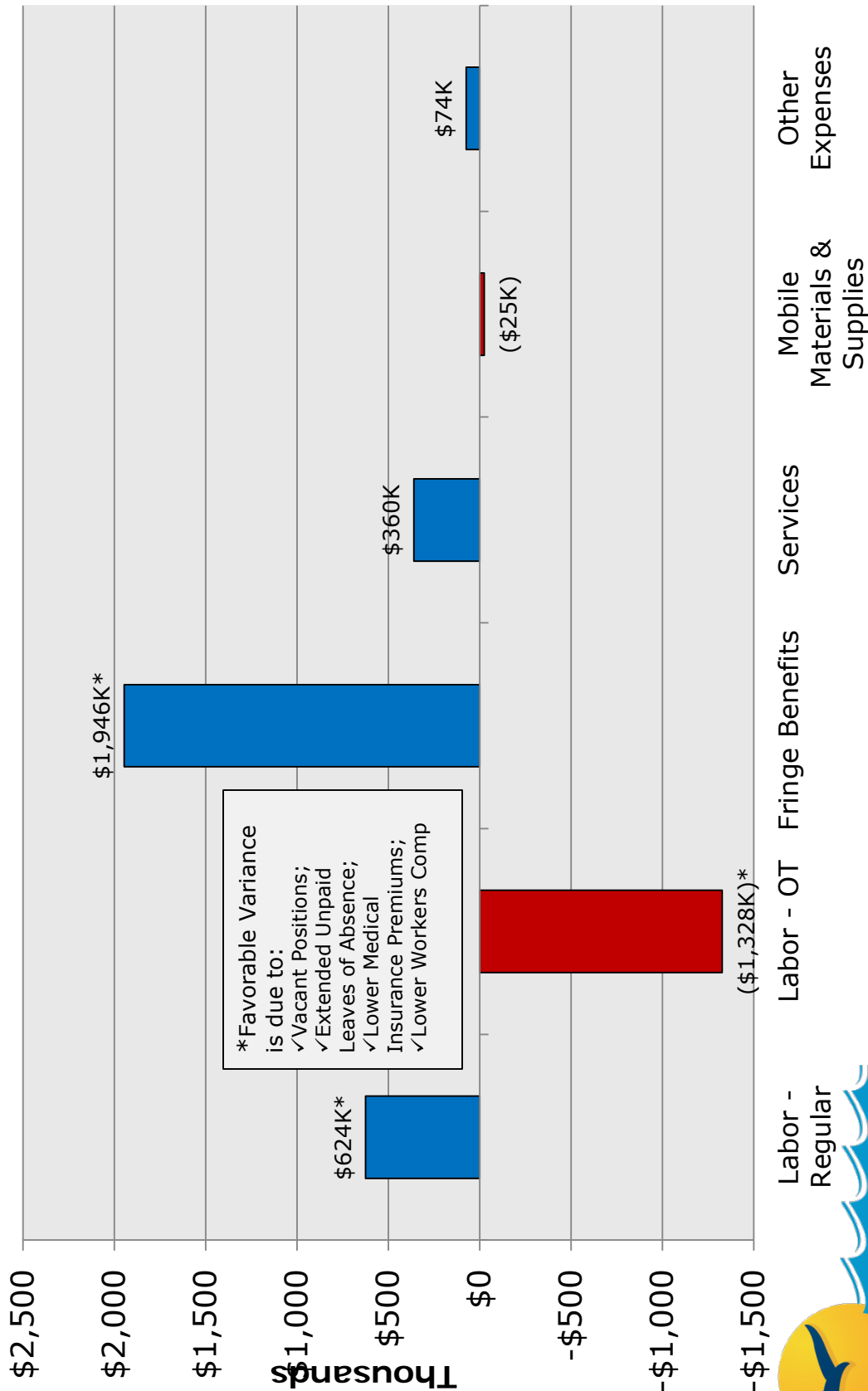
FY18 Operating Expenses by Major Expense Category
Year to Date as of May 31, 2018

92% of Fiscal Year Elapsed



Favorable/(Unfavorable) Expense Variance to Budget
Year to Date as of May 31, 2018

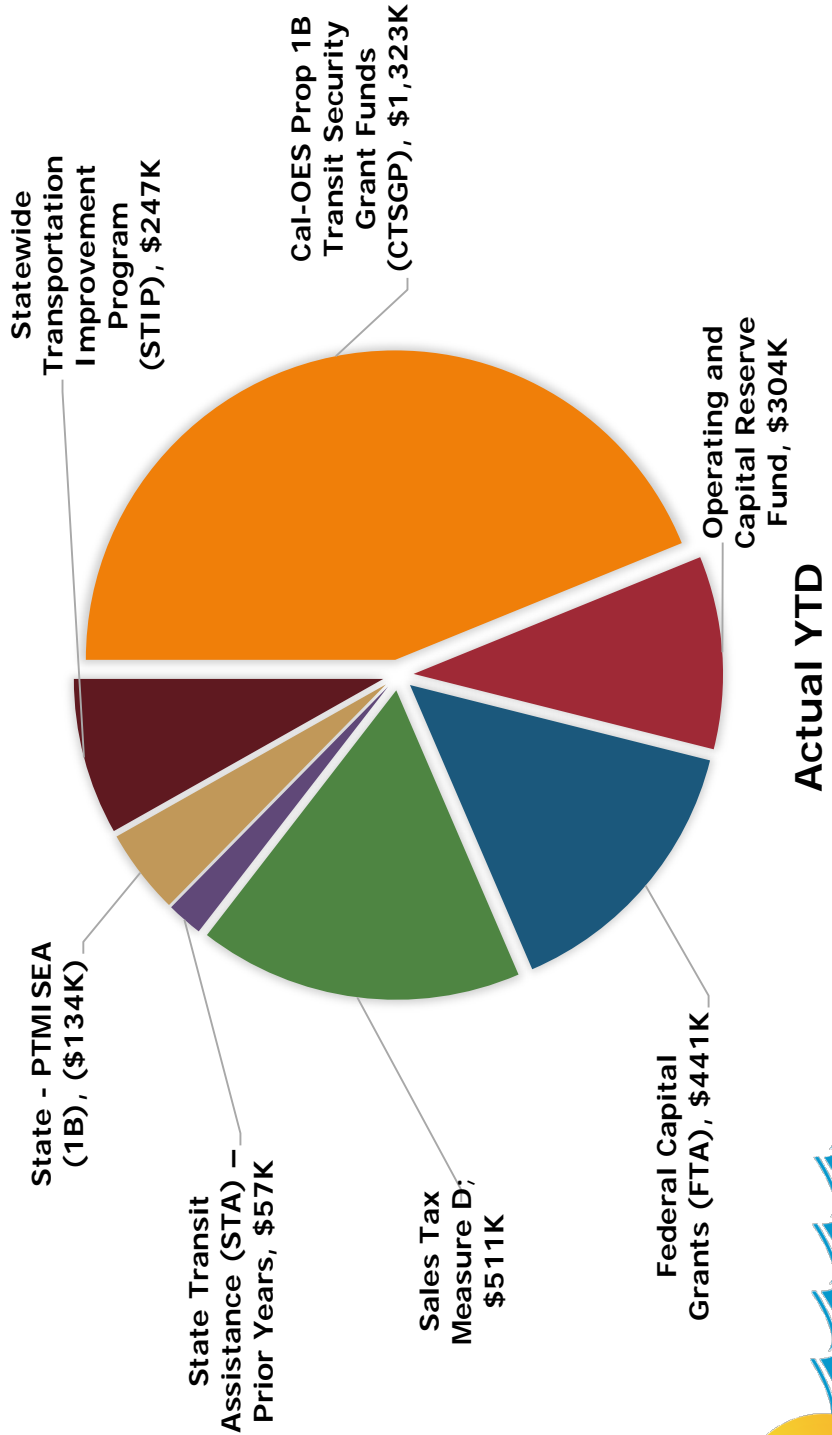
92% of Fiscal Year Elapsed



FY18 Capital Budget:

Spending Year to Date (by Funding Source) as of May 31, 2018
 92% of Fiscal Year Elapsed

	Actual YTD	Total FY18 Budget	% Spent YTD
Total Capital Funding:	\$2,749,610	\$17,652,029	16%

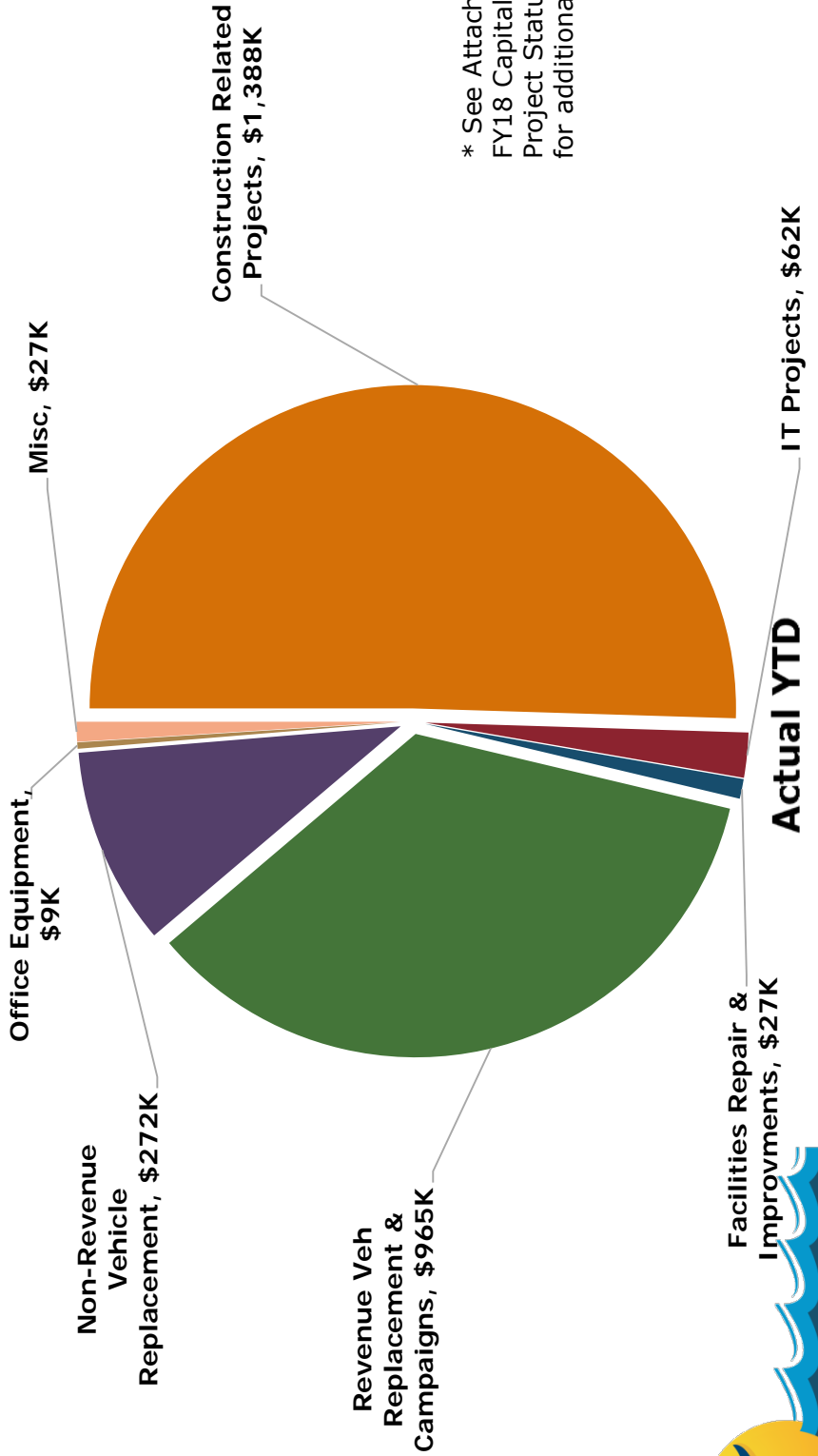


FY18 Capital Budget:

Spending Year to Date as of May 31, 2018

92% of Fiscal Year Elapsed

	Actual YTD	Total FY18 Budget	% Spent YTD
Total Capital Projects:	\$2,749,610	\$17,652,029	16%



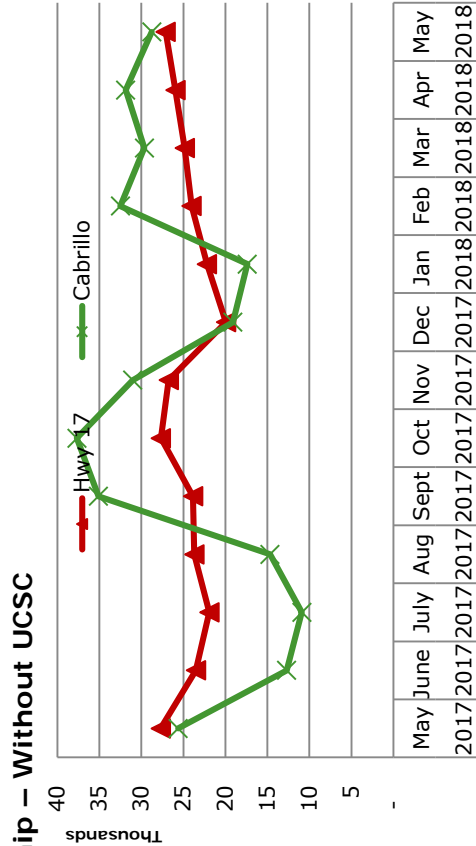
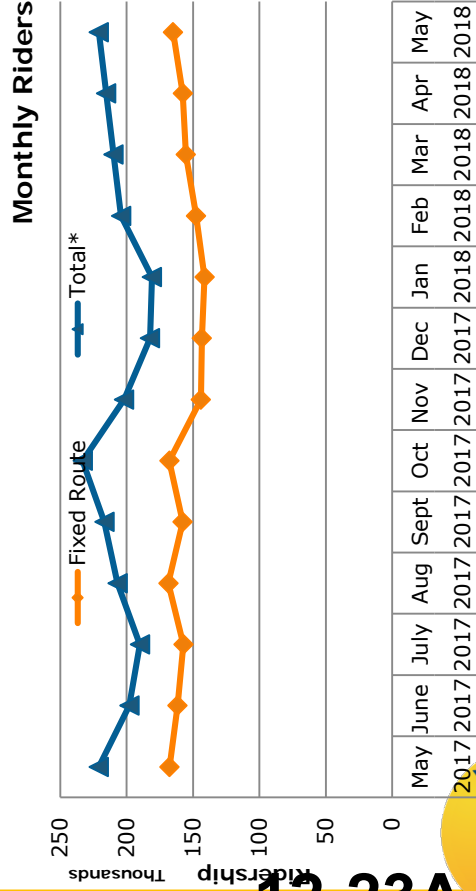
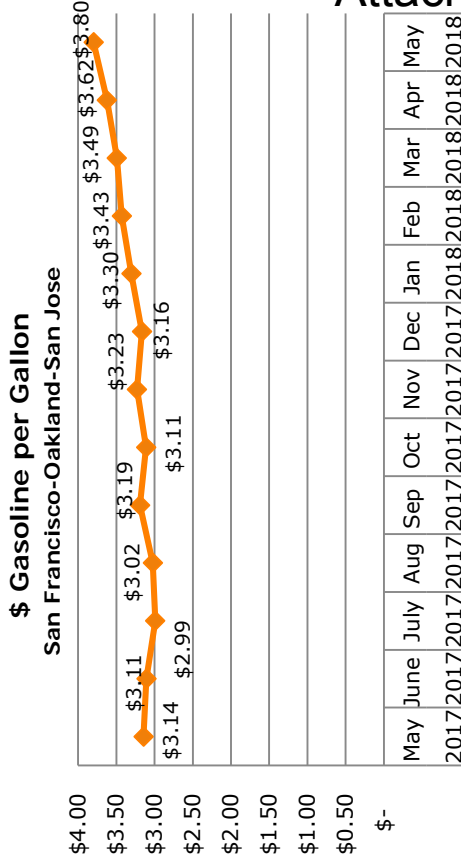
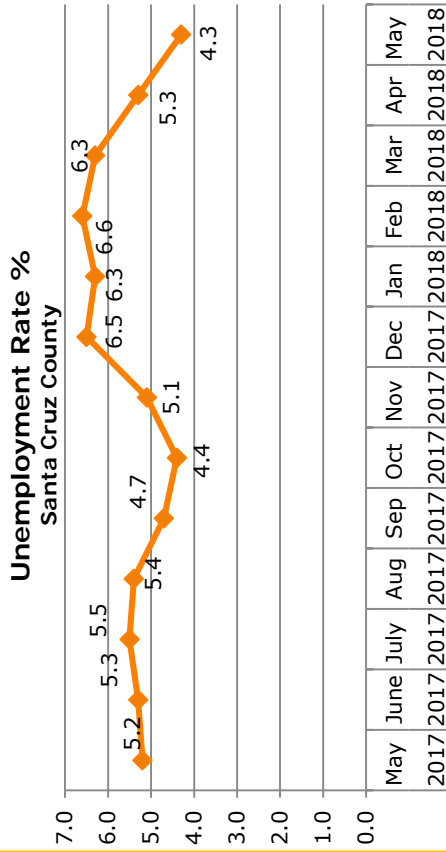
* See Attachment B - FY18 Capital Budget Project Status Report for additional details



Additional Information



Additional Information



* Total = Fixed Route + Hwy 17 + Cabrillo Ridership

FY19 Operating Expenses:

Year to Date as of July 31, 2018: PRELIMINARY

8% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Expenses:			
Labor - Regular	\$1,224	\$1,431	\$207
Labor - Overtime	\$222	\$142	(\$80)
Fringe Benefits	\$1,657	\$1,778	\$121
Non-Personnel Expenses	\$336	\$783	\$446
Total Operating Expenses:	\$3,439	\$4,134	\$695

**FY18 & FY19
Non-Controllable Budget Risks
as of August 9, 2018:**



FY18 & FY19 Non-Controllable Budget Risks (>\$200K)

<u>SB1 Repeal Risk</u> NEW TDA-STA PUC 99313 & 99314 NEW TDA-STA-SGR Revenue	FY18 Budget Adopted 06/23/2017	FY19 Budget Adopted 06/23/2017
<u>Operating Budget:</u> <u>IDA-STA-SB1:</u> 100% of the SB1 is at risk due to potential voter repeal	(\$1,230K)	(\$1,766K)
<u>Capital Budget:</u> <u>IDA-STA-SGR (Capital):</u> 100% is at risk due to potential voter repeal <u>SB1- LPP (Capital):</u> 100% is at risk due to potential voter repeal	(\$671K)* (\$314K)	(\$671K)* (\$314K)
<u>TOTAL SB1 Repeal Operating and Capital Budget Risk:</u>	<u>(\$2,215K)</u>	<u>(\$2,751K)</u>

*Revised from \$737K, as per SCO estimate dated 11/3/17



Questions



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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT												
FY18 CAPITAL BUDGET - REVISION 3 - 6/22/18												
Project Status - Spending as of May 31, 2018												
Project / Activity	PM*	Total Fiscal Year Budget	Total Spent - Fiscal Year to Date	% Project Complete (1)	Start Date	New - Estimated Start Date	Estimated End Date of:	New - Estimated End Date	Project Status (2)	Source of Funds	Grant Expiration Date	
Construction Related Projects												
Pacific Station/Metro Center - Conceptual Design / MOU	BE	\$ 210,627	\$ 12,720	85%	1/1/2013	unknown	6/30/2016	9/30/2019	Locally funded studies to be complete end of 2018. Then confirm with FTA use of remaining funds. Funds currently being used for environmental analysis	FTA, CAPITAL RESERVES	9/30/2019	
Station Rehabilitation	EA	\$ 1,901,733	\$ -	0%					Working w/City of SC	PTMISEA	6/30/2022	
Metrobase Project - Judy K.Souza - Operations Bldg.	EA	\$ 3,559,401	\$ 52,132	95%	9/26/2014		6/30/2018	9/28/2018	Contractor to start work on 8/20	PTMISEA, CAL-OES, RES	6/30/2022	
Access Control - JKS	IH	\$ 224,018	\$ 224,190	100%					Completed	CAL-OES	3/31/2018	
Mechanical Platform Upgrade - JKS	EA	\$ 120,000	\$ 111,947	60%	8/26/2016		6/30/2018	9/28/2018	Substantially Complete - Just completed punchlist, waiting for contractor to invoice for retention.	CAL-OES	3/31/2019	
Transit Security Projects												
Cameras on Buses	IH	\$ 967,181	\$ 966,424	70%	3/1/2017		6/30/2018		Awaiting the delivery of the last 2 Paracruz vehicles to justify the mobilization of the installers to finish the installation.	CAL-OES	3/31/2019	
Emergency Generators - Equip.	EB, CA	\$ 299,183	\$ -	70%	7/10/2014		6/15/2018			CAL-OES	3/31/2019	
Security Cameras Install	IH	\$ 52,421	\$ -	0%		7/30/2018	11/30/2018		See "Security Cameras Consultant" item. Spec from Security Camera Consultant required to go out to bid.	CAL-OES	3/31/2019	
Security Cameras Consultant	IH	\$ 25,000	\$ -	60%	6/1/2017		6/22/2018	10/31/2018	Staff is obtaining for review State DGS contracts with Ojo Technology in lieu of METRO procurement.	CAL-OES	3/31/2019	
Emergency Generators - Consultant	EB, CA	\$ 18,147	\$ 20,801	50%	7/10/2014	10/1/2018	12/31/2018		Facility Station Generator: Bowman / William to provide quotes for design, install and support services to Ciro, Eddie, Erron. Vernon Generator: Contractor awarded to Cal Elite, designer/contractor clarification regarding SW designe (third party to review spec and clarify S/w size.	CAL-OES	3/31/2019	
IT Projects												
Replace Aging Servers	IH	\$ 50,000	\$ 49,040	100%	9/1/2017		3/30/2018		Completed	CAPITAL RESERVES	N/A	
HR Software Upgrade (cont.)	JC/HG	\$ 18,000	\$ -	100%	2/2/2015		8/25/2017		Completed	STA CAPITAL RESERVES	N/A	
Phone System	IH	\$ 10,000	\$ 9,673	100%	9/1/2017		1/3/2018		Completed	CAPITAL RESERVES	N/A	
Wireless Microphone System-Vernon PA	IH	\$ 3,000	\$ 2,964	100%	9/1/2017		1/31/2018		Completed. Added new desktop conference microphones with improved performance.	CAPITAL RESERVES	N/A	
Facilities Repair & Improvements												
Fuel Management System (FTA 5339a FY17)	EB, CA	\$ 180,000	\$ -	10%	10/1/2017		12/31/2018		award pending	FTA	Awarded pending	
138 Golf Club Fire Egress (FTA 5339a FY17)	EB, CA	\$ 97,523	\$ -	30%	4/1/2015		10/1/2018		award pending	FTA	Awarded pending	
Bus Stop & Fac Improve. (FTA 5339a FY15/16)	EB, CA	\$ 34,174	\$ -	0%	8/1/2016		9/1/2018		Pending development of sight specify priority list.	FTA	Award 8/14/17, 5 years to obligate	

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT											
FY18 CAPITAL BUDGET - REVISION 3 - 6/22/18											
Project Status - Spending as of May 31, 2018											
Project / Activity	PM*	Total Fiscal Year Budget	Total Spent - Fiscal Year to Date	% Project Complete (1)	Start Date	New - Estimated Start Date	Estimated End Date of:	New - Estimated End Date	Project Status (2)	Source of Funds	Grant Expiration Date
WTC Landscaping (FTA 5339a FY15/16)	EB, CA	\$ 30,000	\$ 27,089	90%			12/31/2018		Pending Alex notice to proceed. (Mural wall painting) on	FTA	
Maintenance Bldg. Structural Upgrade	EB, CA	\$ 21,500	\$ -	0%		9/1/2018			Project evaluation/follow-up scope review needed	STA	N/A
Admin Bldg. Engineering & Renovations Relocate Mechanics Sink-Golf Club (FTA 5339a FY14)	EB, CA	\$ 20,000	\$ -	20%	4/1/2018		6/1/2018		Split Legal office: completed - furniture ordered	CAPITAL RESERVES	N/A
Upgrade Exhaust Evac.-Golf Club (FTA 5339a FY14)	EB, CA	\$ 9,548	\$ -	0%		9/1/2019			Project evaluation/follow-up scope review needed -	FTA, STA	Award 8/14/17, 5 years to obligate
	EB, CA	\$ 8,000	\$ -	0%		7/1/2019			Project evaluation/follow-up scope review needed	FTA, STA	Award 8/14/17, 5 years to obligate
		\$ 400,745	\$ 27,089								
Revenue Vehicle Replacement & Campaigns											
Electric Bus (3) + Infrastructure & Project Mgmt. (FTA 5339c FY16) PMC & STAFF TRAIN=15%, INFRASTRUCTURE=10%, BUS=30%	EA	\$ 4,844,542	\$ 132,857	5%	9/7/2016		6/30/2022		Bus purchase element to be put out to bid in 2019 instead of buying from BYD. Infrastructure moving ahead, all other elements on hold	FTA, PTMISEA, MEAS D	Award 8/23/17, 5 years to obligate. PTMISEA 6/30/22
Electric Bus (1) - Watsonville ZEB Circulator (FY15/16)	EA	\$ 1,066,508	\$ -	50%	6/1/2016		6/30/2019		Waiting for Proterra's cost proposal. Current delivery estimate for E2Max (660kw) with Duo-power drive train is January 2020. Will need to request grant deadline extension.	PTMISEA, LCTOP	PTMISEA 6/30/22, LCTOP Award 6/2/16 3 years to obligate (6/1/19)
Paracruz Van Replacements (11) (FTA 5339a FY15/16)	EB, CA	\$ 863,232	\$ 18,151	75%	4/1/2018		4/15/2018	9/30/2018	11- P/C Vans on property - Creative Bus to correct defects prior to maintenance manager signoff for purchase, ongoing corrections.	FTA, MEASURE D	Award 8/14/17, 5 years to obligate
CNG Bus (1) - (SCCRTC FY17 STBG)	EB, EA, CA	\$ 570,000	\$ -	0%	9/1/2016		5/1/2019		Contract going to BOD 8/24/18	FTA, PTMISEA	6/1/19, 6/30/22
CNG Bus (1) - (FTA 5339 Rural FY16)	EB, EA, CA	\$ 537,596	\$ -	0%		5/1/2018			Waiting for Caltrans to execute agreement. Piggybacking documentation sent to Caltrans 8/16/18.	FTA, MEASURE D	Award pending
Paracruz Van Replacements (3) (STIP) Year 1 - Capitalized Lease + tax - 3 New Flyer Buses	EB, CA	\$ 347,204	\$ 347,033	95%	12/1/2014		3/30/2018		Completed	STIP, MEASURE D	1/21/2018
Bus Engine Replacement and Installation (3) (now 5)	EB, CA	\$ 283,529	\$ 141,764	98%	10/1/2017		6/30/2018		Making monthly payments against the lease	MEASURE D	N/A
Mid-Life Bus Engine Overhaul (7) (FTA 5339a FY14)	EB, CA	\$ 182,000	\$ 179,620	100%	8/1/2017		2/28/2018		Completed	CAPITAL RESERVES	N/A
Mid-Life Bus Engine Overhaul (4) (FTA 5339a FY17)	EB, CA	\$ 165,564	\$ 325				6/13/2018		Completed	FTA, MEASURE D	
Bus Repaint Campaign (36) (FTA 5339a FY14)	EB, CA	\$ 160,000	\$ -	25%	9/1/2017		6/30/2018	4/30/2019	Pre-paring scoop of work	FTA	Award pending
Capitalized Lease - One-Time Expenses Paratransit Vehicle - (1) (FTA Section 5310)	EB, CA	\$ 131,834	\$ 39,909	10%	2/15/2018		6/30/2019		Classic Gratic body and Paint - 16 completed and 24 remain. Project on going.	FTA, MEASURE D	Award 8/14/17, 5 years to obligate
Bus Repaint Campaign (20) (FTA 5339a FY13) 20%	EB, CA	\$ 80,000	\$ 76,176	80%					Completed	MEASURE D	N/A
Capitalized Lease - External Announcement System	EB, CA	\$ 68,367	\$ -	95%	4/1/2017		6/30/2018	7/18/2018	Completed	FTA, MEASURE D	Award 3/1/16, 10 years to obligate
	EB, CA	\$ 29,529	\$ 29,025	95%	4/20/2017		6/30/2018		Completed	FTA, MEASURE D	7/29/2018
	EB, CA	\$ 28,500	\$ -	85%			10/30/2018		Internal/External Announcements Paul Revier Buses- Internal announcement completed - External announcement solution on going by Cleaver Device.	FTA, MEASURE D	N/A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT											
FY18 CAPITAL BUDGET - REVISION 3 - 6/22/18											
Project Status - Spending as of May 31, 2018											
Project / Activity	PM*	Total Fiscal Year Budget	Total Spent - Fiscal Year to Date	% Project Complete (1)	Start Date	New - Estimated Start Date	Estimated End Date of:	New - Estimated End Date	Project Status (2)	Source of Funds	Grant Expiration Date
Bus Repaints (3) - was-Repair Roof at Pacific Station (FTA 5339a FY13)	EB, CA	\$ 13,802 \$	\$ 964,860 \$	99%			6/30/2018		Bus Repaints (3)-Three repaints completed 6/19/18. Pacific Station leak-repaired by internal FM staff.	FTA, MEASURE D	None per Tom
Non-Revenue Vehicle Replacement											
Replace 11 Non-Revenue Vehicles (FTA 5339a FY13)	EB, CA	\$ 180,046 \$	\$ 175,383 \$	100%	4/1/2016		6/30/2018	Completed		FTA, STA	7/29/2018
Replace High Lift Bucket Truck (FTA 5339a FY14)	EB, CA	\$ 97,814 \$	\$ 96,424 \$	99%	5/1/2017		7/1/2018	Completed		FTA, STA, RES	Award 8/14/17, 5 years to obligate
Propane Fueled Tow Motor (FTA 5339a FY14)	EB, CA	\$ 60,000 \$	\$ 271,807 \$	65%	4/1/2017		6/30/2018	8/31/2018	Tow Motor delivered 7/27/18 - Following up with tug regarding Propane 10 vs. 5, should be resolved by 8/31/18	FTA, STA, RES	Award 8/14/17, 5 years to obligate
Fleet & Main Equipment											
None		\$ - \$	\$ - \$	0%						N/A	N/A
Office Equipment											
Business Copy Machine-Operations	CA	\$ 9,000 \$	\$ 8,720 \$	100%	3/1/2014		6/1/2018	Completed		CAPITAL RESERVES	N/A
Misc.											
Ticket Vending Machine-SLV-Installation Costs	CA	\$ 17,045 \$	\$ - \$	0%		9/1/2018			Awaiting authorization from Safeway	STA CAPITAL RESERVES	N/A
Ticket Vending Machine-Cash Devices & Components	CA, AA	\$ 10,750 \$	\$ - \$	0%					Not delayed - to be used when needed	CAPITAL RESERVES	N/A
Misc. Emergency Capital Items \$1K to \$5K	MISC	\$ 198 \$	\$ - \$	0%		N/A	N/A		Leftover funds to be absorbed back to Reserves	CAPITAL RESERVES	N/A
Misc. Emergency Capital Items-Noise Abatement	EB, CA	\$ 5,000 \$	\$ 3,819 \$	0%	3/1/2018		8/31/2018		Testing concluded and was within required levels, acoustic panels to be installed by 11/1/18.	CAPITAL RESERVES	N/A
Misc. Emergency Capital Items-Yard Vacuum	EB	\$ 3,124 \$	\$ 3,124 \$	100%					Completed	CAPITAL RESERVES	N/A
Misc. Emergency Capital Items-GUI Touch Screen Monitor	CA	\$ 1,678 \$	\$ 1,678 \$	100%					Completed	CAPITAL RESERVES	N/A
AEDs (local match for 6)	TS	\$ 7,846 \$	\$ 7,793 \$	100%					Completed	CAPITAL RESERVES	N/A
Watsonville Transit Mural+(\$2.7K from Arts Council SC)	TH	\$ 5,700 \$	\$ - \$	5%	12/20/2017		11/1/2018		New Artist Paul DeWorken	ARTS COUNCIL/CAP RES	N/A
ID Card Printer	IH	\$ 5,000 \$	\$ 2,874 \$	100%	7/1/2017		8/4/2017	Completed		CAPITAL RESERVES	N/A
Ticket Vending Machine-Software/Pin Pad Upgrade	CA, AA	\$ 4,250 \$	\$ - \$	0%					Not delayed - to be used when needed	CAPITAL RESERVES	N/A
Fire King File Cabinet - HR	JC	\$ 4,030 \$	\$ 3,855 \$	100%					Completed	CAPITAL RESERVES	N/A
Fire King File Cabinet - Finance	DK	\$ 3,860 \$	\$ 2,362 \$	10%	5/7/2018		6/30/2018	Completed		CAPITAL RESERVES	N/A



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

To

ERNEST BROWN
LEAD CUSTODIAN

**FOR THE COMPLETION OF 20 YEARS OF SERVICE
BETWEEN 1998 AND 2018**

GIVEN THIS 24TH DAY OF AUGUST 2018

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

To

ELEUTERIO GARCIA-SUMANO
BUS OPERATOR

FOR THE COMPLETION OF **20 YEARS OF SERVICE**
BETWEEN 1998 AND 2018

GIVEN THIS 24TH DAY OF AUGUST 2018


CHAIR, BOARD OF DIRECTORS


CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

To

DANIEL STEVENSON
BUS OPERATOR

**FOR THE COMPLETION OF 20 YEARS OF SERVICE
BETWEEN 1998 AND 2018**

GIVEN THIS 24TH DAY OF AUGUST 2018


CHAIR, BOARD OF DIRECTORS


CEO/GENERAL MANAGER

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BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.
On the Motion of Director:
Duly Seconded by Director:
The Following Resolution is Adopted:

RESOLUTION OF APPRECIATION FOR THE SERVICES OF PATRICIA DAVIDOSKI AS ADMINISTRATIVE SPECIALIST FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

WHEREAS, the Santa Cruz Metropolitan Transit District (METRO) was formed to provide public transportation to all of the residents of Santa Cruz County, and

WHEREAS, the provision of public transportation service requires a competent, dedicated workforce, and

WHEREAS, METRO, requiring an employee with expertise and dedication, appointed Patricia Davidoski to serve in the position of Facilities Administrative Specialist, and

WHEREAS, Patricia Davidoski served as a member of the Facilities Maintenance Department of METRO for the time period of April 16, 2012 to July 27, 2018, and

WHEREAS, Patricia Davidoski provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Patricia Davidoski served METRO with distinction, and

WHEREAS, the service provided to the residents of Santa Cruz County by Patricia Davidoski resulted in reliable, quality public transportation being available in the most difficult of times, and

WHEREAS, during the time of Ms. Davidoski's service, METRO improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

WHEREAS, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by Patricia Davidoski.

NOW, THEREFORE, BE IT RESOLVED, that upon her retirement as Facilities Administrative Specialist, the Board of Directors of METRO does hereby commend her efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

BE IT FURTHER RESOLVED, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

PASSED AND ADOPTED this 24th Day of August 2018 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:
Bruce McPherson, Chair _____

Attest:
Alex Clifford, CEO/General Manager _____

Approved as to form:
Julie Sherman, General Counsel _____



BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.
On the Motion of Director:
Duly Seconded by Director:
The Following Resolution is Adopted:

RESOLUTION OF APPRECIATION FOR THE SERVICES OF LOUISE KELLER AS PARATRANSIT DISPATCH-SCHEDULER FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

WHEREAS, the Santa Cruz Metropolitan Transit District (METRO) was formed to provide public transportation to all of the residents of Santa Cruz County, and

WHEREAS, the provision of public transportation service requires a competent, dedicated workforce, and

WHEREAS, METRO, requiring an employee with expertise and dedication, appointed Louise Keller to serve in the position of Paratransit Dispatch-Scheduler, and

WHEREAS, Louise Keller served as a member of the ParaCruz Department of METRO for the time period of October 3, 2004 to July 5, 2018, and

WHEREAS, Louise Keller provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Louise Keller served METRO with distinction, and

WHEREAS, the service provided to the residents of Santa Cruz County by Louise Keller resulted in reliable, quality public transportation being available in the most difficult of times, and

WHEREAS, during the time of Louise's service, METRO improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

WHEREAS, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by Louise Keller.

NOW, THEREFORE, BE IT RESOLVED, that upon her retirement as Paratransit Dispatch-Scheduler, the Board of Directors of METRO does hereby commend her efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

BE IT FURTHER RESOLVED, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

PASSED AND ADOPTED this 24th day of August, 2018 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:
Bruce McPherson, Chair _____

Attest:
Alex Clifford, CEO/General Manager _____

Approved as to form:
Julie Sherman, General Counsel _____



BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.
On the Motion of Director:
Duly Seconded by Director:
The Following Resolution is Adopted:

RESOLUTION OF APPRECIATION FOR THE SERVICES OF CHRISTOPHER LANAGAN AS PARATRANSIT OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

WHEREAS, the Santa Cruz Metropolitan Transit District (METRO) was formed to provide public transportation to all of the residents of Santa Cruz County, and

WHEREAS, the provision of public transportation service requires a competent, dedicated workforce, and

WHEREAS, METRO, requiring an employee with expertise and dedication, appointed Christopher Lanagan to serve in the position of Paratransit Operator, and

WHEREAS, Christopher Lanagan served as a member of the Paratransit Department of METRO for the time period of May 12, 2005 to August 23, 2018, and

WHEREAS, Christopher Lanagan provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Christopher Lanagan served METRO with distinction, and

WHEREAS, the service provided to the residents of Santa Cruz County by Christopher Lanagan resulted in reliable, quality public transportation being available in the most difficult of times, and

WHEREAS, during the time of Mr. Lanagan's service, METRO improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

WHEREAS, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by Christopher Lanagan.

NOW, THEREFORE, BE IT RESOLVED, that upon his retirement as Paratransit Operator, the Board of Directors of METRO does hereby commend his efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

BE IT FURTHER RESOLVED, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

PASSED AND ADOPTED this 24th Day of August 2018 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:
Bruce McPherson, Chair _____

Attest:
Alex Clifford, CEO/General Manager _____

Approved as to form:
Julie Sherman, General Counsel _____



BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.
On the Motion of Director:
Duly Seconded by Director:
The Following Resolution is Adopted:

RESOLUTION OF APPRECIATION FOR THE SERVICES OF JUKKA NAUKKARINEN AS BUS OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

WHEREAS, the Santa Cruz Metropolitan Transit District (METRO) was formed to provide public transportation to all of the residents of Santa Cruz County, and

WHEREAS, the provision of public transportation service requires a competent, dedicated workforce, and

WHEREAS, METRO, requiring an employee with expertise and dedication, appointed Jukka Naukkarinen to serve in the position of Bus Operator, and

WHEREAS, served as a member of the Operations Department of METRO for the time period of January 26, 1999 to August 13, 2018, and

WHEREAS, Jukka Naukkarinen provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Jukka Naukkarinen served METRO with distinction, and

WHEREAS, the service provided to the residents of Santa Cruz County by Jukka Naukkarinen resulted in reliable, quality public transportation being available in the most difficult of times, and

WHEREAS, during the time of Mr. Naukkarinen's service, METRO improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

WHEREAS, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by Jukka Naukkarinen.

NOW, THEREFORE, BE IT RESOLVED, that upon his retirement as Bus Operator, the Board of Directors of METRO does hereby commend his efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

BE IT FURTHER RESOLVED, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

PASSED AND ADOPTED this 24th Day of August 2018 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:
Bruce McPherson, Chair _____

Attest:
Alex Clifford, CEO/General Manager _____

Approved as to form:
Julie Sherman, General Counsel _____



BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.
On the Motion of Director:
Duly Seconded by Director:
The Following Resolution is Adopted:

RESOLUTION OF APPRECIATION FOR THE SERVICES OF APRIL WARNOCK AS PARATRANSIT SUPERINTENDENT FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

WHEREAS, the Santa Cruz Metropolitan Transit District (METRO) was formed to provide public transportation to all of the residents of Santa Cruz County, and

WHEREAS, the provision of public transportation service requires a competent, dedicated workforce, and

WHEREAS, METRO, requiring an employee with expertise and dedication, appointed April Warnock to serve in the position of Paratransit Superintendent, and

WHEREAS, April Warnock served as a member of the ParaCruz Department of METRO for the time period of January 9, 2004 to July 30, 2018, and

WHEREAS, April Warnock provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, April Warnock served METRO with distinction, and

WHEREAS, the service provided to the residents of Santa Cruz County by April Warnock resulted in reliable, quality public transportation being available in the most difficult of times, and

WHEREAS, during the time of Ms. Warnock's service, METRO improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

WHEREAS, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by April Warnock.

NOW, THEREFORE, BE IT RESOLVED, that upon her retirement as Paratransit Superintendent, the Board of Directors of METRO does hereby commend her efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

BE IT FURTHER RESOLVED, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

PASSED AND ADOPTED this 24thDay of August, 2018 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:
Bruce McPherson, Chair

Attest:
Alex Clifford, CEO/General Manager

Approved as to form:
Julie Sherman, General Counsel

VERBAL PRESENTATION ONLY

CEO UPDATE

Alex Clifford

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DATE: August 24, 2018
TO: Board of Directors
FROM: Barrow Emerson, Planning & Development Director
**SUBJECT: PUBLIC HEARING: PROPOSED ELIMINATION OF ROUTES 33 AND 34
DUE TO LOW RIDERSHIP, FOLLOWED BY POTENTIAL BOARD
ACTION REGARDING ELIMINATION OF THE TWO ROUTES**

I. RECOMMENDED ACTION

That the Board of Directors conduct a public hearing on the proposed elimination of Routes 33 and 34.

Following the public hearing, that the Board of Directors:

- 1) Find that pursuant to Title VI of the Civil Rights Act of 1964, the discontinuance of Routes 33 and 34 will not have a disparate impact on minority populations or a disproportionate burden on low-income populations; and,**
- 2) Approve the elimination of Routes 33 and 34.**

II. SUMMARY

- On June 24, 2016, the Santa Cruz Metropolitan Transit District (METRO) Board approved a series of service reductions to address a significant structural deficit.
- On September 8, 2016, the service reduction was implemented, eliminating approximately 19% of fixed-route trips.
- As part of the Comprehensive Operational Analysis (COA) conducted to determine recommendations for service modifications, it was recommended to eliminate the Routes 33 and 34 (school term only service) due to low ridership per trip and low farebox recovery.
- It was ultimately decided to retain these routes, which primarily provide school service to the San Lorenzo Valley (SLV) Junior and Senior High Schools, in the hope that their ridership would improve.
- For the past two school years since the service reduction, METRO Planning staff has monitored the performance of these two routes and data confirms that their ridership has not grown and they have the lowest per trip average ridership in the system, while other services in the County are in need of additional capacity and span of service to meet demand.
- The cost of providing Routes 33 and 34 are approximately \$80 per passenger, ten times the system average.

- Staff has analyzed the Title VI considerations and determined that this service elimination does not have a disparate impact on minority populations or a disproportionate burden on low-income populations.
- As part of the analysis of the impact of the proposed elimination of Routes 33 and 34, METRO examined the potential impact on ParaCruz patrons. There are three ParaCruz riders whose access to ParaCruz may be eliminated if these routes no longer existed; however, staff believes this could be mitigated in some cases, because Route 35 is operating in the vicinity and it may be possible for these individuals to arrange a point of origin and/or point of destination within three-quarters of a mile of Route 35's fixed route.
- At its June 22, 2018 Board meeting, METRO initiated a public comment period to culminate with a duly noticed public hearing at this August 24, 2018 Board meeting.
- To date, METRO has received several public comments requesting that these services not be eliminated.
- Staff recommends that the vehicle and bus operator resources be reallocated to other services in the County, possibly Route 35/35A improvements in the SLV/Scotts Valley area, which are in need of additional capacity and span of service to meet demand.
- After receiving and considering public input, if the Board endorses the proposed service reduction, these routes would be eliminated effective December 13, 2018.

III. DISCUSSION/BACKGROUND

Service Restructure

In May of 2015, METRO initiated, in a system-wide restructuring, referred to as the Comprehensive Operational Analysis (COA), the first such review in over 15 years to address a systemic structural deficit. Irrespective of a fiscal structural deficit or not, METRO was overdue for a system-wide restructuring. METRO accomplished both a system-wide restructure and identified approximately \$5 million in service reductions.

Following Board approval on June 24, 2016, a service reduction was implemented on September 8, 2016, which eliminated approximately 19% of fixed-route trips.

Among the routes initially recommend for elimination were Routes 33 and 34, school-term only services, which had among the lowest average boarding per trip in the METRO system. It was ultimately decided to retain these services, which primarily provide service to SLV Junior and Senior High Schools, in the hope that ridership would improve.

Performance of Routes 33 and 34 for the 2016-17 and 2017-18 school years

For the past two school years, METRO Planning staff has monitored the ridership for these two routes. Survey data confirms that their ridership has not grown and they have the lowest per trip average ridership in the system.

The ridership on Route 34 has averaged approximately two riders per trip in both the morning and afternoon, while Route 33 has averaged less than six riders in the morning and approximately eight riders in the afternoon.

The cost of operating these services is upwards of \$200,000 annually, resulting in a cost of approximately \$80 per passenger, ten times the system average.

Coordination with SLV Schools District

METRO staff has worked with the SLV School District over the last two school years to identify enrollment patterns, alternative funding strategies, and provide information for student families in an effort to increase student ridership. METRO will continue to coordinate with the School District on fixed route service opportunities, including the existing Route 35/35A on which METRO provides twice an hour service in both directions to the Junior/Senior High School complex, plus additional school term service in the morning arrival and afternoon departure periods.

Title VI Consideration

Title VI of the Civil Rights Act of 1964 ensures that “no person in the United States shall, on the basis of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance”.

Under Title VI and implementing regulations, including Federal Transit Administration Circular C 4702.1B, METRO is required to assess whether a service elimination will result in a disparate impact on minority populations or a disproportionate burden on low-income populations. Based on a METRO system-wide equity analysis of census block groups within three-quarter miles of routes, completed in 2016, it was determined that this proposed service elimination does not have a disparate impact on minority populations or a disproportionate burden on low-income populations.

Impact on ParaCruz

As part of the analysis of the impact of the proposed elimination of Routes 33 and 34, METRO examined the potential impact on ParaCruz patrons. Members of the public who are certified as disabled are allowed access to ParaCruz services if their trip starts and/or ends within three-quarters of a mile from a METRO fixed-route service.

There are 28 ParaCruz clients registered based on their proximity to Route 33. During the first 6 months of 2018, there were 218 ParaCruz trips taken by three different individuals, with 216 of these trips taken by two of the individuals and two trips taken by the other individual.

There are 34 ParaCruz clients registered based on their proximity to Route 34. During the first 6 months of 2018, there were 23 ParaCruz trips taken by three different individuals, with 16 of these trips taken by one individual, six by another individual and one trip taken by the other individuals.

Under current METRO policy and Federal law, if these routes are eliminated, METRO would no longer be required to provide ParaCruz service to these clients, as they will no longer be eligible for ParaCruz based on their home address. However, with Route 35 operating in the vicinity, there may be an opportunity for clients to be eligible for boarding or alighting ParaCruz, provided the individuals' point of origin and/or point of destination is within three-quarter miles of Route 35's route.

Public Comments

At its June 22, 2018 Board meeting, METRO initiated a public comment period and engaged in public outreach, culminating with a public hearing at this August 24, 2018 Board meeting.

To date METRO has received several public comments requesting that these school term only services not be eliminated.

Staff recommendation

Staff recommends that Routes 33 and 34 be eliminated and the vehicles and bus operator resources be reallocated to other services in the County, which are in need of additional capacity and span service to meet demand.

Pending the results of Proposition 6, the SB-1 repeal ballot measure, in November, METRO will be increasing bus operator staff by one operator and will be committing this operator to Route 35/35A improvements in the San Lorenzo Valley/Scotts Valley area. The operator hours saved from the elimination of Route 33 and 34 would be allocated to these Route 35 improvements. If METRO is not able to add an additional operator, the saved hours would be allocated to other services which are in need of additional capacity and span of service to meet demand.

Next Steps

After receiving and considering public input, if the Board approves the proposed service reductions, these routes would be eliminated effective December 13, 2018.

In concert with the elimination of the proposed routes, the Board also makes the following findings: pursuant to Title VI of the Civil Rights Act of 1964 that the discontinuance of Routes 33 and 34 will not have a disparate impact on minority populations or a disproportionate burden on low-income populations.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The resources committed to these two services would be reallocated to other METRO services; therefore, there would be no net impact on the operating budget.

V. ALTERNATIVES CONSIDERED

The alternative is to maintain this service, which is not recommended, as there are other more productive services in need of frequency and span of service improvements.

VI. ATTACHMENTS

Attachment A: Public Comments

Prepared by: Barrow Emerson, Planning & Development Director

VII. APPROVALS

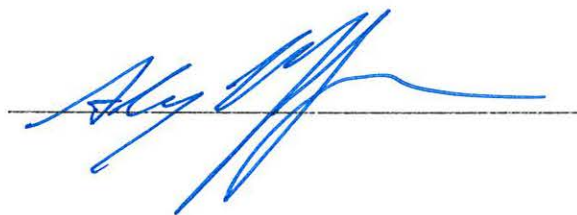
Barrow Emerson
Planning & Development Director



Approved as to fiscal impact:
Angela Aitken, CFO

dkelow for AA

Alex Clifford, CEO/General Manager



Attachment A

William Chasar

Board of Directors
Santa Cruz Metro
110 Vernon Street
Santa Cruz , CA 95060

Dear Board of Directors

Please do not discontinue the Lompico 33 bus. It is our only public transportation for the residents and students of the Lompico and Zayante area. The Lompico 33 bus is the way some students get to and from school, it simply is to far to walk.

I am a regular rider of the Metro bus system, each month I buy a monthly pass. When I retired, I decided I would live a simpler life, and use the bus system as my means of transportation. The Lompico 33 allows me to do my shopping, get to doctors appointments, public functions, the library and to make my connection to the Highway 17 bus.

Without the Lompico 33, it is a four mile walk which takes me two hours one way. The 33 bus is especially important in the winter time, pouring rain and freezing cold make in very difficult. Having walked Zayante and Lompico roads many times, I can tell you it is dangerous due to fact these roads are narrow with no sidewalks, blind curves and car and big trucks going forty miles per hour.

I always vote to support public transportation projects that will help the Metro Bus. Please support the Lompico and Zayante communities by keeping our school term Lompico 33 bus as it currently is. Thank you.

Respectfully Yours,

W Chasar
July 17, 2018

William Chasar



16A.1

Attachment A

From: [Ben Ruwe](#)
To: Planning@scmtd.com
Subject: Opposition to Proposed elimination of Route 33
Date: Tuesday, July 17, 2018 11:53:01 AM

Dear Planning and Development Manager Barrow Emerson,

I understand the Metro is considering cutting services to routes 33 (Lompico) and 34 (South Felton) in Felton (<https://www.scmtd.com/images/department/board/current/062218BODAgendaPOSTAfter.pdf>).

I am writing to strongly oppose this proposal, particularly of route 33. As a resident of the Lompico neighborhood, my family and many others rely on the Metro route 33 to take our child to and from charter middle school at Quail Hollow Integrated Arts, housed at the SLVUSD office on Marion Ave. We know several other middle and high school students who rely on this route, as well as a number of adults who regularly use the route. For our family in particular, my wife suffers from multiple sclerosis and is not able to bring our child to and from school. Due to my full-time job at UCSC, I am also not available to do this.

I sincerely hope the Planning Department will explore other ways of addressing our lower ridership, including the possibility of a revised fee schedule for our more rural Metro routes. We should not be penalized for living in a part of the valley that is not as crowded as other parts of the valley. The Planning Department should also consider the lower-than-average economic reality of many of Lompico's residents in weighing the value of this route.

Thank you for your consideration.

--

Ben Ruwe



CONFIDENTIALITY NOTICE: This e-mail communication and any attachments may contain confidential and privileged information for the use of the designated recipients named above. If you are not the intended recipient, you are hereby notified that you have received this communication in error and that any review, disclosure, dissemination, distribution or copying of it or its contents is prohibited. If you have received this communication in error, please notify Ben Ruwe immediately by telephone at (831) 459-2697 and destroy all copies of this communication and any attachments. Thank you.

Attachment A

From: [Santa Cruz METRO](#)
To: [Barrow Emerson](#)
Subject: [CSV-0000001279] Opposition to Proposed elimination of Route 33
Date: Tuesday, July 17, 2018 11:54:47 AM

Hello,

A new ticket has been added:

[CSV-0000001279](#)

benruwe@hotmail.com wrote:

Dear Planning and Development Manager Barrow Emerson,

I understand the Metro is considering cutting services to routes 33 (Lompico) and 34 (South Felton) in Felton
(<https://www.scmtd.com/images/department/board/current/062218BODAgendaPOSTAfter.pdf>).

I am writing to strongly oppose this proposal, particularly of route 33. As a resident of the Lompico neighborhood, my family and many others rely on the Metro route 33 to take our child to and from charter middle school at Quail Hollow Integrated Arts, housed at the SLVUSD office on Marion Ave. We know several other middle and high school students who rely on this route, as well as a number of adults who regularly use the route. For our family in particular, my wife suffers from multiple sclerosis and is not able to bring our child to and from school. Due to my full-time job at [REDACTED], I am also not available to do this.

I sincerely hope the Planning Department will explore other ways of addressing our lower ridership, including the possibility of a revised fee schedule for our more rural Metro routes. We should not be penalized for living in a part of the valley that is not as crowded as other parts of the valley. The Planning Department should also consider the lower-than-average economic reality of many of Lompico's residents in weighing the value of this route.

Thank you for your consideration.

Ben Ruwe

Resident of Lompico, supporter of Metro route 33

Your Phone - Include Area Code: [REDACTED]

Preferred method of contacting you: Email address entered above

Your Address: [REDACTED]

Your City: [REDACTED]

Your State: CA

Your Zip: [REDACTED]

Attachment A

Nature of Comment: Complaint

Date of Incident: 7/17/18

Time of Incident: N/A

Route: 33 - Lompico SLV/Felton Faire

Choose location : Street & Cross street (enter below)

Location - additional information: [REDACTED].

Vehicle Number - If Known:

Direction of Travel: Inbound

Employee Name or Number - If Known:

Employee Position: Other

If Other, Please Describe: Planning and Development Manager Barrow Emerson

Attachment A

-----Original Message-----

From: Ruth Shaw [mailto:[\[REDACTED\]](#)]

Sent: Friday, August 03, 2018 12:06 PM

To: planning@scmtd.com

Subject: Proposed bus cuts

Why not cut all bus service. If Lompico doesn't need it why does the rest of the County?? Cutting the school bus lines also cuts the Metro Paracruz lines to Lompico. As it is they only run an hour before and after the school bus runs but really. If you needed transportation help can you afford a taxi all the time? If you need physical therapy that could be out of the question. Think about your decision when it comes to your next re-election. Lompicans do vote.

Sent from my iPhone

Attachment A

From: filmmastr@yahoo.com [mailto:████████████████████]
Sent: Friday, August 03, 2018 10:27 AM
To: planning@scmttd.com
Subject: Lompico route 33

I am a new Resident to Lompico and heard that they may discontinue Route 33 I have no way to get to town to get medicine and will need to use this route 2 days a week please continue the service thank you

[Sent from Yahoo Mail on Android](#)



Attachment A

August 9, 2018

Board of Directors
Santa Cruz Metropolitan Transit District
920 Pacific Ave. Ste. 21
Santa Cruz, CA 95060

RE: Proposed Elimination of Route 33 (Lompico)

Dear Board Members:

The Lompico Community Center (LCC) Board of Director's would like to urge you to re-consider eliminating Route 33 bus service to our community that is currently being proposed by the Santa Cruz Metropolitan Transit District (SCMTD). The elimination would severely impact some of our most vulnerable population, children and senior citizens, whom rely on the bus service for transportation to school, medical appointments, grocery stores, etc.

The reduction of the bus service during the summer months when school is out of session has been a hardship on some, but a complete elimination of the route would mean our children and senior citizens would have to find alternative means of transportation. Since most are children and/or underage, or on fixed incomes, alternatives such as Uber, Lyft or Para Cruz are not realistic due to the cost and age. Also, in our opinion, a two- year study of ridership is not a realistic view of our demographics. As of now we currently have a high number of elementary age children that will be using Route 33 soon as their primary mode of transportation.

Further, measure D is providing approximately \$2.75 million per year to the SCMTD to help provide transit and paratransit services for seniors and people with disabilities. And let's not forget SB 1 funding that has been passed and will provide over \$26 billion to cities and counties to put more money into public transit and safety. We propose you ear mark a portion of these funds to keep Route 33 open until a more thorough study can be undertaken, or until alternative transit options are available.

Thank you for your consideration.

Gail Jones, President

(831) [REDACTED]

Email: [REDACTED]@yahoo.com

Cc: County Supervisor Bruce McPherson – District 5 Representative



Attachment A

August 2, 2018

Board of Directors
Santa Cruz Metropolitan Transit District
920 Pacific Ave. Ste. 21
Santa Cruz, CA 95060

RE: Proposed Elimination of Route 33 (Lompico)

Dear Board Members:

The Lompico Community Center's Board of Directors would like to urge you to re-consider eliminating Route 33 bus service to our community that is currently being proposed by the Santa Cruz Metropolitan Transit District (SCMTD). The elimination would severely impact some of our most vulnerable population, children and senior citizens, whom rely on the bus service for transportation to school, medical appointments, grocery stores, etc.

The reduction of the bus service during the summer months when school is out of session has been a hardship on some, but a complete elimination of the route would mean our children and senior citizens would have to find alternative means of transportation. Since most are children and/or underage, or on fixed incomes, alternatives such as Uber, Lyft or Para Cruz are not realistic due to the cost and age. Also, in our opinion, a two- year study of ridership is not a realistic view of our demographics. As of now we currently have a high number of elementary age children that will be using Route 33 soon as their primary mode of transportation.

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Thank you for your consideration.

Bryce Danenhauer, Director at Large

Cc: County Supervisor Bruce McPherson – District 5 Representative





Attachment A

August 2, 2018

Board of Directors
Santa Cruz Metropolitan Transit District
920 Pacific Ave. Ste. 21
Santa Cruz, CA 95060

RE: Proposed Elimination of Route 33 (Lompico)

Dear Board Members:

The Lompico Community Center's Board of Directors would like to urge you to re-consider eliminating Route 33 bus service to our community that is currently being proposed by the Santa Cruz Metropolitan Transit District (SCMTD). The elimination would severely impact some of our most vulnerable population, children and senior citizens, whom rely on the bus service for transportation to school, medical appointments, grocery stores, etc.

The reduction of the bus service during the summer months when school is out of session has been a hardship on some, but a complete elimination of the route would mean our children and senior citizens would have to find alternative means of transportation. Since most are children and/or underage, or on fixed incomes, alternatives such as Uber, Lyft or Para Cruz are not realistic due to the cost and age. Also, in our opinion, a two- year study of ridership is not a realistic view of our demographics. As of now we currently have a high number of elementary age children that will be using Route 33 soon as their primary mode of transportation.

Further, measure D is providing approximately \$2.75 million per year to the SCMTD to help provide transit and paratransit services for seniors and people with disabilities. And let's not forget SB 1 funding that has been passed and will provide over \$26 billion to cities and counties to put more money into public transit and safety. We propose you ear mark a portion of these funds to keep Route 33 open until a more thorough study can be undertaken, or until alternative transit options are available.

Thank you for your consideration.

Jessi Danenhauer, Secretary

Cc: County Supervisor Bruce McPherson – District 5 Representative



Attachment A

From: Noraleigh Carthy [mailto:]
Sent: Thursday, August 09, 2018 2:23 PM
To: planning@scmtd.com
Subject: Purposed cuts to bus routes in 33 & 34 (Lompico, South Felton)

Good afternoon,

I'm a concerned resident of south Felton and am writing in regards to the purposed bus route cut which would greatly effect my family.

We're new to the area with our daughter starting high school this year. My husband is disabled and chronically ill and can't be left alone for much time at all, thus We were counting on the bus as transportation for our daughter to and from school.

I'm sure others in the neighborhood rely on the service as well. Highway 9 is not safe for bike riding or walking and with the back up of traffic from parents dropping off my time away from home and my husband will leave him in a compromised situation.

My family asks that you take our needs into consideration when thinking about cuts.

Thank you,
Noraleigh Carthy

Attachment A

From: [Beth Cole](#)
To: [Gina Pye](#); planning@scmted.com; bruce.mcpherson@santacruzcounty.us
Subject: Bus Routes 33 & 34 / South Felton
Date: Friday, August 24, 2018 7:43:27 AM

Dear Ms. Pye, Mr. McPherson & Planning Group,

As a taxpayer and homeowner in the San Lorenzo Valley for the past 20 years, its concerning to me that about this time each year we hear about cuts to our bus service. Our community and children deserve the same level of service that other parts of the county receive.

I am emphatically against cutting the Metro services to South Felton/Lompico. Students and other members of the community rely on this service. Being able to take the bus to the high school allows our students to be self-reliant and keeps additional vehicles of the already congested roads.

My husband is a American Red Cross volunteer. His primary job is to manage the team responding to residential fires in the county. He and his team respond to ALL areas of the county. I am a volunteer at the Santa Cruz County Animal Shelter. My time each week is beneficial to ALL the needy animals that come in regardless of which part of the county they are from.

Please do not cut our bus routes--they are an important part of the North County community.

Sincerely,

Beth Cole
20 year Resident of Boulder Creek
28 year Resident of Santa Cruz County

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DATE: August 24, 2018
TO: Board of Directors
FROM: Eddie Benson, Maintenance Manager
**SUBJECT: AWARD OF CONTRACT FOR THE METRO FACILITIES LIGHTING
RETROFIT PROJECT**

I. RECOMMENDED ACTION

Following a public hearing on the Energy Service Contract for Energy-Efficient Lighting Retrofit at Santa Cruz METRO facilities, that the Board of Directors:

- 1.) Find it is in the best interest of Santa Cruz METRO to proceed with the energy-efficient lighting retrofit project;**
- 2.) Find that the anticipated cost to Santa Cruz METRO will be less than the anticipated marginal cost of energy consumed by Santa Cruz METRO in the absence of the project, and;**
- 3.) Authorize the CEO to execute a contract with Lumenature in an amount not to exceed \$129,100**

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) has a need to replace its light fixtures with energy-efficient light-emitting diode lights (LEDs) at all of its facilities as part of the area-wide effort to have a more sustainable and eco-friendly business.
 - The Association of Monterey Bay Area Governments (AMBAG) and Pacific Gas & Electric (PG&E) have partnered in an Energy Watch Program (the Program), which offers resources for energy efficiency projects to eligible PG&E customers.
 - At the June 22, 2018 meeting, the Board of Directors authorized the CEO to execute a PG&E loan application with a total value of \$129,100. The loan is to be repaid in monthly installments, being paid off in approximately three and a half years with 0% interest.
 - At the conclusion of today's public hearing and after the Board makes the recommended findings, Santa Cruz METRO is authorized to enter into an energy service contract per Government Code Sections 4217.10 et seq.
 - Staff recommends that the Board make the above findings and authorize the CEO to execute a contract with Lumenature.

III. DISCUSSION/BACKGROUND

The Association of Monterey Bay Area Governments (AMBAG) has partnered with Pacific Gas and Electric Company (PG&E) to deliver the AMBAG Energy Watch Program. As a special district, METRO is eligible to participate in the Program. METRO previously participated in this Program with a successful LED retrofit project at the Watsonville Transit Center and a portion of the Maintenance Shop in Santa Cruz in 2015.

AMBAG has assessed METRO's remaining facilities and has provided energy and cost saving proposals totaling \$129,100. See attachment A for the cost of the retrofit and anticipated savings by location.

The existing metal halide and high-pressure sodium lights at these locations will be replaced with energy-efficient light-emitting diode (LED) lights that are expected to reduce electricity costs by approximately 50 percent per year, and will reduce maintenance costs due to longer expected product lifetimes. The existing exterior fixtures (poles, lamps) will remain the same; only the internal electrical housing and lights will be replaced. Installation is planned for the Fall of 2018.

Lumenature is a Program Installer with pre-negotiated pricing. All of the in-program installers will provide construction services at the same material and labor rates. Lumenature was selected as the preferred contractor due to their 15 years of experience installing energy efficient lighting, successful installations for over 2,500 customers within the program, good references, and schedule availability.

Staff recommends that the Board find it is in the best interest of METRO to proceed with the energy-efficient lighting retrofit project; find that the anticipated cost to METRO will be less than the anticipated marginal cost of energy consumed by METRO in the absence of the project and authorize the CEO to execute a contract with Lumenature in an amount not to exceed \$129,100.

Staff proposes to award the contract with Lumenature under the authority of Government Code Sections 4217.10 et seq., which the State of California enacted to help public agencies expedite and finance energy conservation measures at their facilities. As required by Government Code Section 4217.12, earlier at this Board meeting, staff provided an informational presentation and the Board conducted a hearing to receive public comment. METRO has complied with the two weeks' notice requirement in Government Code Section 4217.12 for the public hearing.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Funding for the resulting contract is to be provided in the form of a loan from PG&E. The Energy Watch Program provides Project Management from AMBAG at no cost to METRO, and the PG&E loan will be repaid in monthly installments on METRO's regular billing. It will take approximately three and a half years to fully repay the loan. There is 0% interest on this loan.

The value of the resulting loan is \$129,104. Funds to support this contract are included in the Facilities Maintenance FY19 Gas & Electric account #505011 in its Operating Budget. The loan payments are funded by the anticipated cost savings from using less energy.

V. ALTERNATIVES CONSIDERED

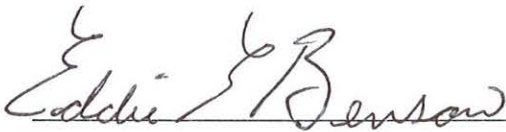
- METRO could issue a formal procurement to obtain the materials and services needed to retrofit the subject light fixtures. This is not recommended as the rebates offered in this program would not be allowed for use and it is unlikely that another contractor could perform the work at such a low cost.
- METRO could continue to use the current light fixtures, bulbs and ballasts. The energy use of these is higher and more costly, and therefore not recommended.
- METRO could delay the project or slowly retrofit the lighting fixtures over the next few years. This is not recommended as the Program could end at any time.

VI. ATTACHMENTS

Attachment A: Cost and Anticipated Savings by Location

Prepared By: Erron Alvey, Purchasing & Special Projects Director

VII. APPROVALS:

Eddie Benson, Maintenance Manager 

Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer *d/allow for AIA*

Alex Clifford, CEO/General Manager 

Attachment A

Location of Santa Cruz METRO Property:				
Pacific Station in downtown Santa Cruz	Cost of Retrofit		Long Term Savings	kWh Savings
	\$ 35,694.39			
		Estimated Monthly	\$ 883.84	4,865.67
		Estimated Annual	\$ 10,606.09	58,388.05
		Estimated 5 Yrs.	\$ 53,030.45	291,940.00
Cavallero Transit Center in Scotts Valley	Cost of Retrofit		Long Term Savings	kWh Savings
	\$ 14,131.12			
		Estimated Monthly	\$ 726.91	3,002.36
		Estimated Annual	\$ 8,722.91	36,028.31
		Estimated 5 Yrs.	\$ 43,614.55	180,142.00
Judy K. Souza Operations Facility in Santa Cruz	Cost of Retrofit		Long Term Savings	kWh Savings
	\$ 10,169.89			
		Estimated Monthly	\$ 234.08	1,172.29
		Estimated Annual	\$ 2,808.99	14,067.44
		Estimated 5 Yrs.	\$ 14,044.95	70,337.00
Administration Office in Santa Cruz	Cost of Retrofit		Long Term Savings	kWh Savings
	\$ 28,728.52			
		Estimated Monthly	\$ 824.54	4,213.19
		Estimated Annual	\$ 9,894.53	50,558.26
		Estimated 5 Yrs.	\$ 49,472.65	252,791.00
Maintenance Building (Remaining Portion, partially upgraded in 2015)	Cost of Retrofit		Long Term Savings	kWh Savings
	\$ 29,337.33			
		Estimated Monthly	\$ 661.35	1,881.70
		Estimated Annual	\$ 7,936.21	22,580.34
		Estimated 5 Yrs.	\$ 39,681.05	112,902.00
Fueling and Washing Station in Santa Cruz	Cost of Retrofit		Long Term Savings	kWh Savings
	\$ 10,218.38			
		Estimated Monthly	\$ 294.99	1,772.09
		Estimated Annual	\$ 3,539.86	21,265.03
		Estimated 5 Yrs.	\$ 17,669.30	106,325.00
Soquel Park 'N Ride lot in Santa Cruz	Cost of Retrofit		Long Term Savings	kWh Savings
	\$ 820.18			
		Estimated Monthly	\$ 79.80	356.70
		Estimated Annual	\$ 957.64	4,280.40
		Estimated 5 Yrs.	\$ 4,788.20	21,402.00
PROJECT TOTALS	\$ 129,099.81	5 Year Totals	\$ 222,301.15	1,035,839.00

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DATE: August 24, 2018
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
**SUBJECT: SELECTION OF A REPLACEMENT SANTA CRUZ METRO BOARD
VICE-CHAIR**

I. RECOMMENDED ACTION

That the Santa Cruz METRO Board accept Vice-Chair Chase's resignation as Vice-Chair and nominate and select a new Vice-Chair

II. SUMMARY/DISCUSSION

- Vice-Chair Chase has requested that this item be placed on the Board agenda.
- Vice-Chair Chase has publically announced that she will not be running for reelection in November.
- Vice Chair Chase would like to immediately resign from the position of Vice-Chair and requests that the Board nominate and select her replacement.
- Vice Chair Chase, representing the City of Santa Cruz, would remain a METRO Board member until the end of her elected term in office.
- The METRO Board should discuss this matter and determine if they wish to vote at this meeting for the replacement Vice-Chair.
- The METRO Board Bylaws, Section §1.2.601, Election, provides the following:
 - B. Should the office of Vice-Chair become vacant, the nomination and selection of Vice-Chair shall be agendized and acted upon by the Board of Directors.

III. FINANCIAL CONSIDERATIONS/IMPACT

There is no identifiable fiscal impact to the agency in convening an election to replace the Vice-Chair.

IV. ALTERNATIVES CONSIDERED

- The METRO Board could discuss other approaches to resolving the replacement of the Vice-Chair

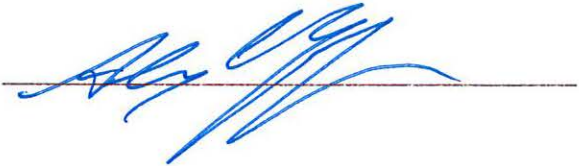
V. ATTACHMENTS

None

Prepared by: Alex Clifford, CEO/General Manager

VI. APPROVALS

Alex Clifford, CEO/General Manager



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DATE: August 24, 2018
TO: Board of Directors
FROM: Angela Aitken, Interim Human Resources Director & CFO
SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 2ND CONTRACT AMENDMENT WITH CPS HR CONSULTING TO INCREASE THE CONTRACT TOTAL BY \$60,688 FOR AN SEIU CLASSIFICATION AND COMPENSATION STUDY

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to execute a 2nd contract amendment with CPS HR Consulting to increase the contract total by \$60,688 for an SEIU Classification and Compensation Study, thereby increasing the total contract authority from \$41,900 to \$102,588

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) entered into a contract with CPS HR Consulting for a Management Classification and Compensation Study on March 27, 2017.
- The contract included an option for CPS HR Consulting to conduct a similar Classification and Compensation Study for Service Employees International Union – Local 521 (SEIU) staff.
- Staff is recommending moving forward at this time with the option to conduct an SEIU Classification and Compensation Study.

III. DISCUSSION/BACKGROUND

In November of 2016, METRO issued a Request for Proposals for a Classification and Compensation Study for the positions listed within the Management Compensation Plan. The procurement invited interested offerors to also provide a separate cost proposal for an optional SEIU Classification and Compensation Study.

METRO awarded the contract for the Management Classification and Compensation Study to CPS HR Consulting at the March 24, 2017 Board of Directors Meeting. CPS HR Consulting's proposal included a separate cost proposal for the optional SEIU Study.

On May 10, 2017, METRO and SEIU signed a Side Letter of Agreement to extend and modify the Memorandum of Understanding between METRO and

SEIU. As part of that Side Letter, METRO agreed to perform a Classification and Total Compensation Study for the SEIU bargaining Unit by December 31, 2018.

Staff recommends that METRO authorize CSP HR Consulting to perform the optional SEIU Classification and Compensation Study at this time. Staff further recommends that the Board of Directors authorize the CEO to execute a 2nd contract amendment with CPS HR Consulting on behalf of METRO. Angela Aitken, Interim Human Resources Director and CFO, will serve as the Contract Administrator and will ensure contract compliance.

IV. FINANCIAL CONSIDERATIONS/IMPACT

This contract has a total not to exceed of \$41,900. Additional funds in an amount of \$60,687.50 are requested for approval at this time. The new contract total not to exceed would be \$102,587.50.

Funds to support this contract are included in the Administration Department FY19 Prof/Technical Fees (503031) Operating Budget.

V. ALTERNATIVES CONSIDERED

Do not engage CPS HR Consulting to perform the SEIU Classification and Compensation Study, and instead issue a new procurement for this service. Staff does not recommend this option as there is limited time to complete this study by the agreed-upon deadline of December 31, 2018, and to issue a new procurement at this point would add significant delay.


VI. ATTACHMENTS

Attachment A: Second Amendment to the Contract with CPS HR Consulting

Prepared by: Joan Jeffries, Administrative Specialist

VII. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer



Alex Clifford, CEO/General Manager



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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
SECOND AMENDMENT TO CONTRACT NO. 17-07
FOR CLASSIFICATION AND COMPENSATION STUDY**

This Second Amendment to Contract No. 17-07 for a Classification and Compensation Study is made effective August 29, 2018 between the Santa Cruz Metropolitan Transit District (“Santa Cruz METRO”), a political subdivision of the State of California, and Cooperative Personnel Services d/b/a CPS HR Consulting (“Contractor”).

I. RECITALS

- 1.1 Santa Cruz METRO and Contractor entered into a Contract for a Classification and Compensation Study (“Contract”) on March 27, 2017.
- 1.2 The Contract allows for amendment upon mutual written consent.
- 1.3 Santa Cruz METRO and Contractor desire to amend the Contract to incorporate Contractor’s Optional Service Cost Proposal: Classification and Compensation Study for SEIU Represented Employees.

Therefore, Santa Cruz METRO and Contractor amend the Contract as follows:

II. COMPENSATION

- 2.1 Article 5.01 is amended to include the following:

Santa Cruz METRO shall compensate Contractor in an amount not to exceed the rates agreed upon and set forth in Contractor’s Optional Service Cost Proposal from Exhibit B, a copy of which is included as Attachment A to this Amendment.

Under the terms of the Second Amendment, the Contract total not-to-exceed amount is increased by \$60,687.50. The new Contract total not-to-exceed amount is \$102,587.50. Contractor understands and agrees that if it exceeds the \$102,587.50 maximum amount payable under this Contract, it does so at its own risk.

III. REMAINING TERMS AND CONDITIONS

- 3.1 All other provisions of the Contract that are not affected by this Amendment shall remain unchanged and in full force and effect.

IV. ACCEPTANCE OF ELECTRONIC SIGNATURES AND COUNTERPARTS

- 4.1 The parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into this Contract will be considered executed when the

signature of a party is delivered by scanned image as an attachment to electronic mail. Such scanned signature must be treated in all respects as having the same effect as an original signature. Each party further agrees that this Contract may be executed in two or more counterparts, all of which constitute one and the same instrument.

V. AUTHORITY

5.1 Article 8 is amended to include the following language:

Each party has full power to enter into and perform this Second Amendment to the Contract and the person signing this Second Amendment on behalf of each has been properly authorized and empowered to enter into it. Each party further acknowledges that it has read this Second Amendment to the Contract, understands it, and agrees to be bound by it.

Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

Alex Clifford, CEO/General Manager

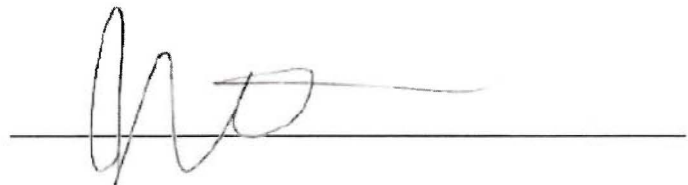
Contractor –
COOPERATIVE PERSONNEL SERVICES
d/b/a CPS HR CONSULTING

Vicki Quintero Brashear, Director of
Products and Services



Approved as to Form:

Julie Sherman, General Counsel



Cost Proposal - Optional Service

ORIGINAL



Santa Cruz Metropolitan Transit District

Classification and Compensation Study for SEIU Represented Employees

RFP No. 17-07 (Optional Service)

Due Date: December 16, 2016

5:00 P.M. PST

SUBMITTED BY:

VICKI QUINTERO BRASHEAR

Director of Products and Services

CPS HR Consulting
241 Lathrop Way
Sacramento, CA 95815
P: 916-471-3481
F: 916-561-7281
vbrashear@cpsshr.us
Tax ID: 68-0067209
www.cpsshr.us



Your Path to Performance

General Information Form

PART II

GENERAL INFORMATION FORM

A CLASSIFICATION AND COMPENSATION STUDY RFP No. 17-07

(To be completed by the offeror and placed at the front of your proposal)

Cooperative Personnel Services	12/5/16
Legal Name of Firm	Date
241 Lathrop Way, Sacramento, CA 95815	
Firm's Address	
Main: 800-822-4277	Main 916-263-3613
Telephone Number	FAX Number
vbrashear@cpshr.us	12-851-2480
Email Address	DUN Number
Joint Powers Authority (JPA)	68-0087209
Type of Organization (Partnership, Corporation, etc.)	Tax ID Number
30+ years	Annual Gross Receipts
Age of Firm	<input type="checkbox"/> < \$500,000 <input type="checkbox"/> \$500,000 - \$10,000,000 <input checked="" type="checkbox"/> \$10,000,000 - \$22,000,000 <input type="checkbox"/> > \$22,000,000

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with Santa Cruz METRO that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals. Offeror understands that this proposal constitutes a firm offer to Santa Cruz METRO that cannot be withdrawn for one hundred and twenty (120) calendar days from the date of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to Santa Cruz METRO the required insurance certificates within ten (10) calendar days of the Notice of Award.

Vic Q. Brashear

Signature of Authorized Principal

Vic Quintero Brashear, Director of Products and Services

Name of Principal-in-Charge and Title

Bruce Davis, Classification and Compensation Manager

Name of Project Manager and Title

Vic Quintero Brashear, Director of Products and Services, vbrashear@cpshr.us (916) 471-3481

Name, Title, Email Address and Phone Number of Person to whom Correspondence should be Directed

241 Lathrop Way, Sacramento, CA 95815

Address Where Correspondence should be Sent

Classification and Compensation

Areas of Responsibility of Prime Contractor

II-1

Introductory Letter

December 16, 2016

Erron Alvey, Purchasing Manager
Santa Cruz METRO's Purchasing Office
110 Vernon Street
Santa Cruz, California, 95060

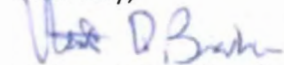
Subject: Classification and Compensation Study for SEIU Represented Employees - OPTIONAL SERVICE

CPS HR Consulting (CPS HR) is pleased to submit this separate cost proposal to the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) to provide classification and compensation study consulting services for the employees represented by the Service Employees International Union (SEIU).

Our response to the Santa Cruz Metropolitan Transit District's Request for Proposal Optional Service provides a cost estimate for the proposed services.

It is our commitment to work in partnership with your organization to a successful result. Thank you for this opportunity; we very much look forward to establishing a professional relationship with the Santa Cruz Metropolitan Transit District. Should you have any questions about this proposal, please do not hesitate to contact Bruce Davis, Ph.D. **Dr. Davis can be reached by email at bdavis@cpsr.us or by phone at (916) 471-3382. Dr. Davis conducts work out of our Sacramento office.**

Sincerely,



Vicki Quintero Brashear, Director of Products and Services
241 Lathrop Way
Sacramento, CA 95815

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Attachment A

Proposal to the Santa Cruz Metropolitan Transit District
Classification and Compensation Study Consulting Services

3.4 Optional Service Cost Proposal

4.5 Cost, Employee Hours, and Rates

Professional Fixed Fee

The professional fixed fee to complete Santa Cruz METRO's classification study for **3.4 Optional Service** as described in the RFP is **\$58,187.50 inclusive of expenses**. *Itemized breakdowns of the Professional Fixed Fee for the classification and compensation studies follow.*

Our professional fixed fee includes the following trips: (a) Project Initiation Meetings and Orientation Sessions; (b) Job Evaluation Interviews (Multiple Days); (c) Presentation of the Draft Classification Report to Santa Cruz METRO and designated stakeholders; (d) Presentation of the Final Classification and Compensation Reports to Santa Cruz METRO and designated stakeholders.

Reimbursable Expenses

Actual out-of-pocket expenses for such items as printing/copying, binding, and postage/delivery charges are reimbursable at cost. There is no mark-up on expenses. We estimate a total of **\$2,500** for expenses.

CPS HR will bill professional service fees and any incurred expenses as a direct pass-through on a monthly basis.

CPS HR is flexible with the proposed work plan; alternate approaches may be discussed with Santa Cruz METRO which may in turn change the proposed cost of the project. As described in this proposal, the methods, approach, timelines, as well as the proposed fee, have been prepared as accurately as possible based upon the services requested and study objectives described in the information provided to CPS HR. The proposed professional fees reflect the steps and time necessary to conduct the study in a sound, thorough, and sustainable manner, including *important input and review by Santa Cruz METRO and designated stakeholders* to accomplish the study objectives. If changes or additional services are required, we will be happy to discuss changes to the project activities, schedule, and/or fee proposal.

Rates for Additional Services

A rate schedule is presented for any additional work desired by Santa Cruz METRO that is not specified in the work plans prepared for this proposal. Additional work that is required will be negotiated between the two parties. Any work that is mutually considered to be out of scope will be agreed to prior to initiating any work.

Attachment A

Proposal to the Santa Cruz Metropolitan Transit District
Classification and Compensation Study Consulting Services

Project Staffing Category	Hourly Rate
Project Manager	\$150
Project Consultant	\$120
Project Technician	\$65

Itemized Cost Tables

Classification Study

Classification Study Itemized Cost Table			
Task	Classification	Hourly Rate	Task Total
Receive and Review Santa Cruz METRO's Background Material	Project Manager	\$140	\$1,400
	Project Consultant	\$110	
Initial Project Meetings	Project Manager	\$140	\$1,610
Develop Job Evaluation Tools	Project Consultant	\$110	\$1,050
Conduct Orientation Sessions (Management Team and Employees)	Project Manager	\$140	\$1,610
PDQ Completion	Project Consultant	\$110	\$2,050
	Admin Technician	\$60	
Receive and Review PDQs/Prepare for Interviews	Project Consultant	\$110	\$4,300
Conduct Job Evaluation interviews (Managers and Employees)	Project Consultant	\$110	\$4,000
FLSA Analysis	Project Manager	\$140	\$3,030
	Project Consultant	\$110	
	Admin Technician	\$65	
Analyze, Prepare, and Submit Draft Classification Report	Project Consultant	\$110 \$65	\$3,282.50
Confirm, Develop, Revise Classification Specifications	Project Manager	\$140	\$7,040
	Project Consultant	\$110	
Prepare, Submit, and Present Classification Report	Project Manager	\$140	\$2,350
	Project Consultant	\$110	
	Admin Technician	\$65	
Classification Study Professional Fee			\$31,722.50

Attachment A

Proposal to the Santa Cruz Metropolitan Transit District
Classification and Compensation Study Consulting Services

Total Compensation Study

Total Compensation Study Itemized Cost Table			
Task	Classification	Hourly Rate	Task Total
Review Santa Cruz METRO's Background Materials	Project Manager	\$140	\$1,505
	Project Consultant	\$110	
Initial Project Meeting/Labor Market Agency and Benchmark Selection	Project Manager	\$140	\$840
	Project Consultant	\$110	
Design, Develop, and Distribute Survey Instrument	Project Consultant	\$110	\$1,235
	Admin Technician	\$65	
Collect, Review, Analyze, and Validate Labor Market Survey Data	Project Consultant	\$110	\$15,340
	Admin Technician	\$65	
Design and Develop Data Spreadsheets	Project Consultant	\$110	\$1,920
	Admin Technician	\$65	
Benefits Analysis	Project Consultant	\$110	\$1,860
Conduct Internal Equity Analysis/Prepare Draft Salary Recommendations	Project Consultant	\$110	\$1,960
	Admin Technician	\$65	
Prepare Draft Compensation Report	Project Manager	\$140	\$1,160
	Project Consultant	\$110	
	Admin Technician	\$65	
Research and Resolve Issues/Prepare and Present the Final Compensation Report	Project Manager	\$140	\$645
	Project Consultant	\$110	
	Admin Technician	\$65	
Total Compensation Study Professional Fee			\$26,465

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DATE: August 24, 2018
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
**SUBJECT: CONSIDERATION OF A RESOLUTION OPPOSING PROPOSITION 6,
WHICH WOULD REPEAL SENATE BILL 1**

I. RECOMMENDED ACTION

**That the Board of Directors approve a resolution to oppose Proposition 6,
which would repeal Senate Bill 1**

II. SUMMARY

- Staff recommends that the Board of Directors approve a resolution (Attachment A) to oppose Proposition 6 (Prop 6), which would repeal Senate Bill 1 (SB1)
- Santa Cruz Metropolitan Transit District (METRO) will place information on its website outlining the anticipated annual value in terms of revenue to METRO from SB1
- METRO will develop simple educational materials for distribution to interested parties adhering to the Ballot Measure/Political Activities Guidelines outlined in Attachment B

III. DISCUSSION/BACKGROUND

- In 2017, the State enacted Senate Bill 1 (SB1) – Beall. This legislation raises new tax-based revenues for transportation, including public transit. It does so through an increase in the state gas tax paid at the pump, an increase in the state vehicle license fees, and other increases in taxes. SB1 formula funds are distributed to transit operators through the State Transit Assistance (STA) program.
- SB1 is the first piece of major state legislation to begin to restore the great loss of state transit revenue support that occurred in 2010. In 2010, California enacted what is commonly called the Gas Tax Swap (swap). This swap eliminated the state sales tax on gas. Up to that point, it was the sales tax on gas that provided the bulk of funding for the STA program.
- Based on budget projections from the State Controller's Office (SCO) and actual revenue receipts, METRO can expect to receive at least \$1.4 million in additional SB1 operating funding per year and an additional estimated

\$1.0 million in formula capital funding. METRO can also compete regionally and within the State for other SB1 related discretionary funding.

- In addition to funding at risk for METRO, the County and cities of Santa Cruz County also have significant funding at risk which is assumed to be used for a range of transportation projects around the County. SB1 is projected to provide approximately \$20 million annually for road maintenance, public transit, and priority regional transportation projects in Santa Cruz County. SB1 also provides opportunities for Santa Cruz County to compete for additional funds to reduce highway congestion, build infrastructure to support commerce, and expand transit by using SB1 funds to leverage or match other funding sources. Santa Cruz County faces a gap between transportation needs and available funding of over \$3 billion through 2040. If SB1 is repealed, the funding gap will widen another \$500 million in this same period. Attachment C is a map and list of projects in Santa Cruz County which are either wholly or partially funded by SB1 funds.
- With the additional funding received from SB1 and Measure D, METRO was able to resolve its financial structural deficit two years ago. The continued infusion of SB1 funding would allow METRO to maintain its present level of services through FY23, while maintaining the capital funding strategy that was introduced in FY17, whereby \$3.0 million is budgeted for bus replacements every year. These forecasts are incorporated in the recently adopted FY19 METRO operating and capital budgets. Thus, SB1 revenues are crucial to METRO in terms of maintaining service levels over the next five years as we thoughtfully address our need for future financial stability.
- Approximately 62 of METRO's 100 buses are beyond their standard life span of 12 years and have mileage well in excess of the industry standard of 500,000 miles. If Prop 6 passes, thereby overturning SB1, METRO will be faced with the challenge of losing approximately \$2.4M that is desperately needed to be able to dedicate resources to the required local funding match to apply and effectively compete for state and federal grants to purchase new replacement vehicles.
- Prop 6 has qualified for the November 2018 ballot. Voters will be asked if they wish to vote to repeal the underlying taxes of SB1. If passed, Prop 6 will also amend the state constitution to require that any future increases in gas taxes or vehicle operating fees go before the voters for approval.
- METRO staff recommends the Board adopt the attached resolution:
 - Expressing opposition to Prop 6; and,
 - Stating that SB1 revenue is vital to METRO maintaining and sustaining existing levels of services
- METRO staff recommends the Board approve the attached two-page document (Attachment B) to be used to educate/inform the public with

respect to the effects of Prop 6 as well as future endeavors. It also outlines what board members and/or staff can do.

IV. FINANCIAL CONSIDERATIONS/IMPACT

If Prop 6 passes in November, METRO stands to lose an estimated \$2.4M; \$1.4 million in annual operating revenue, \$1.0 million in formula capital grant funding, and other opportunities for SB1 discretionary capital funds. From this perspective, METRO has an interest in SB1 not being repealed by the passage of Prop 6.

V. ALTERNATIVES CONSIDERED

- That the Board of Directors adopts the resolution that expresses opposition to Prop 6.
- The Board could suggest alternative opposing views to Prop 6 or do nothing. Doing nothing is not recommended.

VI. ATTACHMENTS

- Attachment A:** Authorizing Resolution
Attachment B: Ballot Measure/Political Activities Guidelines
Attachment C: Map and List of Santa Cruz County SB1 Funded Projects

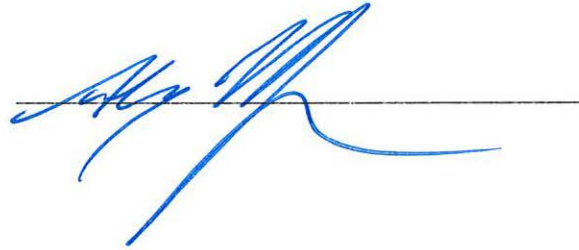
Prepared by: Debbie Kinslow, Finance Deputy Director
Barrow Emerson, Planning and Development Director

VII. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, CFO

dlc/coc for AA

Alex Clifford, CEO/General Manager



Attachment A



BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.
On the Motion of Director:
Duly Seconded by Director:
The Following Resolution is Adopted:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT OPPOSING PROPOSITION 6, WHICH WOULD REPEAL SENATE BILL 1

WHEREAS, in 2017, the California State Legislature enacted Senate Bill 1 ("SB1"), which raises new tax based revenue for transportation, including public transit; and

WHEREAS, Proposition 6, which will repeal the underlying taxes of SB1, qualified for the November 2018 ballot; and

WHEREAS, Proposition 6 will also amend the State Constitution to require that any future increases in gas taxes or vehicle operating fees go before the voters for approval; and

WHEREAS, as a result of SB1, Santa Cruz METRO (METRO) can expect to receive at least \$1.4 million in additional State Transit Assistance ("STA") SB1 operating funding per year and an estimated \$1.0 million in formula capital funding; METRO can compete for other SB1-related discretionary funding; and

WHEREAS, the continued infusion of SB1 funding will allow METRO to maintain its present level of services through FY23, while maintaining the annual \$3.0 million bus replacement capital funding strategy that was introduced in FY17; and

WHEREAS, METRO requests that the Board adopt this Resolution, thereby expressing opposition to Proposition 6 and continued support for SB1.

Attachment A

Resolution No. _____
Page 2

NOW, THEREFORE, BE IT RESOLVED that the Santa Cruz METRO Board of Directors hereby:

1. Opposes Proposition 6; and,
2. Affirms that SB1 STA revenue is vital to Santa Cruz METRO maintaining and sustaining existing levels of services.

PASSED AND ADOPTED this 24th day of August 2018 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:

Bruce McPherson, Chair

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie A. Sherman, General Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BALLOT MEASURE / POLITICAL ACTIVITIES GUIDELINES

GENERAL RULE: Santa Cruz Metropolitan Transit District (METRO) resources (including but not limited to funds, staff time, and office supplies) **may not** be used to advocate or campaign for or against a local or state ballot measure. METRO resources **may** be used to develop, research, and/or plan for the effects of a measure on the agency, and to share the results of that work in informational/educational materials that are neutral and balanced in their timing, tenor and tone.

Permissible Activities

- The Board may propose a ballot measure, and may adopt a resolution to support or oppose a ballot measure. The Board must allow public comment before taking action. As a precaution, it is advisable for any such resolution to state that no public funds or resources will be used to support or oppose the measure.¹
- Directors and staff may prepare and distribute informational/educational materials about a measure that are objective, impartial, and factual. For example, a balanced (i.e., presenting both pro and con viewpoints) and fact-based analysis of the effect of the measure on METRO and its customers is permissible.
- Directors and staff may respond to inquiries, participate in interviews and discussions, and make presentations about a measure in an objective, impartial, and factual manner. If the Board adopts a resolution endorsing or opposing the measure, Directors and staff may state the position of the Board and address the anticipated effects of the measure.
- Staff may engage in activities that advocate or campaign for or against a measure during their personal time, including lunch hours, authorized breaks, vacations, etc. Staff should clarify that they are acting as individuals and are not participating in advocacy or campaign activity during their working hours.
- Directors and staff may contribute their own money, resources and time to support or oppose a measure.

¹ Note that staff time and other related resources expended on Board support leading up to a resolution in support or opposition of a measure – such as drafting a measure, researching the potential effects of a measure, gathering public opinion regarding whether to propose/support/oppose a measure, and drafting a staff report – is not viewed as an expenditure of public funds on impermissible political activity.

Attachment B

- Directors and staff may announce their own personal support of or opposition to a measure and try to convince others of the same position during their personal time.

Prohibited Activities

- Directors and staff may not support or oppose a measure (i.e. advocate or campaign for or against the measure) while "on the METRO clock", or use any METRO resources for such a campaign, including but not limited to copy or fax machines, telephones, computers, paper and other supplies, vehicles and facilities.
- Public funds may not be used to purchase bumper stickers, posters, advertising floats, television or radio spots, or other typical campaign materials.
- Directors and staff may not specifically solicit contributions for the measure's campaign from METRO employees. Directors and staff may solicit support from the public, or a group of the public not primarily consisting of METRO employees, so long as the solicitation does not occur on METRO time or use METRO resources.
- Staff may not add a link on the METRO website to a measure's advocacy or campaign website.
- Directors and staff may not distribute advocacy or campaign materials via METRO's internal communication system or post advocacy or campaign materials at or within METRO facilities.
- Directors and staff may not use METRO e-mail addresses to distribute advocacy or campaign materials or messages.
- Staff may not campaign in METRO uniforms.

Penalties

- Violations could result in criminal and civil penalties for misuse of public resources.

Questions? Please contact Legal Counsel Julie Sherman
(415-995-5185 ; jsherman@hansonbridgett.com).

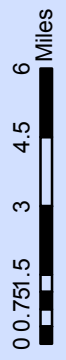
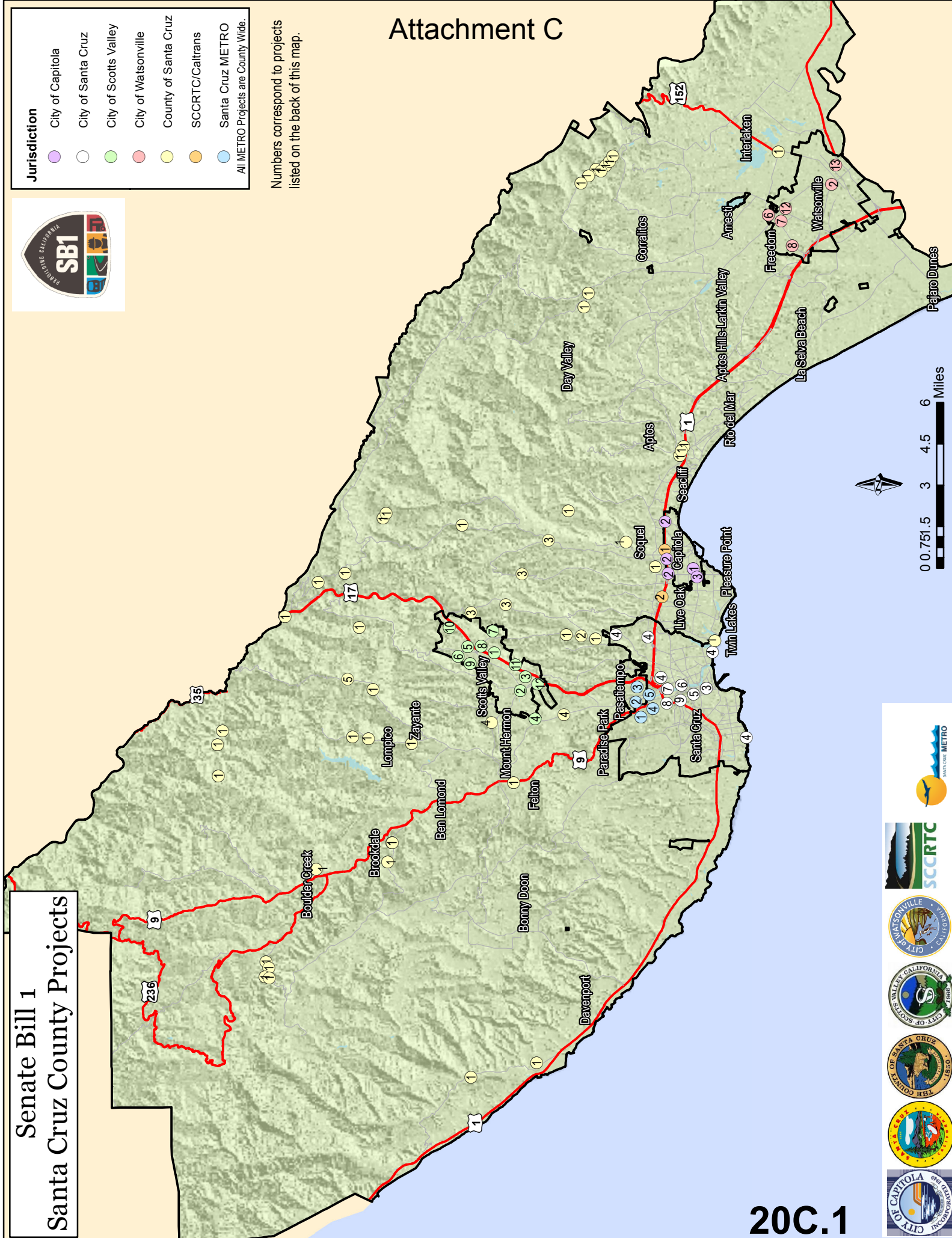
Senate Bill 1 Santa Cruz County Projects



- Jurisdiction**
- City of Capitola
 - City of Santa Cruz
 - City of Scotts Valley
 - City of Watsonville
 - County of Santa Cruz
 - SCCRTC/Calttrans
 - Santa Cruz METRO
- All METRO Projects are County Wide.

Numbers correspond to projects listed on the back of this map.

Attachment C



Attachment C

Project	Unmapped	Jurisdiction	Map Number
Pavement Rehabilitation (42nd, Diamond, & Ruby)		City of Capitola	1
Highway 1 Interchange Green Bike Lanes		City of Capitola	2
Brommer St Road, Bike & Sidewalk Improvements		City of Capitola	3
Catch Basin Replacement Citywide	Yes	City of Santa Cruz	1
Corrugated Metal Pipe CMP Replacement Citywide	Yes	City of Santa Cruz	2
Streetlights Pacific Ave		City of Santa Cruz	3
Local Match for FEMA/OES funded Emergency Repair		City of Santa Cruz	4
Arterial and Collector Street Reconstruction		City of Santa Cruz	5
Arterial and Collector Street Reconstruction		City of Santa Cruz	6
San Lorenzo Riverwalk Lighting		City of Santa Cruz	7
Hwy 1/9 Intersection Modifications		City of Santa Cruz	8
River Street Pavement Rehabilitation (Water St to Potrero Street)		City of Santa Cruz	9
Road Maintenance BLUE HILLS CT		City of Scotts Valley	1
Road Maintenance GREEN TREE WY		City of Scotts Valley	2
Road Maintenance KENTWOOD CT		City of Scotts Valley	3
Road Maintenance PINECONE LN		City of Scotts Valley	4
Road Maintenance PURPLE HILLS CT		City of Scotts Valley	5
Road Maintenance SAGELAND CT		City of Scotts Valley	6
Road Maintenance TARYN CT		City of Scotts Valley	7
Road Maintenance GRANITE CREEK RD		City of Scotts Valley	8
Road Maintenance NADIA CT		City of Scotts Valley	9
Road Maintenance SCOTTS VALLEY DR		City of Scotts Valley	10
Road Maintenance GREEN HILLS RD		City of Scotts Valley	11
Road Maintenance GLEN CANYON RD		City of Scotts Valley	12
Bicycle Safety Improvements (Various Locations)	Yes	City of Watsonville	1
Downtown Revitalization (West Beach to Freedom)		City of Watsonville	2
Maintain Roads (Various Locations)	Yes	City of Watsonville	3
Maintain Trails (Various Locations)	Yes	City of Watsonville	4
Pedestrian & Traffic Saefty (Various Locations)	Yes	City of Watsonville	5
Airport Blvd (Freedom to City Limits)		City of Watsonville	6
Airport Blvd (Freedom to 600' West)		City of Watsonville	7
Airport Blvd (Westgate/Larking Valley to Holm)		City of Watsonville	8
Citywide Curb/Ramp Program	Yes	City of Watsonville	9
Citywide Signal Upgrades	Yes	City of Watsonville	10
Citywide Signs, Markings & Striping	Yes	City of Watsonville	11
Green Valley Rd (Struve Slough to Freedom)		City of Watsonville	12
Lincoln St Safety (East Lake to Riverside)		City of Watsonville	13
Road Repair (Various Locations)	Yes	City of Watsonville	14
Signal & Lighting Replacement & Maintenance	Yes	City of Watsonville	15
Storm Damage Locations		County of Santa Cruz	1
Branciforte Drive Road Recycle & Overlay (PM 2.4 to Granite Ck Rd)		County of Santa Cruz	2
Highway 17 To Soquel Corridor Chip Seal Project		County of Santa Cruz	3
Scotts Valley Area Routes Chip Seal Project		County of Santa Cruz	4
Zayante Road Chip Seal Project		County of Santa Cruz	5
3 - Hwy 1: Auxiliary Lanes from Park Ave to Bay Ave/Porter St		SCCRTC/Caltrans	1
2 - Hwy 1: Auxiliary Lanes from 41st Ave to Soquel Ave & Chanticleer Bike/Ped Bridge		SCCRTC/Caltrans	2
2 zero-emission battery-electric buses		SCMTD	1
4 new CNG buses		SCMTD	2
Refurbish 3 CNG buses		SCMTD	3
Automatic Vehicle Locator		SCMTD	4
Bus replacements over the next 10 years		SCMTD	5



DATE: August 24, 2018
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
**SUBJECT: 2016 LOW OR NO-EMISSION GRANT PRESERVATION REQUEST:
APPROVAL OF A LETTER TO THE FEDERAL TRANSIT
ADMINISTRATION, REGION 9**

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to submit a letter to the FTA requesting preservation (Drawdown Restriction) of the 2016 Low No-Emissions grant until other zero emission over-the-road coach manufacturers enter the market, and to commit to adding additional Local Match, if necessary, to ensure the purchase of three coaches

II. SUMMARY

- Santa Cruz Metropolitan Transit District (METRO) was awarded a \$3.8 million grant in the 2016 federal Low No-Emissions (LoNo) grant cycle.
- Combined with a Local Match of \$1.1 million, the grant and Local Match total to purchase three zero emission over-the-road coaches is a little over \$4.9 million.
- METRO partnered with BYD on the grant application to purchase three over-the-road coaches that would run on the Highway 17 commuter service.
- In late 2017, BYD provided a C10 prototype of the bus for METRO to test.
- Although the prototype appeared to meet METRO's performance requirement of two round-trips over the mountain before requiring a recharge, the bus failed METRO's horsepower performance requirement in which the bus was required to perform at posted speed limits.
- Following the failed test, BYD was unable to provide a reasonable estimate on when they could produce a bus that would meet METRO's performance requirements.
- Soon thereafter, METRO staff and METRO Board members began meeting with FTA staff in San Francisco and Washington, D.C. to discuss alternate approaches to purchasing low emission or zero emission buses.

- One option presented to the FTA was to convert the LoNo grant from zero emission over-the-road coaches to low emission diesel over-the-road coaches.
- However, in meetings with the FTA, it soon became clear that they are not interested in funding low emission diesel technology with this LoNo grant award.
- In a meeting on July 26, 2018, the FTA Region 9 Acting Regional Administrator and his staff expressed support for a concept in which METRO would be allowed to retain the grant until other manufacturers can produce a zero emission over-the-road coach, but only under the criteria set forth in the attached letter to the FTA.
- One of the criteria, which the CEO seeks to inform the Board about, will require METRO to commit to additional Local Match, in the event that the current grant and Local Match become insufficient to purchase three zero emission over-the-road coaches in the future.
- The CEO seeks METRO Board approval to submit the attached letter to the FTA Region 9 Acting Regional Administrator and that the Board support the inclusion of the commitment to increase the Local Match, if necessary, in the event that three zero emission over-the-road coaches cost more than the current grant and Local Match combined.

III. DISCUSSION/BACKGROUND

In the 2016 federal Low No-Emission Grant cycle, METRO was awarded a \$3.8 million grant to purchase three zero emission over-the-road coaches to be operated on the Highway 17 commuter service. The grant application was submitted in partnership with BYD for the buses, Momentum Dynamics for an in-ground fast charger, and the Center for Transportation and the Environment (CTE) for project management assistance. Depot chargers and other charging infrastructure were also included in the grant application.

At the time of the grant application, BYD was expecting to produce their first C10 model soon and represented that their vehicle could meet METRO's performance requirements. The vehicle METRO hoped to purchase was a 45' zero emission over-the-road coach. Combined with a Local Match of \$1.1 million, the awarded grant and Local Match total to purchase the three zero emission over-the-road coaches is a little over \$4.9 million.

In late 2017, BYD provided a C10 prototype bus for METRO to test. METRO loaded the bus with people and sandbags, representing a full load, and tested the bus several times back and forth over the mountain. CTE also participated in

the test by collecting data throughout the trips. Although the prototype appeared to meet METRO's performance requirement of two round-trips over the mountain before requiring a recharge, the bus failed METRO's horsepower performance requirement in which the bus was required to perform at posted speed limits.

Following the failed test, BYD was unable to provide a reasonable estimate on when they could produce a bus that would meet METRO's performance requirement. Soon thereafter, METRO staff and METRO Board members began meeting with FTA staff in San Francisco and Washington, D.C. to discuss alternate approaches to purchasing low emission or zero emission buses. On April 10, 2018 METRO board members Rotkin, Bottorff and Dutra and the CEO met with the Acting FTA Administrator and her staff in Washington, D.C. to explore options that would allow METRO to retain the LoNo grant.

One option presented to the FTA was to convert the LoNo grant from zero emission over-the-road coaches to low emission diesel over-the-road coaches. However, in meetings with the FTA, it soon became clear that they were not interested in funding low emission diesel technology with this LoNo grant.

In a meeting on July 26, 2018, the FTA Region 9 Acting Regional Administrator and his staff expressed support for a concept in which METRO would be allowed to retain the grant until other manufacturers start producing a zero emission over-the-road coaches, but only under the criteria set forth in the attached letter to the FTA (Attachment A). One of the criteria, which the CEO seeks to inform the Board about, will require METRO to commit to additional Local Match, in the event that the current grant and Local Match become insufficient to purchase three zero emission over-the road coaches in the future.

Should the FTA provide METRO with final approval of this proposal, the FTA will immediately place a "Drawdown Restriction" on the grant until such time as METRO is prepared to initiate a competitive procurement for zero emission over-the-road coaches. However, the FTA has preliminarily agreed to allow METRO a "Lift and Lower" so METRO can continue to construct the yard charging infrastructure. The Lift and Lower will also meet the FTA requirements to keep the grant alive and facilitate reimbursement to METRO for expenses associated with engineering and constructing the yard charging infrastructure over the next year.

The CEO seeks METRO Board approval:

- To submit the attached letter (Attachment A) to the FTA Region 9 Acting Regional Administrator; and,

- To support the inclusion of the commitment to increase the Local Match, if necessary, in the event that three zero emission over-the-road coaches cost more than the current grant award and Local Match combined.

IV. FINANCIAL CONSIDERATIONS/IMPACT

No immediate expense to METRO will result from approving the transmittal of the attached letter to the FTA. However, in the event that three zero emission over-the-road coaches cost more than the current grant award and Local Match combined, METRO will be required at a future date to provide additional Local Match that will ensure that three coaches are purchased.

V. ALTERNATIVES CONSIDERED

- The Board could decline to submit the attached letter to the FTA and instead wait for BYD to produce a coach that will meet METRO's performance requirements. This alternative is not recommended, since BYD was unable to state when they will produce such a coach. Additionally, the longer METRO waits for BYD to produce such a vehicle, the greater the risk that the LoNo grant becomes "stale" in the eyes of the FTA and the FTA then takes back the awarded grants.
- The METRO Board could decline to submit the attached letter to the FTA and instead instruct staff to return the grant to the FTA and return to the Board with other options for programming METRO's \$1.1 million Local Match. This alternative is not recommended since METRO is in need of replacing 62 buses that have exceeded their useful life. Attacking a problem this large will require METRO to strategically leverage its local dollars.

VI. ATTACHMENTS

Attachment A: Proposed letter to the FTA Acting Region 9 Regional Administrator

Prepared by: Alex Clifford, CEO/General Manager

VII. APPROVALS

Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer

allow for AA

Alex Clifford, CEO/General Manager



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Attachment A

Santa Cruz Metropolitan Transit District



August 24, 2018

Attn: Edward Carranza Jr., Acting Regional Administrator
Federal Transit Administration, Region 9 Office
San Francisco Federal Building
90 7th Street, Suite 15-300
San Francisco, CA 94103

Dear Mr. Carranza:

Following our meeting on July 26, 2018, I am revising my June 22, 2018 letter to reflect Santa Cruz Metropolitan Transit District's (METRO) revised request to change our 2016 Low or No-Emission (Low-No) grant award from the purchase of three zero emissions BYD over-the-road coaches to reflect our backup or "Secondary Proposal" which is to await additional zero emissions over-the-road coach manufacturers to enter the marketplace and then perform a competitive procurement for three over-the-road coaches. For example, MCI recently announced that they will be producing such a product in January 2020 (see attachment). The reason for this request is that BYD does not currently produce a zero emission over-the-road coach that will meet METRO's performance needs and METRO believes that this requested change will result in the purchase of a far superior product than is currently available today.

This request is also in follow-up to the meeting the METRO team and I had on April 5, 2018 with you and your Region 9 team and the meeting which three of my Board Members and I had in Washington, DC on April 10, 2018 with Acting Administrator Jane Williams and members of her team. One of the matters we discussed at both meetings was METRO's 2016 Low or No-Emission (Low-No) bus program project award of \$3,810,348 (\$4,936,512 total with Local Match) and the unfortunate poor performance of BYD's first 45' zero emissions over-the-road coach. In these meetings, METRO officials believe that they received favorable feedback relative to the Federal Transit Administration (FTA) willingness to discuss other options for procuring zero emissions buses.

In the 2016 grant award, METRO sought to replace three of its obsolete lower passenger capacity 40' Compressed Natural Gas (CNG) Suburban Highway 17 commuter buses with three higher passenger capacity zero emissions 45' over-the-road coaches. This strategy is believed to be both environmentally friendly and an opportunity to grow intercity commuter ridership over a mountain highway to Santa Clara County. To that end, the 2016 Low-No award is for the purchase of three zero emissions 45' over-the-road coaches, in partnership with BYD for the buses, the Center for Transportation and the Environment (CTE) for project management assistance and Momentum Dynamics for the in-ground inductive charger. At the time of the grant application, there were no 45' over-the-road zero emissions coaches available on the market. However, in demonstrations with a smaller over-the-road coach and verbal conversations with BYD, their representatives stated that they were soon to produce a 45' over-the-road zero emissions coach and they would like to partner with METRO on a Low-No grant application. Further, BYD representatives thought at the time that their



over-the-road coach would achieve METRO's stated goals for range and horsepower, and pass Altoona testing requirements.

Although the Low-No grant had been awarded, and due to the fact that no 45' zero emissions over-the-road coaches had previously been produced or placed into service, METRO was cautious and unwilling to sign a contract to procure the buses with BYD until BYD could produce a demonstration bus for METRO to test and prove that it would meet our expected performance requirements. On November 13, 2017, after much delay, BYD brought to Santa Cruz one of their two C10 prototype buses. METRO loaded the bus with passengers and sandbags, representing the equivalent of a full load, and made several trips with the bus over the mountain on the Highway 17 corridor. While the range of the bus appeared to meet METRO's goal of a minimum of two roundtrips before requiring additional charge, the horsepower of the bus proved insufficient to keep up with the flow of traffic, performing at or only slightly better than the current 40' (CNG) suburban commuter fleet currently in use at METRO. The bus simply could not keep up with traffic or perform at or close to posted speed limits in areas of high incline.

Following the failed demonstration, METRO officials communicated their dissatisfaction with the performance of the C10 to BYD officials. Unfortunately, BYD officials provided no satisfactory explanation relative to the poor performance of their vehicle. Further, when METRO officials pressed BYD for information about when a better performing vehicle might be available, BYD responded by stating that one might be available in twelve to eighteen months. It is at this point that METRO decided it best to communicate this information to the FTA and to discuss alternative strategies.

Over this same period of time, METRO has continued to work with Momentum Dynamics relative to the in-ground inductive charger. However, further work on the in-ground inductive chargers will be placed on hold until the new bus procurement is initiated and the final manufacturer determined. An in-ground inductive fast charger is not able to be used by all manufacturers today.

METRO hopes to initiate the new bus procurement in early 2020 after determining that other over-the-road coaches are available and following a sufficient and successful test of such product(s).

METRO has reviewed several potential strategies and, with the input of the FTA Region 9 team, we have narrowed our request.

Proposal

1. METRO is to fulfill all the plans identified in the Low-No grant application, except that METRO will place the bus procurement on hold until additional zero emission over-the-road coach manufacturers enter the market with a product that will meet METRO's performance goals, which is currently anticipated to be 2020; and,
2. METRO **will not** do a sole source procurement with BYD, opting instead for a competitive procurement; and,

Attachment A

Santa Cruz Metropolitan Transit District



3. In 2020 (estimated), at which time MCI and potentially other manufacturers are expected to start producing zero emissions over-the-road coaches, METRO will perform a competitive procurement for three zero emission over-the-road coaches that will achieve METRO's performance goals; and,
4. Depending upon the prevailing bidder and their available recharging technology, the Momentum Dynamics' in-ground charger may or may not be purchased; and,
5. METRO understands and accepts that in approving this request, the FTA will place a "Drawdown Restriction" on the remaining grant funds until such time as METRO is ready to initiate the new over-the-road zero emissions bus procurement; and,
6. METRO understands and accepts that between now and the new procurement, the FTA will allow a "Lift and Lower" of the Drawdown Restriction, as needed, for the sole purpose of continuing to construct the depot charging infrastructure. METRO understands that it will pay invoices associated with the depot charging infrastructure prior to requesting the Lift and Lower. METRO agrees to make best attempts at consolidating the invoices into larger requests, in an effort to minimize the number of Lift and Lower requests. The Lift and Lower will allow METRO to be reimbursed from the grant for such invoices and keep the grant active; and,
7. When commercially available, METRO agrees to purchase three zero emissions over-the-road coaches. METRO will increase its Local Match, if necessary, to cover any additional costs of the vehicles, thereby ensuring compliance with the original grant to purchase three vehicles.
8. See Table 1 for the current status of the grant and expenditures to-date:

Table 1

Category	Grant	Local	Total	Expended	Balance
Buses, Warranty, Depot Chargers, Training	2,148,463	916,699	3,065,162	0	3,065,162
Project Management	379,610	66,990	446,600	163,895	282,705
On-Route Charger, Warranty, A&E	787,275	87,475	874,750	0	874,750
Construction to Install On-Route Charger	225,000	25,000	250,000	0	250,000
Construction to Install Depot Chargers	270,000	30,000	300,000	60,933	239,067
TOTALS	3,810,348	1,126,164	4,936,512	224,828	4,711,684

METRO believes the FTA will look favorably upon METRO's Proposal for the following reason:

Santa Cruz Metropolitan Transit District



METRO has exercised appropriate diligence/restraint in its protection of federal funds by not having rushed into signing a contract with BYD for what has turned out to be an inferior and subpar product. Instead of proceeding quickly to place an order, METRO patiently waited for the BYD prototype bus, and fully tested it under a real everyday experience, as if the bus were fully loaded to capacity. Had METRO purchased the BYD buses prior to testing, METRO would have been saddled with a poor performing product for the twelve to fourteen years' life of the buses. The public trust would have been failed and the riding public (as well as other Highway 17 commuters) would be frustrated with a bus that struggles to climb the mountain highway.

METRO hopes the FTA will agree that METRO has acted in good faith as a responsible recipient of federal funds and that the FTA will concur with the proposal reflected above.

Should the FTA not be agreeable to the proposal above, METRO will continue with the 2016 Low-No grant, as awarded, and continue to work with BYD over the next few years in hopes that BYD will produce a product that will meet METRO's performance goals.

Santa Cruz Metropolitan Transit District respectfully requests the FTA's approval of METRO's proposal, as reflected in this letter.

Respectfully submitted,

Alex Clifford
CEO
Santa Cruz Metropolitan Transit District



DATE: August 24, 2018
TO: Board of Directors
FROM: Barrow Emerson, Planning & Development Director
SUBJECT: STATE ROUTE 1 BUS ON SHOULDERS FEASIBILITY STUDY

I. RECOMMENDED ACTION

That the Board receive a presentation and:

- A) Approve proceeding with the development of the operating concept for the State Route 1 Bus On Shoulders project; and,**
- B) Authorize the expenditure of up to \$50,000 for the development of the operating concept**

II. SUMMARY

- In 2016, the Association of Monterey Bay Area Governments (AMBAG) and the Transportation Agency for Monterey County (TAMC) awarded Santa Cruz Metropolitan Transit District (METRO) and Monterey-Salinas Transit (MST) a grant to study the feasibility of bus operations on State Route (SR1) shoulders.
- The Feasibility Study has been completed. It identifies opportunities, constraints, and includes a financial analysis of various approaches to providing bus operations on SR1 shoulders.
- The recommended alternative for implementation in Santa Cruz County involves coordination with the Santa Cruz County Regional Transportation Commission (RTC) auxiliary lane projects on SR1.
- As a next step, staff proposes that METRO invest up to \$50,000 in currently budgeted FY19 operating funds to further develop an operating concept for review by California Department of Transportation (Caltrans) which could lead to subsequent project approval and environmental clearance of the improvements.
- METRO and RTC are working together with Caltrans to develop an implementation strategy.
- On August 10th the Capital Projects Standing Committee approved forwarding this item to the full Board.

III. DISCUSSION/BACKGROUND

SR1 in both Monterey and Santa Cruz Counties is heavily congested during the morning and afternoon peak periods. During congested times, travel speeds are

diminished, significant delays result and long queues form behind breakdown points.

Bus operations along the congested portions of SR1 pose a significant challenge for MST and METRO to keep public transit competitive with the single occupant vehicle in the same traffic conditions. In order to address similar problems, transit agencies in other states and California have implemented "bus on shoulder" (BOS) operations during peak congestion times in collaboration with their state department of transportation partners. The purpose of operating buses on highway shoulders is to keep buses moving and to provide a competitive advantage to the bus passenger over driving their own vehicle. This solution also helps solve the congestion problem, reduces greenhouse gas emissions and could potentially increase ridership.

AB 946 (Assembly Member Mark Stone) was passed in 2013, allowing Monterey and Santa Cruz Counties the ability to move forward with a feasibility study. AMBAG and TAMC awarded the majority of the funding necessary to move forward in partnership with MST and METRO.

In October 2016, MST, as contract manager, hired CDM Smith to conduct a feasibility study to evaluate the possibility of operating buses on highway shoulders in Monterey and Santa Cruz counties.

This report was prepared in cooperation with Caltrans, CHP, TAMC, MST, RTC, METRO and local jurisdictions.

The full Feasibility Study can be found on the METRO website: [Monterey Bay Area Feasibility Study of Bus on Shoulder Operations on State Route 1 and the Monterey Branch Line](#)

Key Findings of Feasibility Study – Santa Cruz County

The Feasibility Study included data collection, literature review, traffic analysis, transit route performance analysis, concept feasibility, cost-benefit assessment and project implementation/next phase.

During the review and study period, the project team sought stakeholder participation from local jurisdictions, Caltrans, California Highway Patrol, AMBAG and TAMC. Some of the key findings of the Feasibility Study for Santa Cruz County are:

- Severe SR1 morning and afternoon peak period traffic lasts for long periods.
- Congestion and unreliability keeps METRO from using SR1 more extensively for bus services.

- SR1 shoulders lack the width and structural section to support bus on shoulder operations without significant construction, although there is some potential in the southbound direction.
- Existing and planned auxiliary lanes provide an opportunity for bus on shoulder operations and must be implemented in coordination with each stage of the auxiliary lane projects. This approach would be the most effective, with the least cost, and operationally superior.
- Project cost estimates were developed for the different options along the project corridor. The BOS concept, operating in conjunction with the auxiliary lanes has a cost estimate of \$7.9 million. The auxiliary lane projects currently have construction cost estimates of \$28M for the Soquel to 41st and \$70M for the Bay/Porter to State Park segment.

There is an opportunity for significant time savings with a BOS operation of SR-1. Generally BOS operations are allowed to operate at a speed of up to 15 miles per hour faster than the adjacent congested general traffic lanes. For the eight plus mile segment between the Morrissey and State Park Drive interchanges, where peak travel speeds are currently around 15 miles per hour, this could result in a savings of more than 15 minutes per trip. Even more important that the actual speed is the reliability in travel time on every trip that is possible with BOS. Reliability is important to riders who have destinations which they need to get to on time.

Next Steps

The MST Board received a presentation on the Feasibility Study in July, the AMBAG Board on August 8th and the RTC on August 16th. On August 10th the METRO Capital Projects Standing Committee received a presentation and approved forwarding this item on to the full Board.

Pending METRO and RTC Board approvals, the intent is to expedite the project approval and environmental clearance of the bus on shoulder facility on SR1 between 41st Avenue and Soquel Avenue/Drive in an effort to “catch up” with the auxiliary lane project prior to construction. The SR1 Auxiliary Lanes Project between 41st Avenue and Soquel Avenue/Drive begins Final Design this fall with construction anticipated to begin in 2020.

The next step for METRO will be to invest up to \$50,000 in currently budgeted FY19 operating funds to develop an operating concept for review by Caltrans. The operating concept will be developed by the consultant selected by RTC to prepare the final design for the initial auxiliary lane project. We expect the conceptual design development process to be an iterative and collaborative process involving METRO, the RTC, and Caltrans. Our proposed implementation

plan includes initiation of the conceptual design development in the Fall of 2018, with a goal of reaching consensus by January of 2019.

Upon Caltrans conceptual approval of the facility, the preparation of the required environmental documentation and project approval would follow, with the bus on shoulder design elements being integrated into the Highway 1 Soquel/41st Ave. Auxiliary Lanes Project Final Design package. It is anticipated that a Categorical Exemption (CE) will be the appropriate environmental documentation for this project due to the improvements being minor in nature and within disturbed interchange areas. If a CE level environmental analysis is approved by Caltrans, the cost to METRO of the Caltrans project approval and environmental clearance process could be in the range of \$250,000 to \$500,000 and would take between 6 and 12 months to complete, allowing the project to catch up with the start of the construction phase of the auxiliary lane project in 2020. Among the options to fund this step would be the capital budget or possibly one of METRO's capital oriented grant sources.

It is hoped that ultimately the implementation of a bus on shoulder project could be part of the auxiliary lane project funding, which RTC is pursuing from sources including Measure D and SB1.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Initial financial impact is the approximately \$50,000 to prepare an operating concept for Caltrans review and subsequent environmental review. The required funding is included in the FY19 current fiscal year's Planning and Development Operating Budget within the Professional and Technical Fees (503031) account. Future costs could include the environmental review and implementation of required improvements.

V. ALTERNATIVES CONSIDERED

The alternative is to not pursue SR1 bus on shoulders solutions and accept the congestion related delays to METRO SR1 services, which limits the attraction of METRO services in terms of travel time savings relative to driving alone.

VI. ATTACHMENTS

None

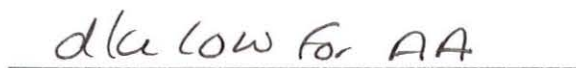
Prepared by: Barrow Emerson, Planning & Development Director

VII. APPROVALS:

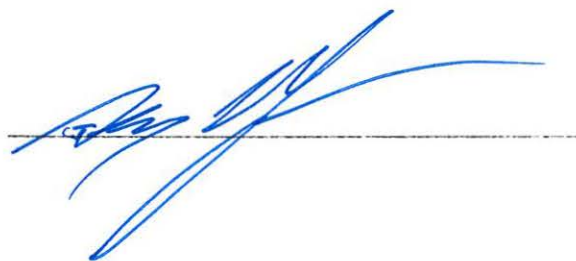
Barrow Emerson
Planning & Development Director



Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



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DATE: August 24, 2018
TO: Board of Directors
FROM: Barrow Emerson, Planning and Development Director
SUBJECT: CONSIDERATION OF AUTHORIZING METRO TO CONTINUE THE UCSC ARTICULATED BUS PILOT PROJECT AND FOR THE CEO TO EXECUTE AGREEMENT AMENDMENTS WITH SHUTTLE BUS LEASING FOR THE BUSES AND WITH UCSC TO FUND ALL RELATED COSTS OF OPERATIONS

I. RECOMMENDED ACTION

That the Board of Directors authorize METRO to continue the UCSC articulated bus pilot project and for the CEO to execute agreement amendments with Shuttle Bus Leasing (SBL) for the buses and with UCSC to fund all related costs of operations.

II. SUMMARY

- Over the years, Santa Cruz Metropolitan Transit District (METRO) fixed route bus services serving UCSC have often suffered from overcrowding leading to stranding passengers and pass-bys due to lack of capacity.
- METRO is not in a position to provide significant additional trips to address demand due to having a limited number of buses available.
- In August of 2017, the Board authorized staff to implement an articulated bus pilot project on fixed routes serving UCSC for the winter and spring quarters of the 2017-18 school year to address capacity constraints.
- In September of 2017, the Board authorized the METRO CEO to execute a lease with Shuttle Bus Leasing to lease three articulated buses for the pilot project.
- In October of 2017, the Board authorized the CEO to execute an agreement for UCSC to fund all related operating cost of the articulated bus pilot project.
- Three articulated buses operated on fixed routes serving UCSC during the winter and spring quarters of the 2017-18 school year, effectively addressing bus overcrowding and the pass-by of students waiting at bus stops.
- UCSC desires to continue to fund the operation of these three articulated buses for the 2018-19 school year to address growing student travel demand.
- METRO staff recommends that the pilot project continue through the 2018-19 school year to more thoroughly analyze the impacts/benefits of the pilot of

over a more substantial amount of time than the five months of the 2017-18 school year.

- It is requested that the Board authorize METRO to continue the pilot project for the 2018-19 school year and for the CEO/GM to execute agreement amendments with UCSC to continue to fund the pilot project for the 2018-19 school year and with Shuttle Bus Leasing to continue to provide the vehicles for the pilot project continuation period.

III. DISCUSSION/BACKGROUND

Over the years, METRO fixed route bus services serving UCSC have often suffered from overcrowding leading to stranding passengers and "pass-bys" due to lack of capacity. Historically, METRO had been able to add service to meet this demand via morning trippers. However, METRO is not in a position to provide enough additional trips to address the capacity issue.

In serviced planning for the 2017-18 school year, METRO and UCSC identified articulated buses as a possible tool to address overcrowding and the pass-by of students waiting at METRO bus stops.

It was initially planned to implement the articulated bus pilot project in the fall of 2017, the start of the 2017-18 school year. However, due to delays related to resolution of bargaining with the United Transportation Union (UTU), this schedule could not be achieved and the start of the pilot project was delayed until January 2018, the start of winter quarter.

At its August 4, 2017 meeting, the Board authorized METRO staff to implement an articulated bus pilot project with UCSC for the winter and spring quarters of the 2017-18 school year. At its September 22, 2017 meeting, the Board authorized the CEO/GM to execute an agreement with SBL to lease articulated buses for UCSC fixed route services. Lastly, at its October 27, 2017 meeting, the Board authorized the CEO to execute an agreement with UCSC to fund all related costs to the pilot project, including vehicle leasing, operator training, and special vehicle pay (pursuant to Article 37.09 of the UTU Labor Agreement) for METRO bus operators.

Monitoring of the articulated bus pilot project over its limited five months of service suggested that extended boarding time for the higher-capacity articulated buses might be impacting schedule reliability. Limited initial analysis of this issue late in the school year was inconclusive and suggested that, if possible, additional analysis would be necessary during the fall 2018 quarter to determine the accuracy of this suggestion. Pending Board approval of the extension of the pilot project, new GPS based analytical tools will now be used to gather on-time performance for the fall quarter. Any beneficial schedule changes could be implemented for the winter quarter, and then re-analyzed to confirm schedule improvements.

At the end of the 2017-18 school year UCSC requested that the articulated bus service continue and METRO included this service in its Fall 2018 service plan.

METRO staff recommends that the pilot project continue through the 2018-19 school year to more thoroughly analyze the impacts/benefits of the pilot of over a more substantial amount of time to determine a staff recommendation to the Board as to whether the program should become permanent.

IV. FINANCIAL CONSIDERATIONS/IMPACT

There will be no additional costs for METRO for the three articulated buses as UCSC will fund all costs of the lease.

V. ALTERNATIVES CONSIDERED

UCSC and METRO could choose not to lease the buses and not continue this pilot project and accept the reduced quality of service in terms of overcrowding and passenger pass-bys. This is not recommended.

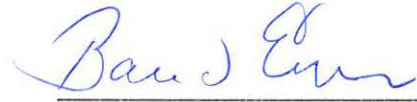
VI. ATTACHMENTS

None

Prepared by: Barrow Emerson, Planning & Development Director

V. APPROVALS:

Barrow Emerson,
Planning & Development Director



Approved as to fiscal impact:
Angela Aitken, CFO

dla low for AA

Alex Clifford, CEO/General Manager



- ADDITIONAL MATERIALS DISTRIBUTED
AT BOARD MEETING -

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NEWS CLIPS

June 22, 2018 – August 24, 2018

**SANTA CRUZ
COUNTY
ARTICLES**

Santa Cruz Sentinel

LETTERS

Letter: Enough Surveillance At Park And Rides

Posted: 08/18/18

According to the CEO of Santa Cruz Metro, transit agency sends security guards to surveil riders using a state-designated park and ride lot in Scotts Valley. We don't need more surveillance in our lives, I urge Metro to stop this and until then I urge other riders to photograph security guards every time they are at the Scott's Valley Transit Center.

— *Amul Goswamy, Scotts Valley*



A3

Alternatives to a Downtown Garage
 "We can do a better job of using our existing parking"
 Ashleigh Keller, Rare Bird Salon
 SustainableTransportationSC.org



Tuesday, August 14, 2018 » MORE AT FACEBOOK.COM/SCSENTINEL AND TWITTER.COM/SCSENTINEL

Santa Cruz Sentinel

HOMELESSNESS

River Street Camp likely extended

Santa Cruz may return to winter shelter plan while seeking long-term solution

By Jessica A. York
 jyork@santacruzsentinel.com
 @ReporterJess on Twitter

SANTA CRUZ » The Santa Cruz City Council summer break has come to an end, but no solution to the city and region's homeless shelter bed shortage is awaiting city leaders' return.

Despite the lack of obvious progress on the heels of a June camp extension, the City Manager's Office is not expected to rec-

ommend an end-of-month closure for the temporary River Street Camp, which has housed about 50 people at a time since March 1.

A small city team, in conjunction with Santa Cruz County Administrative Office counterparts, has spent recent months — minus vacation periods — working out a plan to launch an interim homeless shelter site for as many as 150 unsheltered individuals. A short progress update on those efforts is expected at Tuesday's

Santa Cruz City Council meeting.

"We're still grappling with how to move forward with citing and having conversations with the community about how to make this work," city principal manager analyst Susie O'Hara said Monday. "What I can say definitively is that there is no plans to close the camp. Not at this point. Any decision about a closure would have to go to council."

In its publication, "Caution is WINTER» PAGE 4



Prayer flags hang on the barbed wire near the entrance to the River Street homeless camp.

SHMUE, THALER
 — SANTA CRUZ
 SENTINEL FILE

Winter

FROM PAGE 3

Needed When Considering 'Sanctioned Encampments' or 'Safe Zones,' the U.S. Interagency Council on Homelessness cautions against the difficulty in shuttering costly temporary shelters once opened. While it may appear that agencies are taking action with sanctioned encampments, the effort may have little impact on ending homelessness, the paper notes.

Continued funding for the camp will eat into revenue planned for the next phase of the shelter effort, which is expected to be a more cost-effective interim shelter, O'Hara said. However, spending cutbacks have been made operationally to reduce the \$90,000-a-month camp program to about \$75,000 to \$80,000 a month, she said. Those savings come from renegotiating a transportation van lease deal, having some camp employees take on additional roles, transferring the Downtown Streets Team cleanup contract into a different city fund and splitting site security patrol costs with the nearby Tannery Arts Cen-

IF YOU GO

What: Santa Cruz City Council meeting.

When: 12:30 p.m., Tuesday.

Where: Santa Cruz City Hall, 809 Center St.

At issue: Update on city's interim homeless camp plans.

ter, O'Hara said.

Efforts to choose an interim homeless shelter site had been "met with a ton of community interest and opposition," prompting O'Hara to request a two-month extension of the River Street Camp closure at the council's June 26 meeting. O'Hara said she and others were looking to "conduct comprehensive outreach and communication strategy with our community" that would identify what type of shelter program is needed and what type of site would be community-compatible. The focal shift also was designed to give officials who have been working at a "fever pace," she said, a timeout. During the recess, officials were scheduled to secure shelter funding commitments from the cities of Capitola and Scotts Valley, O'Hara said in June.

O'Hara said Monday that that community outreach

effort had not yet begun.

As it stands, organizers may have to fall back on shelved winter shelter program plans, O'Hara said. The multi-jurisdiction Homeless Action Partnership leadership team, which has traditionally overseen the winter shelter, would need to agree to funnel additional funds into reviving the North County program at the end of the fall for it to move forward.

"We are utilizing the funds that are typically put towards winter shelter for the year-round program," O'Hara said. "So, as we contemplate transitioning River Street Camp to where the next phase is, the bigger distinction is that the winter shelter is not just driven by the city and county. Given the timing of where we're at now and the

challenge with siting phase two, it's all become one big conversation."

Historically, the program has launched for the season around mid-November.



MONTEREY HERALD

Monterey Bay Community Power Signs Deal For Wind Power From New Mexico

By: Tom Wright, Monterey Herald

Posted: 08/01/18

Monterey >> While Monterey Bay Community Power typically looks for local clean power sources, its latest deal will bring in energy from New Mexico for a good reason.

Peak energy demand takes place in the evening hours as people get home from work, right as the sun sets and solar energy levels wind down.

“There’s an abundance of renewable energy available in the middle of the day, where solar and wind is pumping energy into the grid,” said Shelly Whitworth, a spokeswoman for Monterey Bay Community Power. “But in the afternoon, when everyone comes home and wants to turn on all of their appliances, that’s when solar and wind tend to start dying off and you have to start firing up peaker plants, like natural gas plants, to make up the difference.”

A graph showing the imbalance between peak energy demand and renewable energy production resembles the shape of a duck, earning the nickname “duck curve.” The location, high wind patterns and time difference in New Mexico help alleviate the strain on the electric grid during the evening in California.

“This particular project, the pattern was so interesting because their wind tends to ramp up right when solar is ramping down,” Whitworth said. “So it’s not only an awesome renewable energy project, but it’s also mitigating that duck curve issue by pumping into the grid later in the afternoon.”

The regional community choice energy agency started providing residential power to about 235,000 customers in the tri-county area July 1, four months after starting non-residential service to about 37,500 customers. It was formed in March 2017 to provide locally-controlled, carbon-free electricity to residents and businesses in Monterey, San Benito and Santa Cruz counties.

The 90 megawatt power purchase agreement with Pattern Development will last 15 years and Monterey Bay Community Power estimates it will provide up to 10 percent of its annual electricity demand. The 200 megawatt Duran Mesa Wind project is currently in development near Corona, New Mexico, and is expected to reach commercial operation in late 2020. The power from the project will have a connection for delivery into California in part via the SunZia Southwest Transmission Project, a 520-mile transmission line under development in New Mexico and Arizona.

“We are strongly committed to a diverse portfolio of energy resources and this project brings a wide variety of benefits that will be shared by our customers for years to come.” said Bruce McPherson, Monterey Bay Community Power’s board chair, in a prepared statement.

The deal was made in partnership with Silicon Valley Clean Energy, which signed a 15-year power purchase agreement for 110 megawatts. Whitworth said community choice energy agencies work together rather than compete with one another and communicate to continually improve.

“I think this is just the beginning of our purchasing power and how we can work together to bring more renewables online at a lower price,” she said.

OPINION

Santa Cruz Sentinel
Don Miller, Opinion page editor

aturday, July 14, 2018 » MORE AT FACEBOOK.COM/SCSENTINEL AND TWITTER.COM/SCSENTINEL

santacru

SC Metro leadership needs to try using their system

As a former bus operator for over 35 years at Santa Cruz Metropolitan Transit District, I concur with some of the concerns raised by Kevin Walter in regards to the sincerity of Metro's CEO Alex Clifford and the annual "Dump the Pump" campaign. In 1997 and again in 2007, I presented a petition to the then General Manager and Board of Directors, signed by a majority of bus operators — it expressed ineffective bus service for our passengers. Knowing that many of the same issues exist today is not surprising, but shameful.

While decision makers love to dazzle us with misleading ridership numbers, new buildings and buses, those of us on the road everyday see the realities of their decision. There is a systemic disconnect between those in power (who own cars) advocating for public transportation and those who rely and use public transportation.

On occasion, the Board of Directors and management should be required to ride the bus to fulfill their daily needs, maybe then our passengers who depend on our bus system will get the service they need and deserve!

-- Larry D. Mungioti, Soquel

OPINION

Friday, July 6, 2018 » MORE AT [FACEBOOK.COM/SCSENTINEL](https://www.facebook.com/scsentinel) AND [TWITTER.COM/SCSENTINEL](https://twitter.com/scsentinel)

As You See It

Metro's not serious about 'Dump the Pump' slogan

Metro CEO Alex Clifford spouting public transportation a great option is laughable. The Seabright, Harbor, Live Oak, Opal Cliffs areas and anywhere near the Capitola Mall have almost no bus service on weekend evenings. The last 68 to Seabright is 4:15 p.m. How do residents get home later? There is a 66 serving Live Oak at 5:45 p.m., the next and last bus is at 9 p.m. That's a three hour and fifteen minute gap. These areas are the most densely populated in the county. With many mobile home parks and retirement communities whose residents depend on public transportation. Since Alex Clifford was hired, routes and service have been cut, his salary has increased. Why? Why does he have a job? If Metro is serious about Dump the Pump, hire a CEO that will make it happen.

— Kevin Walter, *Pleasure Point*

Monday, July 2, 2018 \$1.50 FACEBOOK.COM/SCSENTINEL TWITTER.COM/SCSENTINEL santacruz

SHELTER IN LIMBO

City extends River Street Camp by two months as search continues



PHOTOS BY SHMUEL THALER — SANTA CRUZ SENTINEL

Prayer flags hang on the barbed wire near the entrance to the River Street homeless camp.

By Jessica A. York
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SANTA CRUZ » The city of Santa Cruz is having difficulty finding a home for a new homeless shelter, and denizens of the River Street Camp are facing a return to the streets as a result.

The approximately 50 people camped on a city-owned lot on River Street were given a two-month reprieve this week, while officials continue to scour the area for a building or property that can serve as a 150-bed “bridge” site between the camp and a permanent new homeless shelter. When the Santa Cruz City Council next meets, on Aug. 14, if no site has been identified, campers will have two weeks to vacate the property, with no next step offered.

Susie O’Hara, a principal management analysis working in the City Manager’s Office, has led much of the city’s charge around

homeless shelter options. She told the City Council on Tuesday the camp extension will provide a pause in a “fever-pace” effort ongoing in recent months. During the coming month and a half, city staff — working with its counterparts in the County of Santa Cruz, will create and launch a community outreach process, nail down shelter funding support amounts from the cities of Capitola and Scotts Valley and make plans for state budget funding expected to flow into the county for homeless sheltering needs by early next year.

“We are expecting state funding on the order of \$8 million to \$10 million dollars to flow into the county sometime, probably in January,” O’Hara said. “That is a significant, obviously, level of funding that could very well help drive what type of program we will be purchasing in this community for North County, especially around the supportive ser-



Motorists drive past the River Street Camp, where the city has extended the deadline for closure until the end of August.

Shelter

FROM PAGE 1

vices that we can provide.”

The River Street Camp's origins date back to the formation of a different homeless encampment along the San Lorenzo River benchlands in October. A hepatitis A outbreak in April prompted officials to provide portable toilets and handwashing stations where homeless people were known to camp along the benchlands. That, combined with Santa Cruz Police Chief Andy Mills' announcement of a lower-enforcement stance of the camping ban, created a de facto city sanctioned camp by October.

The collection of tents swelled along the benchlands outside the County Governmental Building. At times, more than 100 people lived at the benchlands camp and county health officials regularly doled out opioid overdose reversal drugs. In the span of four months, at least two people died there.

The River Street Camp was launched four months ago, at a hefty \$90,000-a-month price tag, in response to public pressure to do something about the benchlands, a highly-visible camp in a popular public park. The River Street Camp, tucked away in the Harvey West neighborhood, was envisioned as temporary, to buy time while officials scoured the city for other buildings to lease as a medium-term shelter. Resistance in the form of unwilling landlords and unhappy residential neighbors, however, prevented the city from winding down the camp as quickly as it planned.

Santa Cruz, with its exploding unsheltered homeless population, limited housing stock and rising rental market, is not unique. In May, the U.S. Interagency Council on Homelessness issued a short paper addressing communities similar to Santa Cruz. The group titled its publication, “Caution is Needed When Considering ‘Sanctioned Encampments’ or ‘Safe Zones.’”

“Before communities make the decision to create such environments, it is important to weigh the costs and consequences of that action, and the impact on the community's systemic efforts to end homelessness,” the report reads.

Impacts

The report cautions that though a sanctioned encampment may look as though action is being taken, it may have little impact on ending homelessness.

“People staying within such settings are still unsheltered, still living outside, and remain homeless — and oftentimes, these settings are not providing them with a truly safe, healthy and secure environment,” according to the report.

The report noted that the sanctioned camps can be costly in money, staff time and effort, can prove difficult to manage and maintain and can prove difficult to close once they open.

Several River Street Camp denizens interviewed by the Sentinel in its early months reported being satisfied with tight conditions and a requirement that all be bused on- and off-site. One camper, Enrique Oriarte, interviewed in April, said he appreciated the ability to lock up possessions such as his bike and clothing, but still have easy access to them as needed. As a heavy snorer, Oriarte said the individual tent was an improvement over dorm-like settings, where he would keep others awake.

“There are certain things that you've got to be aware of,” Oriarte, 62, said. “It is a facility with some rules.”

Others vowed to avoid the highly supervised barbed-wire fence enclosed property. Workers at area businesses around the campsite have continued to voice complaints for conditions they associate with homeless people around the Harvey West Park neighborhood, but few of those were familiar with the camper bus-on, bus-off rules.

On Tuesday, Paradise Park Masonic Park year-round resident Lisa Stiefelmaier Leong pleaded with

city leaders to close the camp now, for the sake of the development's children.

“This River Street Camp for the homeless is exactly one mile from the club entrance,” Stiefelmaier Leong said. “We don't have a gate. So anybody can walk in, bike in, to our club until we have a gate. We don't have the funding right now. So, this is a very, very poor compatibility choice to extend the lease during the summertime.”

Assistant City Manager Tina Shull told the council that property owners immediately adjacent to the park, such as Santa Cruz Metro offices, the Tannery, condominiums that share a property line with the camp and an apartment complex up the street, have given her positive reviews. “Regular traversing of homeless individuals going up to Sycamore Grove and back into downtown” has decreased since the camp's opening, Shull said she was told.

“They see there's actually less homeless foot traffic, and that's been borne out over time and also verified by the immediate tenants, as well,” Shull said.

Campers' next steps

City Manager Martin Bernal reported to the council in a city update earlier this month that, in the space of more than three months, four campers had left the camp for substance abuse treatment, four had left to housing, either transitional or permanent, two had gone on to improved living conditions and one had been given a bus ticket out of town and back to family elsewhere. Two additional people were housed as of Tuesday, O'Hara said this week. While the average camper stay was 22 days, many of the campers had come and gone quickly while a core group has remained at the camp for its duration, Bernal said.

Brent Adams, community organizer and operator of the volunteer Warming Center Program, which offers night-by-night shelter opportunities on the coldest and wettest days of the winter, was critical of the city's spending on the River Street Camp. He recommended the city look to

a “scalable” model of homeless shelter services, such as his Warming Center. Adams accused the city of helping to create a “magnet effect” in terms of drawing out-of-town homeless people to the city, due to no local preference in programs such as the Downtown Streets Team and River Street Camp operations.

“What I encourage is the mindset of more with less, to the point if community really understands it around design concept, you can do everything with nothing, if you design it well,” Adams said. “We're seeing very poor design here with the River Street Camp, incredibly poor design. We have to hear a puff piece about success rates. It's not true. Most people are left out. Lots of people from out of town are in that camp. I assert better design, less cost, more effectiveness.”

Mayor David Terrazas also voiced concerns about how the city is working with county officials on determining the next phases of homeless shelter. He stressed his preference for a “regional approach” and a “shared responsibility,” something the rest of council has called for in homelessness planning.

“I think there is a need to kind of say, well, how can we approach this and address this in a more collaborative way where we are looking at ways to think about other spaces that may exist outside of the city limits, where there's sure a lot more area,” Terrazas said.

Councilwoman Richelle Noroyan agreed, saying that council's Homelessness Coordinating Committee Report last year suggested that shelter options did not need to be focused into just one geographic area, but that the city has to “have another partner that needs to buy into that,” referring to Santa Cruz County officials.

B₆ OPINION

Santa Cruz Sentinel

Don Miller, Opinion page editor

Saturday, June 30, 2018 » MORE AT FACEBOOK.COM/SCSENTINEL AND TWITTER.COM/SCSENTINEL

santacruzsentinel.com

Thanks to all who took part in Dump the Pump Day

Santa Cruz METRO would like to thank all of the locals who got out of their cars and hopped on a bus on Thursday for the 13th annual Dump the Pump Day. By embracing public transit as a convenient travel option, people are reducing the vehicle miles they drive, saving money and reducing carbon emissions.

As part of its commitment to the environment, METRO recently acquired three additional compressed natural gas

(CNG) buses, which produce just 3 percent of the emissions as a standard diesel bus. METRO's fleet now includes 80 CNG buses. The agency will add at least seven zero-emission electric buses by 2021.

While Dump the Pump Day happens just once a year, riding a METRO bus instead of driving can occur any day. Public transportation is a great option here in Santa Cruz County.

— Alex Clifford, METRO CEO

Renewable electricity service launches in tri-county area

By TARMO HANNULA

OF THE REGISTER-PAJARONIAN

SANTA CRUZ COUNTY

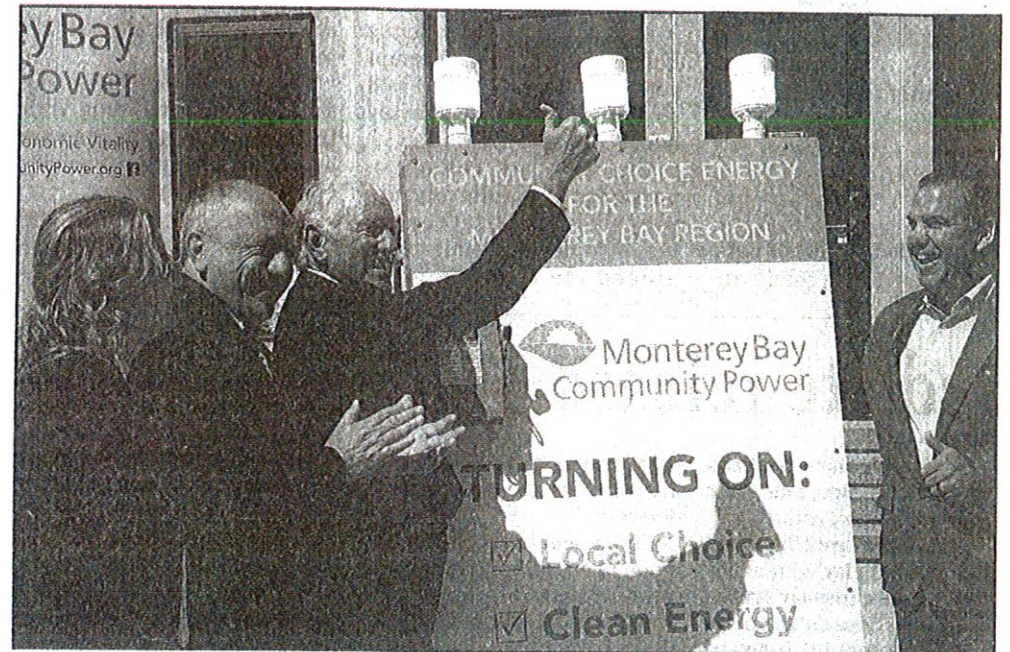
— An upbeat ceremony was staged Thursday in Santa Cruz to commemorate the launch of Monterey Bay Community Power's residential service in Santa Cruz, San Benito and Monterey counties.

The launch is the second phase of MBCP's 100 percent renewable electrical service while in March the same company began offering renewable energy to commercial, agriculture and industrial companies in the same tri-county area.

"We are here to recognize the residential service launch of our program," said Bruce McPherson, Santa Cruz County Supervisor and MBCP Policy Board chairman. "Now we are going to serving more 750,000 residents in our tri-county area. This is the most significant public service operation that I have been associated with in my public service life. MBCP is the first agency of its type in California to launch as a tri-county operation including counties of Santa Cruz, San Benito and Monterey and 16 cities. It really is what I call a three-fer: We are going to be able to provide carbon-free energy, electrical energy to our customers at a lower cost than you have been associated with; and we have a local government operation of a policy board and an advisory board. This has been a team sport operation. We have come a long way."

McPherson said the operation has been underway for the past five years.

The renewable electric power comes from throughout the western U.S. from wind, solar



Tarmo Hannula/Register-Pajaronian

Bruce McPherson, Santa Cruz County Supervisor (third from left), throws a mock power switch on Thursday in Santa Cruz at the launch of the second phase of Monterey Bay Community Power's 100 percent renewable residential service for Santa Cruz, Monterey and San Benito counties. Trina Coffman-Gomez (from left), Watsonville Councilmember and MBCP Policy Board member, Tom Habashi, CEO of Monterey Bay Community Power, and David Terrazas, Santa Cruz mayor, are also shown.

and hydro energy.

McPherson said Pacific Gas & Electric customers can expect a three percent rebate by the end of the year for residential and commercial users and that homeowners do not "have to do a thing" to get the service. Customers can, however, opt out of the service if they choose by checking a box on their PG&E bill.

MBCP is a Community Choice Energy agency established by local communities to source carbon-free electricity for Monterey, San Benito and

Santa Cruz counties while retaining PG&E's traditional role in delivering power and maintaining electric infrastructure.

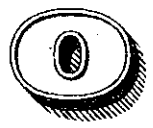
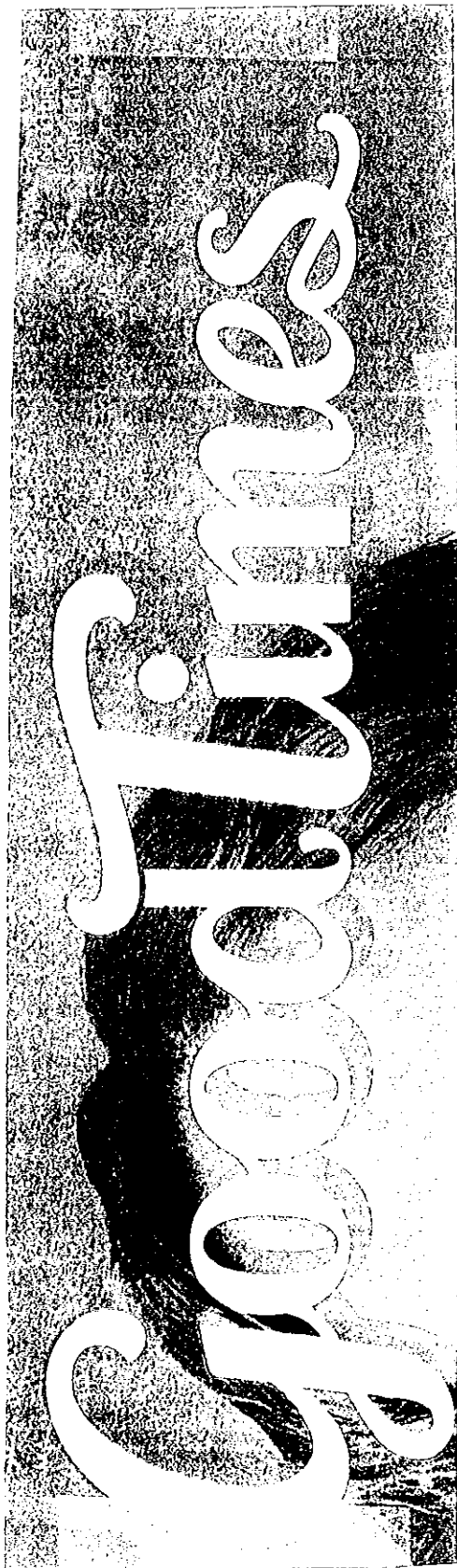
"It's not every day a new electricity company comes to our community to offer us a choice," said Trina Coffman-Gomez, Watsonville City Councilwoman and MBCP Policy Board member. "I've been a great supporter since 2013 when it first came to our city council. The residents across the tri-county area will be the beneficiaries of this partnership and we will look for ways to put money back into

your pockets."

Over the next three years, MBCP estimates providing more than \$40 million back to ratepayers not only in customer rebates but other investments being made in programs and incentives to further the goals of a cleaner environment.

"That's a pretty big deal for us to do," Coffman-Gomez said. "I've been very proud to be a part of this process all along."

For information, visit www.mbcommunitypower.org.



OPINION

EDITOR'S NOTE



We always hear about how politicians want nothing more than to be loved, but apparently in Santa Cruz we're loving them right out of office.

It's a big loss for our community that **Cynthia Chase**, who showed so much initiative and leadership in her term as mayor last year, won't be running for re-election to the Santa Cruz City Council. Ironically, it seems like the careful attention she's given to some of the biggest issues facing our city contributed to her decision not to run—sadly, our local government doesn't seem to be designed for people who want to give

the job the time it needs. I'm happy that when Chase gave **Jacob Pierce** the scoop recently about her decision, he didn't just write a clickbait-y type of piece about it. Instead, he delivered this week's cover story, which uses Chase's decision as a jumping off point to talk about the bigger problem of a government system that rewards hard work and policy successes with burnout, and how that can put the city council out of reach for some people whose representation we really need. This wasn't the easy way to do this story; it was the right way.

Also this week, look in the center of this issue for a pull out that celebrates **Santa Cruz Shakespeare's** fifth year as an independent venture, and provides a full season calendar and a look at each production coming up this season!

STEVE PALOPOLI | EDITOR-IN-CHIEF

Good Times



Popular council member's announcement opens up questions about Santa Cruz city government

Why Cynthia Chase Isn't Running for Re-election

By: [Jacob Pierce](#)

Posted on June 26, 2018

City Councilmember Cynthia Chase knows how to go out with a bang.

If Chase's self-proclaimed "year of housing" were a long and grinding sports season, her "listening tour"—stretching from July through November—was the grueling playoff run. Conducted during her one-year term as mayor, the tour culminated in about 100 affordable housing-related recommendations at a Dec. 5 meeting, after a hellish flu had gotten the best of her. The way she battled through that night was an MVP-like performance, the Michael Jordan flu game of city government. By the end, her voice had gone from hoarse to practically nonexistent. Chase never considered skipping it, but she was out sick for the following week.

"People would ask, 'Is everything OK ... ?' Like, 'No! Everything's not OK! My body can't do all of this,'" remembers Chase, who also works full-time as the inmate programs manager at the Santa Cruz County Sheriff's Office. "Once I commit to something, I'm gonna follow it through, and I'm gonna do it to the best of my ability."

Chase says she had never been as sick as she was last year during her term as mayor. Looking back now, she's grateful it's behind her.

She loved hearing the perspectives of thousands of community members, and then packaging them into cogent policy solutions, she says. Nonetheless, Chase broke the news to *GT* that she won't be running for re-election this November.

Chase's decision not to run again, and her reasons for making it, open up questions about the future of Santa Cruz elections, the entire set-up of the city's government, the future of Santa Cruz housing policy and even the tenor of local politics.

Generally, when anyone hears a politician talking about seeking more input or forming a subcommittee, it sounds like little more than a polite way to avoid making any tough decisions. But what Chase showed Santa Cruz over the past few years is that an intensive study process really can be a method of building consensus down a path of action that will have a wide swath of community buy-in. Two years ago, Chase served on a council committee on homelessness that came up with 21 short- and long-term recommendations, some of which are now being implemented.

Her housing suggestions spawned a subcommittee of their own—a committee that Chase also served on—leading to a community discussion last month, and ultimately the adoption a few weeks ago of the housing blueprint subcommittee's recommendations.

“What we had heard over and over and over [from the public] was, ‘You're not asking, you're not listening to us,’” says Chase, who says she would be open to one day running again for elected office, possibly the Santa Cruz County Board of Supervisors. “It felt like we really needed to do that, and we really needed to vet our recommendations with them because what I was trying to say was, ‘OK we heard from you, we looked at those things, we came back with some preliminary recommendations. Before we move forward with these, we want to check them out with you.’”

TAKE MY SEAT

Chase isn't the first city councilmember to bow out in recent years after serving only one term, due partly to the heavy workload of a tough gig that's supposed to be only part-time.

She's actually the third councilmember to do so in the last four years—all of them women juggling a number of other responsibilities.

Like Chase, then-Councilmember Hilary Bryant left office in 2014, while enormously popular, after a challenging year as mayor. Two years later, Pamela Comstock announced she wouldn't be running for re-election, either. (Micah Posner also decided not to run again that same year, although he cited disillusionment with city politics, at the time, rather than unreasonably high time expectations.)

“The decision was made out of necessity. I couldn't continue to fulfill my commitments to my family, my community and my employer,” Comstock says. “Something had to give.”

When Comstock would get home at night, she says that if she wanted to help her son with homework, make dinner and put him to bed at 9 p.m., she knew she would have 100 emails waiting for her. Most of the senders would be expecting thoughtful replies, so she would be up until 1 or 2 a.m., knowing that she would be up again at 6:45 a.m. Whenever she didn't reply, she felt like a failure.

Comstock adds, however, that she doesn't necessarily see a problem with this trend of respected councilmembers serving only one term. She says it brings more voices to city government.

Although Santa Cruz city councilmembers got a pay increase two years ago, they still make about \$20,500, with the rotating mayorship—a one-year term—paying roughly twice that. If a city councilmember ends up working 40 hours a week, which Chase says isn't uncommon, that comes out to less than minimum wage. Chase says the workload varies based on how much a councilmember takes on, but she thinks it's going to become rarer for people working their own full-time jobs to serve on the council.

"Who's going to represent the community?" says Chase. "I think that is going to be more common, where people aren't able to balance this with their lives, unless they're retired or independently wealthy. You can have a couple people on your council, but you certainly don't want the majority of your council being that."

For a councilmember, just staying on top of emails and scheduling is a job in itself, Chase says. Then there is meeting with constituents and going to events, and, of course, the meetings—ones for the City Council (which can go on for more than 10 hours), separate commissions (Chase has served on both the RTC and the METRO boards), and various subcommittees. Many of those meetings come with 300 or 400 pages of dense reading material.

It's worth noting that Santa Cruz city councilmembers do, however, get paid more than other councilmembers in the county.

Although the county supervisors make more than \$120,000 each, councilmembers from Scotts Valley, Capitola and Watsonville all make less than \$7,000 a year.

Capitola Mayor Mike Termini, who'll be sad to see Chase go, says that a Capitola city councilmember typically works about 20 hours a week and that the mayor works an additional 15 hours or so.

Even though Capitola's councilmembers make less than a third of what representatives in Santa Cruz make, Termini doesn't envy his North County counterparts, who serve in a city that has six times the population and doubles as the county seat. Although he loves his gig, he agrees with Chase that this may be the right time for a discussion on what county residents expect of their local elected.

"If you ask the average person," he says, "they really think we're making the big bucks."



TIME SERVED Councilmember Cynthia Chase, who also works full-time as the inmate programs manager at the Santa Cruz County Sheriff's Office, has announced she won't seek re-election. Photo: Keana Parker

FACING FORWARD

If the thankless task of serving on the council is the dumpster fire it's often made out to be, then it begs the question: Why would so many candidates—nine so far, in the current race—want it? Or is there something else about the allure that somehow pulls in candidates like moths drawn to the flame?

Robert Singleton, 27, who's strongly considering a run for the council, says that, plain and simple, this isn't a decision that anyone makes out of self-interest.

"It's public service," says Singleton, who ran two years ago and also co-founded Civinomics, a discussion forum and polling group. "It's not a good move for your career, because it's not going to pay anything close to what you would make in in the private sector. It certainly doesn't pay in the way that is commensurate with your experience or the time you put in. But it's a way to have an impact on your community."

The other eight candidates come from a variety of different backgrounds:

- Richelle Noroyan, 49, is running for her second consecutive term on the Santa Cruz City Council, and also works part-time in community relations at UCSC. A moderate on the council, she pushed for more rigorous Cowell Beach cleanups and served on the Homelessness Coordinating Committee, alongside Chase and Comstock. She also proposed two local gun laws that the council passed unanimously.

- Drew Glover, 32, ran for City Council two years ago, finishing the race for four seats in fifth place, after he learned his mother was dying and chose to spend some of the final weeks of his campaign by her side. He believes that if he goes through the city budget, he'll find ways to better prioritize community programs.
- Donna Meyers, 53, has her own environmental company, Conservation Collaborative, that works on a variety of watershed and coastal habitat projects. She chairs both the city's Parks and Recreation Commission and the Santa Cruz Museum of Natural History, which has eliminated its deficit, expanded its budget and grown its staff in recent years.
- Cynthia Hawthorne, 67, is a psychotherapist who helped organize the last two women's marches in downtown Santa Cruz. The mother of two and former school board trustee says her experience as a great listener can bring civility and respectful dialogue back to local politics.
- Michael R. Mahan, 29, is a Santa Cruz County assistant district attorney, who works on domestic violence cases. He touts his conflict resolution background and wants to help the police to prioritize cracking down on serious crimes, as opposed to petty offenses.
- Paige Concannon, 56, is a former cook for Santa Cruz County Juvenile Hall, who's been volunteering at the St. Francis Soup Kitchen for 10 years. Concannon—who notes that her neighbors already call her “Mayor of Seabright”—says her neighborhood's being overrun by theft and littered needles.
- Dave Lane, 55, is a retired UCSC auditor who believes he can introduce a new level of austerity to the city budget. He wants to cut back the police budget and reverse course on any goals for low-income high-density housing.
- Justin Cummings, 35, is a UCSC climate change researcher who teaches kids about environmental stewardship at Long Marine Lab. He felt motivated to run after seeing so many of his friends either get priced out or end up among the working homeless population.

Former *Santa Cruz Sentinel* reporter J.M. Brown, who had considered running, has decided he won't—saying he doesn't want to interfere with his new job as an analyst for County Supervisor Bruce McPherson.

Former Councilmember Comstock is surprised to hear that so many candidates have already jumped in, and says that it's important for them to be aware of what they're getting into. But she also explains that the magnitude of the undertaking is only part of the equation.

“Fear of time commitment does not dissuade people from serving, because it is such an honor.” Comstock says.

GROWTH OPPORTUNITY

Soon, Chase will be taking on a new kind of leadership role.

Chase says she and her husband Howard Heevner have started taking classes to become foster parents, and she hopes to start taking in kids by next year. Chase says they're most interested in the hard-to-place kids—sibling groups, older kids and LGBT youth.

“It is one of those things where we vacillate between ‘Oh, this is so amazing, we’re going to have these lovely little creatures in our lives,’ and then we’re also ‘Oh God, are we ready for this?’ and all of the potential challenges that come with kids in that circumstance,” she says.

Four years ago, Chase was thinking about running for Santa Cruz City Council, and found herself sitting in the same place she’s been for the past few weeks—adding up all of the hours of work and trying to figure out how much she could realistically accomplish each week. Chase got a lot of encouragement from women’s advocacy groups to jump in, but she was already the director of Gemma, a Watsonville-based nonprofit that helps convicts transition back into society. When the program got moved under the umbrella of Encompass Community Services, it freed up enough time for her to jump into the council race.

A couple of years later, when a position at the sheriff’s office opened up, her responsibilities intensified again, forcing her to re-do the whole calculus four years later. She also asked herself if she was letting down young girls by not entering the race.

“And then I really thought about it, and I think that part of being a good leader—in general, but particularly as a woman—is knowing that there’s other ways to serve, and that I did serve for four years to the best of my abilities. And that part of being a good leader is knowing when to step out,” says Chase.

Over the past couple years, she says that “personality conflicts and theatrics” have at times gotten in the way of good governance and community representation, although she declines to identify any councilmembers specifically.

Going forward, possible changes have appeared on the horizon that could alter the shape of future elections, possibly even city governance itself.

Mayor David Terrazas floated the idea of a ballot measure to test the waters of public opinion on the idea of newly established city council districts, a publicly elected mayor, and letting a mayor serve a two-year term. Terrazas isn’t the first Santa Cruz mayor to suggest that a one-year term is too brief to implement any sense of vision and see it through. (As Ryan Coonerty finished up his second term as mayor in 2011, he identified the same problem, and offered pretty much the same solution.)

The City Council has declined to pursue a ballot measure for now, instead voting to create a committee to look at developing a possible new setup for the election.

Chase says the topic of a directly elected mayor is an interesting one that's worthy of a discussion. If the city increased the pay of the mayor and made the position full-time, that could, in theory, reduce the workload for his or her fellow councilmembers. But that would come at a financial cost, so Chase believes the city may want to look at reducing the number of city councilmembers to offset them.

The other idea that came up was to split up the city into separate City Council districts so that each region of the city gets its own elected representative. Some Midtown and Seabright residents, including Concannon, support the district approach, having long felt that they've been underrepresented on the council. The Watsonville City Council has held district elections for nearly 30 years, after a court ordered the change and ruled that at-large elections were disenfranchising the South County city's Latino population.

Here in Santa Cruz, Comstock feels that switching to four council districts—along with a directly elected mayor—may reduce the workload for each representative, as they would have fewer constituents to answer to.

Implementing the change would involve at least a small handful of practical considerations. For instance, would UCSC dominate its own district, or get split into two? And what are the ramifications if a skilled up-and-coming public servant lives in the same district as a popular incumbent? Or what if two well-liked councilmembers are already living in the same district? These are the kinds of questions that the new committee will have the authority to sift through. Perhaps the biggest question about the approach relates to what happens when a needed but unpopular project like a homeless shelter or affordable housing development comes through the city pipeline.

Chase worries that if the city opted to set up council districts, it would simply allow “Not in My Backyard”—or NIMBY—activists to stonewall the effort.

“I have seen other communities where districts end up being a way to push responsibility out of someone's district and into somebody else's, and then for something to not get done,” Chase says. “Two things that are really important to me are affordable housing and homelessness. Both of those issues are NIMBY issues, and I worry considerably about what would happen if we had districts and we had all district representatives saying ‘not here.’ Then where?” Those are the conversations we need to have.”

Other Transit Related Articles

CA: TAM Opposes Gas Tax Repeal Effort

Mark Prado On Aug 6, 2018

Source: McClatchy

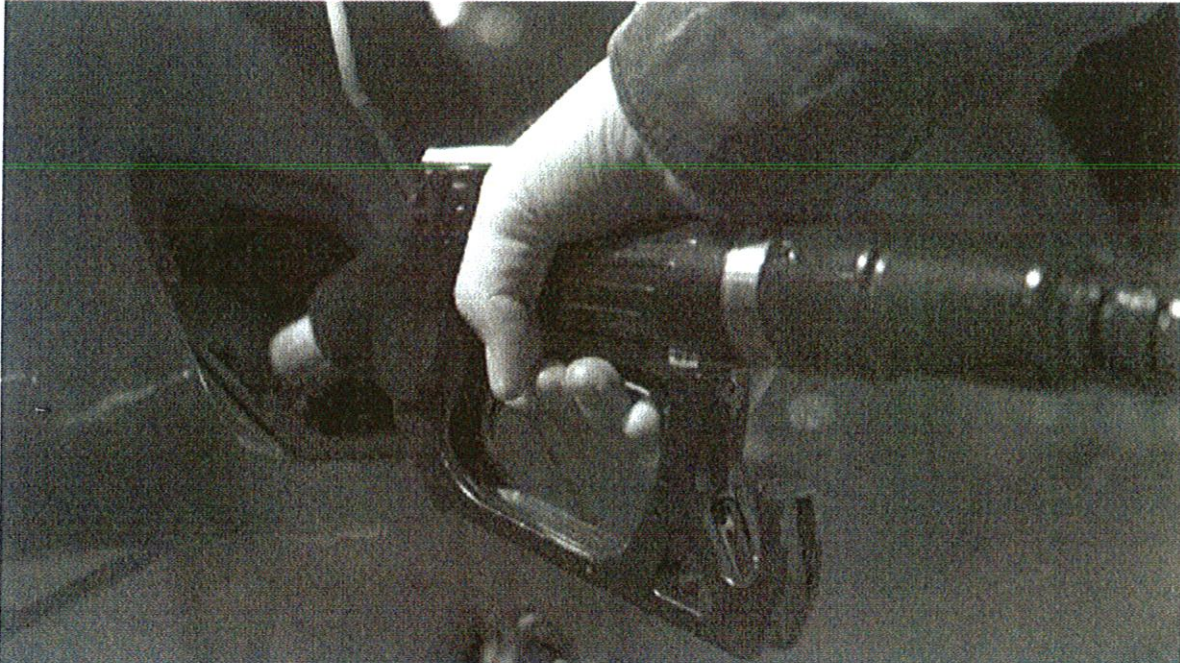


Photo credit: PXhere

Aug. 03--The Transportation Authority of Marin has voted to officially oppose Proposition 6, a statewide measure to repeal a new gas tax, saying it will cost the county millions of dollars in road improvements.

But supporters of the repeal say the tax was an end around of voters.

The approval of a state gas tax increase by the Legislature -- not voters -- in April 2017 will bring \$14 million a year to Marin for local roads, bus transit and the possibility of more funds for commuter rail and highway work. With the additional 12 cents, the gas tax rose to 30 cents.

The deal -- via Senate Bill 1 -- will generate \$52.4 billion for transportation funding in the state over the next decade.

But Mimi Willard, head of the Marin group Coalition of Sensible Taxpayers, say voters need to weigh in on the gas tax hike.

"It was a violation of democratic principles," Willard said of the legislative approval. "We have opposed this tax from the beginning. It's a regressive tax and hits those who can least afford it hard. We don't like the way it was enacted by the Legislature."

Dianne Steinhauser, who heads the Transportation Authority of Marin, said losing the gas tax would wipe out funds for much-needed county road repair projects.

"The state had not dealt with our crumbling roads in years and they finally did something," she said, adding that the gas tax money is earmarked for roadways and transportation, nothing else. "This gives us the chance to invest in the future. We'd hate to see it go away."

Marin is in line to get \$8 million annually for road repairs to be divided among cities, towns and the county -- but not if the gas tax increase is repealed.

The gas tax also will allow the county to put in \$3.8 million annually to put into Golden Gate and Marin Transit bus service.

The gas tax also provides funds for projects like the Narrows widening and a planned flyover to connect northbound Highway 101 with the Richmond-San Rafael Bridge.

In June, the California Transportation Commission approved an initial list of city and county projects eligible to receive a portion of \$1.2 billion in estimated local streets and roads program funding for the current fiscal year that is driven in part by the gas tax increase.

In all, 31 projects made the local roads eligibility list from Marin, including one in Belvedere, five in Corte Madera, four in Fairfax, one in Larkspur, one in Mill Valley, five in Novato, two in Ross, one in San Anselmo, three in San Rafael, two in Sausalito, two in Tiburon and four in unincorporated areas of the county. But if the gas tax is repealed funding for that work would go away, officials said.

"Given that state funding for transportation has been nearly non-existent for more than a decade, local agencies, like TAM and other (congestion management agencies), have been relying on local transportation sales tax to fund local, regional, and even state highway projects. state funds from SB1 are long overdue," reads a TAM staff report on the issue. "Loss of funds to Marin's cities, towns, the county, and our transit operators is significant."

David Schonbrunn, president of the Transportation Solutions Defense and Education Fund, a San Rafael-based nonprofit watchdog group, offered mixed thoughts on the issue.

"California's gas tax has not kept up with inflation. SB 1 was long overdue. We have no objection with raising the gas tax to match the rate of inflation of highway maintenance," he said. "We don't support Prop. 6, but are concerned that SB 1 was written loosely. The Legislature left itself the option to amend the spending provisions with a simple majority ... there are no meaningful taxpayer protections."

METRO

FOR TRANSIT & MOTORCOACH BUSINESS

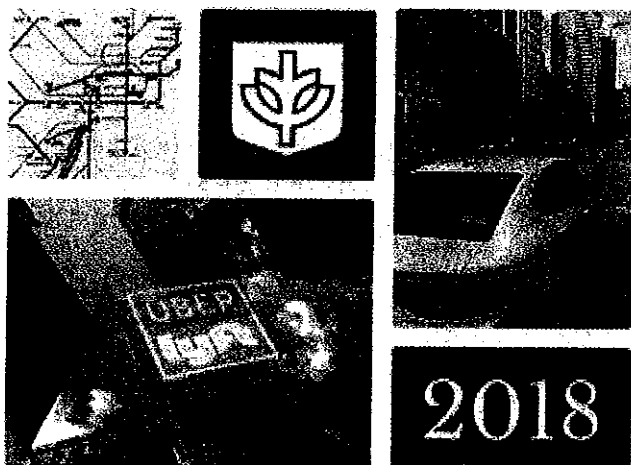
New Study Explores Transit Partnerships With Lyft, Uber

Posted on August 6, 2018

PARTNERS IN TRANSIT

A Review of Partnerships between Transportation Network Companies and Public Agencies in the United States

BY JOSEPH P. SCHWIETEMAN*, MALLORY LIVINGSTON & STEEN VAN DER SLOOT
AUGUST 1, 2018



CHADDICK INSTITUTE FOR METROPOLITAN DEVELOPMENT AT DEPAUL UNIVERSITY | POLICY SERIES

Photo and Map of Transit TNC Partnerships courtesy DePaul University.

Most transit agencies and transportation network companies (TNCs) play in different sandboxes, managing their operations independently, but a new study released by DePaul University's Chaddick Institute shows that many have found the allure of collaborating too powerful to resist. More than two dozen municipal governments and transit agencies have formed partnerships with TNCs to enhance mobility options.

The study, *Partners in Transit: A Review of Partnerships between Transportation Network Companies and Public Agencies*, explores 29 partnerships designed to allow transit operators and TNCs (predominately Lyft and Uber) to concentrate on what they do best. "The programs allow

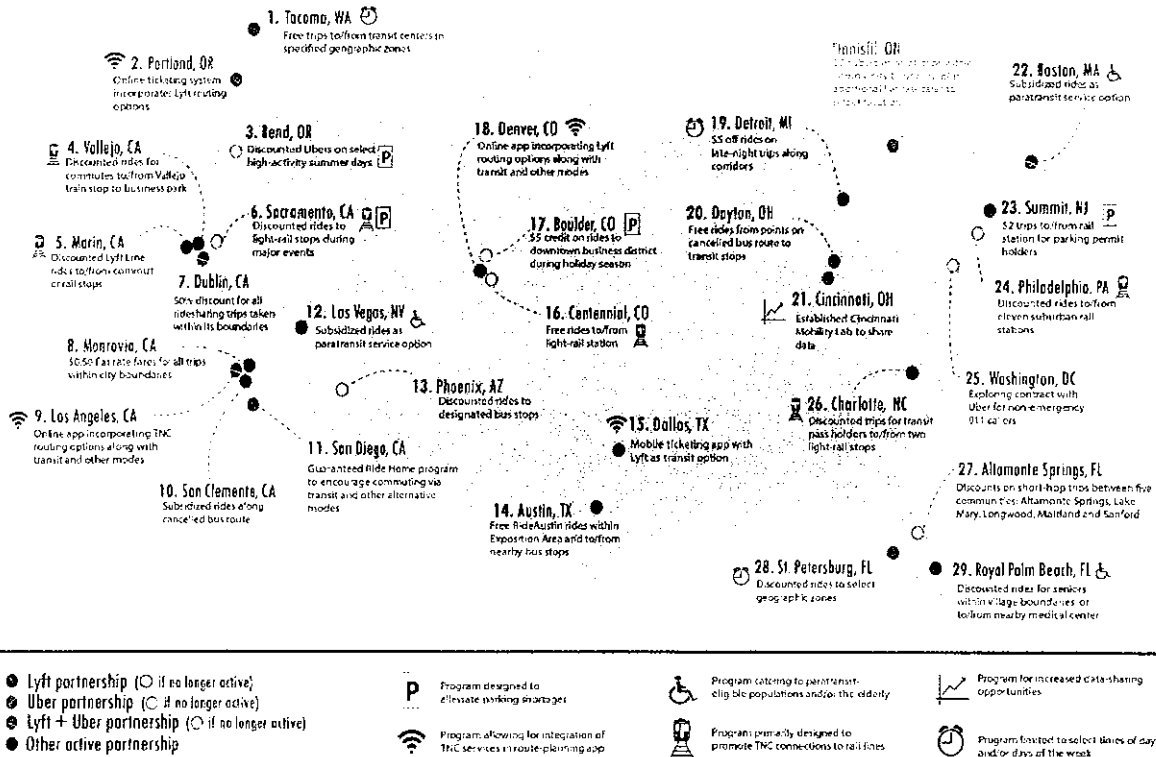
transit providers direct resources to modernizing top-performing routes, serving commuters, and other core strengths, while TNCs fill gaps, offer first/mile last-mile solutions, and improve demand-responsive services,” notes Joe Schwieterman, a DePaul professor and co-author of the report.

This strategy is not without risk, but is backed by research showing ridesharing and transit can complement each other in many situations. The elephant in the room is heightened *competition* between them, heralded by new lower-priced services such as Lyft Line and UberPool. Such competition can render partnerships awkward and short-lived, marred by mistrust. Nonetheless, as co-author Mallory Livingston notes, “Many transit officials are reluctant to stand back and watch technological advances buffet their ridership and financial goals. In the minds of many, outside-the-box thinking is imperative.”

As the study shows, the media spotlight tends to shine brightest on partnerships that provide *all* travelers free or discounted ride-sharing trips within a community. **Monrovia, Calif.’s** partnership with Lyft subsidizes Lyft rides to the point that all trips starting and ending within its boundaries cost just \$0.50. Since the program’s introduction in March, more than 53,000 trips have been taken at this ultra-low rate.

Dublin, Calif. offers across-the-board 50% discounts of up to \$5 on all Uber and Lyft trips within its boundaries, including those shuttling to its Bay Area Rapid Transit station. Across the Canadian border, Innsfil, Ontario — reportedly Uber’s first program in that country — boasts a similar partnership and has generated an outsized amount of publicity.

Other partnerships focus on particular routes or areas. Programs in **Dayton, Ohio** (administered by its Regional Transportation Authority), as well as those in **San Clemente, Calif.**, and **Marin County, Calif.**, are good examples of this, limiting ride-share discounts to certain designated transit stops.



Austin, Texas's program involves RideAustin, a homegrown TNC. Riders received free trips within its Exposition Area, which has many technology jobs, as well as those trips to/from nearby Capital Metro bus stops. **Charlotte, N.C.** improves access to its Lynx light-rail system by offering discounted Lyft rides to/from a pair of stations for trips that start or end within certain areas.

The study shows that 11 of the 50 largest transit agencies in the U.S. have made the plunge. If more major players develop programs, there will likely be “strings attached” for users due to the obvious problem that a poorly designed program could cannibalize bus and train ridership — and worsen roadway congestion. Agencies in **Boston** and **Las Vegas**, for example, have created programs limited primarily to paratransit-eligible users to test the waters while managing risk.

The evidence suggests that a properly designed program can be cost effective when compared to the cost of buying buses, paying for labor, fuel and maintenance on lightly used routes. But, “the devil is in the details,” notes Schwieterman. Presently, there is a great deal of interest in incorporating *payment* for both rideshares and transit — and connections between the two — on a single app. Breakthroughs appear imminent — once sensitive issues such as protecting private information and technological hurdles can be crossed.

The Chaddick Institute at DePaul University will host a free webinar featuring officials who manage programs around the country on Tuesday, August 29, from Noon to 1 p.m., CDT. To learn more, receive a copy of *Partners in Transit*, or speak with the authors, email chaddick@depaul.edu or call 312.362.5732.

Eno Center for Transportation

Eno Transportation Weekly

Senate Agrees to One-Year Ban on Transit Rail Car and Bus Procurements from Chinese-Owned Companies

By: Jeff Davis

August 1, 2018

Last night, the U.S. Senate agreed to a one-year ban on any new procurements of mass transit rail cars or buses from companies owned or subsidized by the government of the People's Republic of China, if the procurement uses any Federal Transit Administration formula or bus funding.

A modified version of an amendment by Sen. John Cornyn (R-TX) was adopted by voice vote as part of a bipartisan "manager's package" of 40-odd amendments to the four-bill "minibus" appropriations measure for fiscal 2019 (H.R. 6147), which includes the annual Transportation-HUD appropriations bill.

The Senate language is a more refined and precise version of language that is already included in the version of the legislation reported in the House of Representatives (H.R. 6072). Section 165 of the House bill prevents any fiscal 2019 FTA funding from being used to procure any rail or transit asset from an entity owned, directed or subsidized by a country that is not spelled out by name in the section but is clearly the People's Republic of China.

The Senate language adopted last night narrows and clarifies the House language significantly:

- The Senate prohibition only applies to funding from the urbanized area formula (§5307), rural area formula (§5311), state of good repair formula (§5337) and bus and bus facility grant (§5339) programs (formula and discretionary), not other FTA programs. Notably, this leaves open the possibility that Capital Investment Grant program (§5309) money for future new starts, small starts, or core capacity projects could be used for Chinese rolling stock or buses. (If the Trump Administration ever agrees to sign any new funding agreements for such projects, that is.)
- The Senate prohibition only applies to rolling stock (rail cars and buses), not any other kind of procurement.
- The Senate prohibition "shall be applied in a manner consistent with the obligations of the United States under international agreements." (However, Annex 2 of the Government Procurement Agreement of the World Trade Organization specifically says in Note 5 (at the end) that the WTO rules "shall not apply to restrictions attached to Federal funds for mass transit and highway projects".)

- The Senate prohibition only applies to contracts executed after the date of enactment of the Act (which is on pace for late September or early October), not to any contracts executed prior to the date of enactment. The House language appears to be retroactive.
- But the Senate prohibition also prevents the expansion of existing contracts executed prior to the date of enactment to include any more rolling stock vehicles or railcars than were in the contract already (including all options).

Since some version of a ban on new Chinese rolling stock is now in both the House and Senate versions of the bill, it seems certain that some version of the ban will be enacted into law in the final 2019 DOT appropriations act. The final language will probably be closer to the Senate version, since the House language came out of nowhere and many of the changes in the Senate version reflect the input of DOT, the U.S. Trade Representative, transit stakeholders and others on how to make the language work better.

As *ETW* noted in a May 31 article, the impetus behind this provision appears to come from the U.S. freight rail car manufacturers (Trinity, Greenbrier, etc.). They have seen how successful the Chinese state-owned rail company (CRRC) has been at taking freight rail car market share in other countries and want to head things off in the U.S. as early as possible. They have apparently decided that the best way to go about this is to prevent CRRC from establishing a beachhead in the U.S. in the transit rail car sector so CRRC can't build large factories that could then be used to assemble Chinese-manufactured freight rail cars as well.

And CRRC has indeed been building a foothold in the transit sector through its ability to drastically underbid other manufacturers, which may have something to do with the subsidies received from the Chinese government allowing them to sell at below their (already low) cost. As we wrote in the May 31 article:

CRRC has had success in the last few years making the lowest bid on contracts for new rail transit cars for U.S. cities. Its initial success was for MBTA in Boston in 2014, where it bid \$567 million and won the Orange/Red Line contract (the next lowest bid was \$721 million), prompting it to build a plant in Springfield, Mass. for vehicle assembly. It then won a \$1.3 billion contract for Chicago's CTA (prompting a new assembly factory in the Windy City dedicated by Mayor Rahm Emanuel). CRRC won a third contract for L.A. Metro (\$647 million) last year as well as a much smaller contract for SEPTA in Philadelphia.

Behind the scenes in the Senate, Minority Whip Richard Durbin (D-IL) was trying to stop the Cornyn amendment, which could affect the new CRRC assembly plant in Chicago now under construction. But, in retrospect, Durbin's fight was doomed from the beginning – most Democrats have spent decades arguing that Buy America requirements should be strengthened generally, and two of the Senate's most prominent Democrats on the Buy America issue, Tammy Baldwin (D-WI) and Gary Peters (D-MI), were cosponsors of the Cornyn amendment.

Add to that the fact that legislators from both parties have been beating up the Trump Administration for months over its flip-flop on the potential national security threat posed by purchases of Chinese-made computer and telecommunications equipment from manufacturers like ZTE and Huawei (including anti-China language in the pending appropriations bill), and the

fact that Congress this week will send to the President a mammoth defense authorization bill that includes a requirement (sec. 1719(c) of this bill) that the Secretary of Homeland Security study the national security implications of Chinese-made rolling stock in particular, and it was just too powerful to stop.

At one point yesterday, it seemed that the Cornyn amendment was set for a roll call vote with a 60-vote threshold. But it became clear that the amendment would get far more votes than that (maybe over 80), and given the choice between putting that many Senators on record in favor of a ban or just letting the amendment pass by voice as part of a much larger package, Durbin apparently chose the latter option.

We're still not sure if the Chinese-government-subsidized electric bus manufacturer BYD is caught up in the funding prohibition by accident, or on purpose.

A side-by-side comparison of the House and Senate bill language is below.

2019 Appropriations Language on Chinese Rail Cars and Buses for Mass Transit

(Superfluous quotation marks in the Senate language may be removed by the enrolling clerk.)

SENATE LANGUAGE

(a) None of the funds appropriated or made available to the Federal Transit Administration under this title to carry out sections 5307, 5307, and 5339 of title 49, United States Code, shall be used in awarding a contract or subcontract to an entity on or after the date of enactment of this Act for the procurement of rolling stock for use in public transportation if the manufacturer of the rolling stock is located in or has manufacturing facilities in the United States and receives support from the government of a country that—

is identified as a nonmarket economy country (as defined in section 771(18) of the Tariff Act of 1930 (19 U.S.C. 771(18))) as of the date of enactment of this Act;

is identified by the United States Trade Representative in the most recent report required by section 32 of the Trade Act of 1974 (19 U.S.C. 2242) as a priority watch list foreign country under subsection (a)(2) of that section; and

is subject to monitoring by the Trade Representative under section 306 of the Trade Act of 1974 (19 U.S.C. 2306).

HOUSE LANGUAGE

(a) None of the funds appropriated or otherwise available to the Federal Transit Administration under this Act may be used in awarding any contract or subcontract for the procurement of an asset within the transportation systems sector of passenger rail or freight rail subsectors within the transportation systems sector as defined by President Policy Directive 21 (Critical Infrastructure Security and Resilience) including rolling stock if the manufacturer of the rolling stock is located in or has manufacturing facilities in the United States and receives support from the government of a country that—

is identified as a priority watch list country by the United States Trade Representative in the most recent report required by section 182 of the Trade Act of 1974 (19 U.S.C. 2242) and

is subject to monitoring by the Trade Representative under section 306 of the Trade Act of 1974 (19 U.S.C. 2306).

(b) This section shall be applied in a manner consistent with the obligations of the United States under international agreements.

(c)(1) This section shall not apply to the award of a contract or subcontract made by a public transportation agency with a rail rolling stock manufacturer described in subsection (a) if the manufacturer “produces” rail rolling stock for an eligible public transportation agency through a contract executed prior to the date of enactment of this Act.

(2) A rail rolling stock manufacturer described in subsection (a) may not use funds provided under a contract or subcontract described in paragraph (1) to expand the manufacturer’s production of rail rolling stock within the United States to an “amount of rolling stock vehicles or railcars” that is greater than the amount required under contractual obligations of the manufacturer as of the date of enactment of this “Act including all options per for additional rolling stock.”

(d) Nothing in this section shall be construed to apply to funds that are not appropriated or otherwise made available to the Federal Transit Administration under this title.

Valley Metro Experiments With Driverless Cars Through Waymo Partnership

By: Jessica Boehm

July 31, 2018



(Photo: Nick Oza/The Republic)

Want to take the bus or light rail to work but live too far from the nearest station? Valley Metro hopes driverless cars could soon fix your conundrum.

Metro Phoenix's transit agency and Waymo, Google's self-driving car project, launched a first-of-its-kind partnership Tuesday to experiment with how new technology can complement traditional public transit options.

The two-year pilot program will begin by connecting riders to and from light rail stops, but could also expand into Valley Metro's services for people with disabilities and seniors.

"There are people who claim that (developments) in technology and ride-share services and things like that are going to make public transportation irrelevant. Well, I don't believe that," Valley Metro CEO Scott Smith said.

Neither does Waymo, according to the company's business development officer Shaun Stewart.

"We don't see ourselves as disrupting public transportation, but seeing if we can enable it and improve the reach and the access to it," Stewart said.

Both Smith and Stewart said the pilot will work like a "laboratory." As both entities learn from initial user feedback, they will test other ideas to see how the old-school transit agency and newfangled transportation company can work together to improve access across metro Phoenix.

How will it work?



A Valley Metro bus and light rail train at Van Buren Street and Central Avenue in Phoenix on March 10, 2015. (Photo: Michael Schennum/The Republic)

The Valley Metro Board allocated \$200,000 toward the pilot program.

The program will begin with a controlled group — Valley Metro and Phoenix employees, who will use Waymo vehicles to connect them to a bus or light-rail stop that will take them to their final destinations.

Waymo and Valley Metro, through a data-sharing agreement, will analyze information about the riders' experiences and adapt. Depending on the control group's success, the "first-mile, last-mile" service is expected to expand to the general public during the pilot phase.

Smith said people are less likely to use public transportation if they cannot walk to or from the bus stop or light-rail station to their destination because it's not convenient or possible for some users to drive to a park-and ride.

But the "first-mile, last mile" service could simplify that extra burden, Smith said.

Waymo is currently only operating in select cities, including Chandler, Tempe, Gilbert and Mesa, which will limit the Valley Metro partnership to those areas. However, Waymo is expected to expand within the Valley in the coming years, Smith said.

Eventually, Smith would like to expand the autonomous technology to some of the other services Valley Metro offers, like its Dial-a-Ride and RideChoice programs, which provide additional transportation services to people with disabilities and seniors.

Other opportunities to integrate autonomous technology into public transportation could present themselves as Waymo and Valley Metro "play in the sandbox" and figure out what works for the Valley, Smith said.

Samantha Jackson speaks about being among the first riders in the Valley Metro partnership with Waymo as Valley Metro CEO Scott Smith looks on. The partnership will start with a small focus group using autonomous vehicles to connect to bus and light-rail stations but is expected to extend to the general public in the next two years. Nick Oza/The Republic

'The future is closer than we think'

Phoenix Mayor Thelda Williams, who also serves as the chair of Valley Metro Rail, said the new program will set an example "for the entire nation and maybe the world."

"One thing we have always been very proud of is being innovative, creating unique partnerships — and this one tops them all," Williams said.

Valley Metro Board Chair and Glendale Vice Mayor Lauren Tolmachoff said transit is "the only mode of transportation for many, many of our citizens."

"The valley is large and getting larger so this partnership is really going to open up transit for people who don't have any way to use transit but need to use transit," Tolmachoff said.

Smith said in the not so distant future, there will be an app that allows people to plan their trips using a culmination of transportation options — Waymo vehicles, light rail, buses or bike share — but never get behind the wheel.

"That is the future and the future is closer than we think," Smith said.

THE VERGE

Lyft Will Pay You \$550 To Ditch Your Car For A Month

You Must Live In Chicago, And The Money Will Come In The Form Of Credit To Lyft And Other Mobility Services

By: Andrew J. Hawkins

Jul 31, 2018

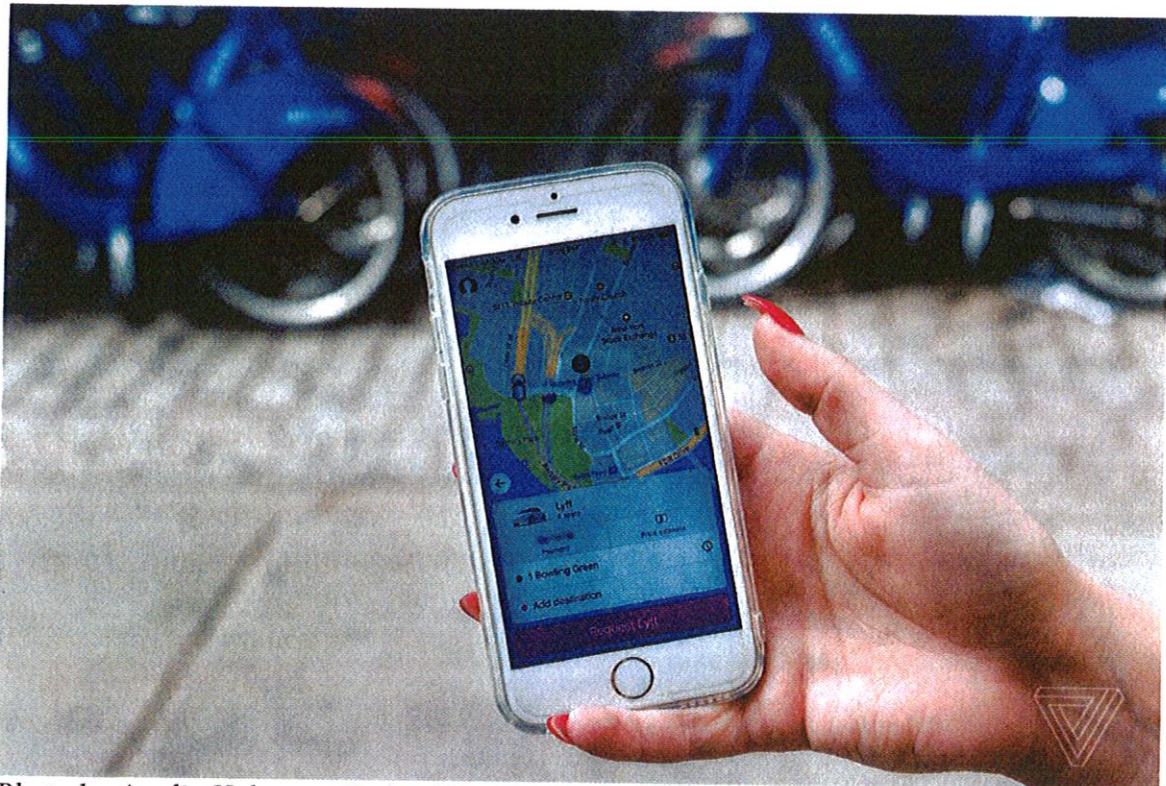


Photo by Amelia Holowaty Krales / The Verge

Lyft is raising the stakes in its mission to dominate all modes of transportation in major cities. Starting in August, the ride-hailing company will offer 100 residents of Chicago \$550 each in credit to Lyft and several other mobility services if they ditch their personal vehicles for a month. It's a bold, if slightly gimmicky, way to highlight the high costs associated with car ownership, while also promoting cheaper alternatives of getting around.

To be sure, Lyft isn't handing over \$550 checks to people and then sending them on their way. The money will come with strings attached.

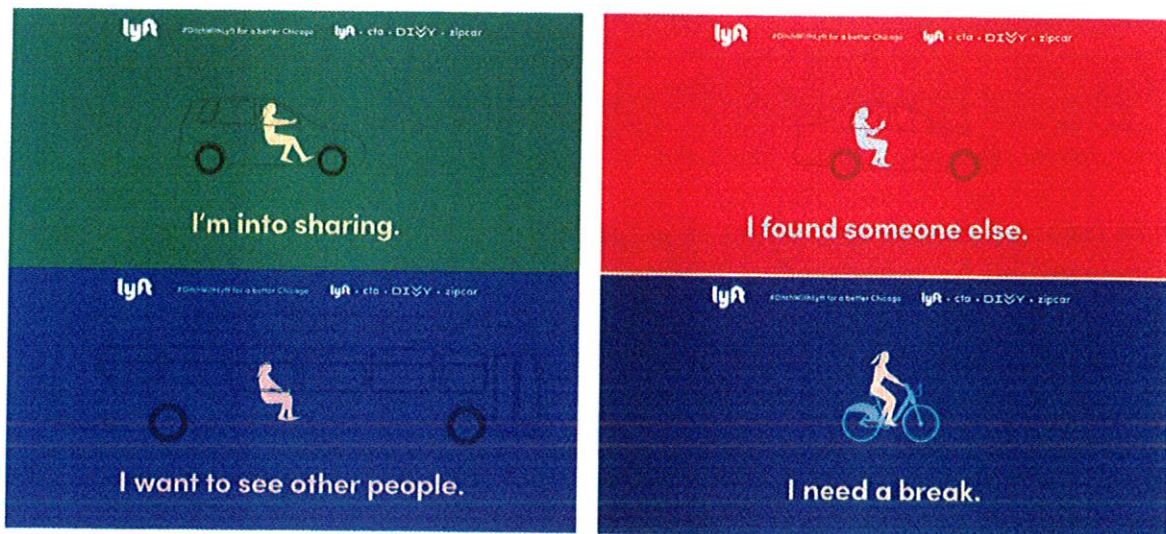
Those who accept the challenge to put away their car keys for 30 days will get \$300 in Lyft shared ride credit (for use in carpool trips only), \$45 for a monthly Divvy bike-share pass, \$100 in Zipcar credit, and \$105 for “L” train and bus service.

“We are literally asking people to get rid of their cars.”

“We are literally asking people to get rid of their cars,” said David Katcher, Lyft’s general manager for the Midwest. “Basically, we’re giving people this opportunity to park their cars for 30 days, and here’s everything you need to get around this city.”

Those interested in participating will need to prove to Lyft that they own a vehicle in order to qualify. And if they accept, Katcher says Lyft will be relying on the honor system to make sure people live up to their end of the bargain. Participants are encouraged to post about their 30-day multimodal experience on social media. And Lyft will conduct pre- and post-challenge interviews to gauge reactions.

“We want to follow them. We want to hear their stories,” he said. “We want to see how their feelings about driving have changed. We want to see if they’re saving money. We want to see if they’re having less stress. We want to see if they got more work done or were able to read a book because they didn’t have to drive.”



This isn't just a one-off promotional event, mind you. Katcher says the company is eyeing an expanded "ditch your car" challenge in Portland later this year, where participants will be asked to commit to not driving their cars for an entire year rather than just one month.

The promotion gives Lyft an opportunity to talk about the high costs of personal car ownership, a pet cause for the company's co-founders, Logan Green and John Zimmer. For years now, Green and Zimmer have used their platform as CEO and president of Lyft, respectively, to promote big ideas about the future of transportation. They have released policy papers predicting the end of personal car ownership in major cities by 2025, calling for more people to carpool by charging a fee to those who don't and encouraging US households to sell their second cars to save money and reduce congestion. Lyft recently set the goal for shared rides (carpooling, bike / scooter / car-sharing, etc.) to account for 50 percent of the trips on its platform by 2020.

Owning a car may be convenient, but in a big city, it can also be expensive

Owning a car may be convenient, but in a big city, it can also be prohibitively expensive. Owning a car in Chicago can cost as much as \$13,000 a year, or over \$1,000 a month, for fuel, parking, maintenance, and general upkeep. Katcher says the goal of the "ditch your car" challenge is to prove that other mobility options exist — and, more often than not, they're cheaper.

Lyft and its much larger rival Uber are in a mad dash to become one-stop shops for all urban mobility needs. Uber bought dockless bike-share company Jump, invested in electric scooter startup Lime, and is integrating Lime's scooters onto its app for users to rent. Uber's CEO has said he wants to find a way to integrate public transportation like subways and buses into the app as well.

Lyft has been hard at work on its own multimodal strategy. The company hired a head of bike and scooter policy back in April, and it shelled out \$250 million to acquire Motivate, the largest bike-share operator in the US (including Chicago's Divvy bike-share system). It's been beta-testing in-app bike and scooter options since last June. Lyft is

also reportedly in talks with another scooter startup, Spin, about adding electric two-wheelers to its app. More recently, the company said it would offer steep discounts to customers who use its bikes and scooters to get to and from mass transit hubs. And the company recently unveiled its first app redesign in three years, with a spotlight on shared rides and public transportation.

Lyft has been hard at work on its own multimodal strategy

The economic argument for Uber and Lyft to expand into personal, electric-powered vehicles seems clear: riders can use them to supplement ride-hailing trips or to zoom by stalled cars traffic in congested cities. Recently, Uber released data that suggests some of its customers are replacing short-distance car trips with bike rides.

This all allows these companies to tell a compelling story: ride-hailing complements public transportation, and it can help get personally owned vehicles off the road for good. But that often flies in the face of published research, which frequently suggests that the opposite is true.

While ride-hailing companies are adding non-car options for people to get around, they are also adding to congestion problems in major cities. A recent study by transportation expert Bruce Schaller found that transportation network companies like Uber and Lyft added 5.7 billion miles of driving in the nation's nine largest metro areas at the same time that car ownership grew more rapidly than the population.

Uber and Lyft added 5.7 billion miles of driving in the nation's nine largest metro areas

Shared ride services such as UberPool, Uber Express Pool, and Lyft Shared Rides, while touted as reducing traffic, actually add mileage to city streets, Schaller concluded. Even with these shared services, ride-hailing apps put 2.6 new vehicle miles on the road for each mile of personal driving removed, for an overall 160 percent increase in driving on city streets.

To counter this research, Katcher cites internal surveys that found almost 42 percent of Chicago drivers are using their cars less because of Lyft, and 29 percent see car ownership as less important.

“Congestion is an incredibly complex topic, and there’s been a lot of studies to come out showing both aspects of that,” he said. “There are plenty that are out there, and more coming, that actually show Lyft is not contributing to congestion as much you see from these other reports.”

That said, Katcher says transportation network companies are still only a fraction of the total number of vehicle miles traveled in the US — less than 2 percent — and therefore, they can’t be blamed for all of its problems.

“We know that Lyft is not the only answer,” he said. “We cannot physically put enough cars on the road to satisfy the transportation needs of everyone. We need public transit. We need rail. We need shared mobility options like Lyft. We need biking and walking and everything else to make that a no-brainer for folks. That’s what we’re trying to achieve.”

San Francisco Chronicle

Want To Reduce Greenhouse Gas Emissions? Ride Transit.

By: Ed Reiskin

July 30, 2018



Passengers ride in one of the new Muni streetcars in San Francisco. Photo: Jessica Christian / The Chronicle

Addressing climate change will require difficult choices both individually and collectively. But there are good choices, too, and transit is one that can make the most significant dent in greenhouse gas emissions.

There is a strong relationship between our daily travel choices and the environment. In San Francisco, the transportation sector generates fully 46 percent of the city's total greenhouse gas emissions. Low unemployment (2.4 percent in San Francisco), coupled with median home values in excess of \$1.6 million, means that more people are commuting longer distances to work in the city and throughout the region. This reality underscores the importance of

building housing and office buildings close to transit centers and of providing funding to support enhanced regional transit connectivity.

Regional transit services, such as BART and Caltrain, make it possible for those who cannot afford or don't want to live in San Francisco to make more sustainable transportation choices, meaning they can get to where they're going without generating emissions.

Public transit provides a reason to be hopeful. On any given weekday in San Francisco, Muni carries 26 percent of all daily trips, yet generates less than 1 percent of the city's greenhouse gas emissions. That is a great deal for the environment.

Investments in the city's public transit system, such as the Transbay Transit Center and Central Subway, will yield environmental benefits for years to come. Anywhere in the state, more people using public transit for more trips will be essential for us to collectively meet our future climate goals.

Because of its brand new fleet of electric trolley coaches, light-rail vehicles and hybrid diesel buses, San Francisco is now home to the greenest fleet of any major North American city and is one of only five agencies recognized by the American Public Transit Association's Platinum Commitment for Sustainability. Taking the next logical next step, the SFMTA recently committed to operating an all-electric transit fleet by 2035.

San Francisco is also recognized as one of the most walkable and bike-able cities in the nation. The city's focus on preventing traffic fatalities through its commitment to Vision Zero is helping to make the bike and pedestrian network a safer, more attractive option, paving the way for more zero-emission trips.

In 2017, the city surpassed two significant climate goals by reducing its annual greenhouse gas emissions by 28 percent below 1990 levels. Additionally, more than 52 percent of all trips to, from and within San Francisco are made on transit, by bicycle or on foot. In September, San Francisco will host the Global Climate Action Summit, which will help raise awareness and identify specific actions and commitments around this important global issue.

In 1973, the city and county of San Francisco adopted its landmark Transit First Policy, which states that "travel by public transit, by bicycle and on foot must be

an attractive alternative to travel by private automobile.” Today, few global cities are as well positioned as San Francisco to lead on climate action.

Our city is projected to swell to 1.1 million residents by 2040, an increase of 26 percent. Neither our city streets nor the environment have the capacity to accommodate more cars. To protect our future and keep people moving through the city, the answer is clear. In addition to stronger fuel efficiency standards and adequate gas taxes, we — in San Francisco and statewide — must move more people in fewer vehicles. Meaningful reductions to the state’s greenhouse gas emissions will require conscious choices, both on the part of individuals and our elected leadership.

Ed Reiskin is the director of transportation for the San Francisco Municipal Transportation Agency.

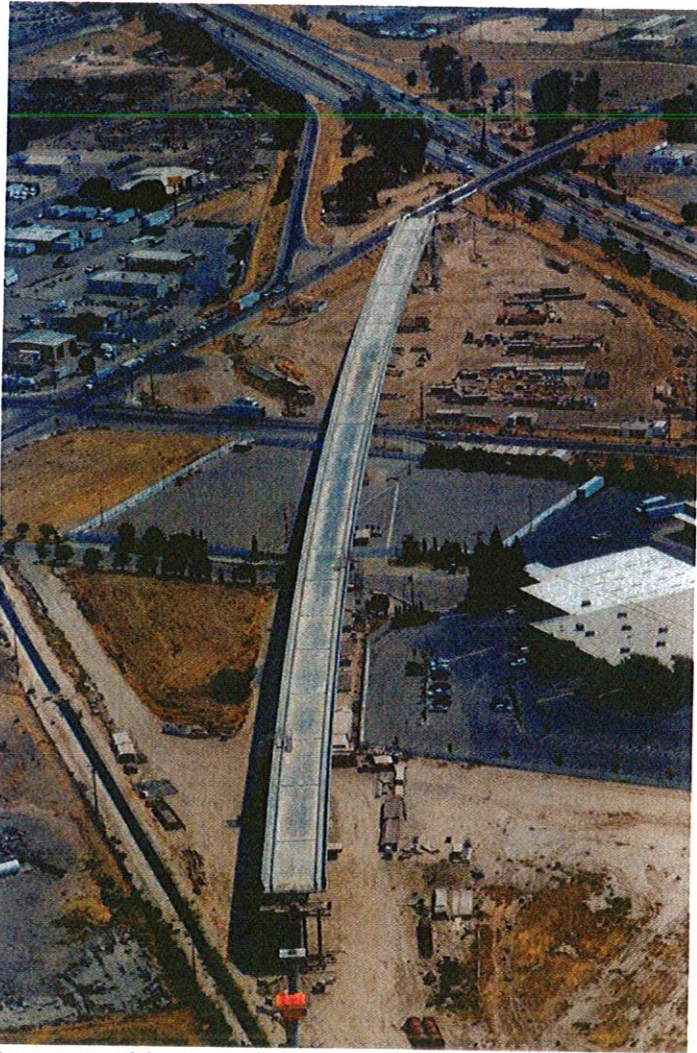
The New York Times

A \$100 Billion Train: The Future of California or a Boondoggle?

In the face of sharp opposition and questions about how to pay for it, construction of California's high-speed rail line is roaring ahead.

By: Adam Nagourney

July 30, 2018



Proponents of the Los Angeles-to-San Francisco high-speed rail line hope that erecting part of the line now will make future governors less likely to abandon the project. A viaduct in Fresno, CA is intended to carry the line over a freeway.

Credit: Jim Wilson/The New York Times

FRESNO, Calif. — It is vigorously opposed by Republicans, including President Trump. It has been plagued by escalating costs and delays. Californians are mostly against it. And a central question — how is it going to be paid for — remains unresolved.

But here in the Central Valley, far from the debates in Washington and Sacramento, the \$100 billion Los Angeles-to-San Francisco bullet train has moved off the drawing board and onto 21 construction sites spread across five Central California counties.

Work began two weeks ago on one of the more ambitious pieces of the project — an overpass that will carry trains over a major highway in Fresno — and ground will be broken on three more viaducts in the next few months. Nearly 2,000 workers are on the job, starting as early as 5 a.m. to avoid the 110-degree afternoon heat. “Simply put, dirt is flying in the Central Valley,” the High-Speed Rail Authority declared in a recent business plan.

Yet for all the cranes, crews in orange vests, beeping trucks and fresh concrete, it remains far from certain that this project will ever be completed. In addition to the lack of funding, it faces opposition from both Mr. Trump and Kevin McCarthy, the Bakersfield Republican who is the House majority leader.

The continued delays and rising costs have fueled criticism that California, perhaps the most prosperous state in the nation, is squandering money on a transportation project that critics describe as a prime example of big government waste in a state controlled by Democrats.

“This is going to be the most expensive and slowest form of fast rail imaginable,” said Jim Patterson, a former Fresno mayor who is now a Republican member of the Assembly and a critic of the project.

For all the construction, the project faces the ever-present threat that a future governor may decide that state resources would be better used dealing with, to name one example, the housing crisis. Gov. Jerry Brown, a big proponent, is leaving office at the end of the year.



Work on the \$100 billion project is under way at 21 construction sites in five counties, even though not all the necessary financing is in place. Workers installed reinforcing steel for a bridge across the San Joaquin River. Credit: Jim Wilson/The New York Times

“The project seems to make even less sense today,” said Joe Nathan, a professor of public policy at Stanford University.

For advocates of high-speed rail, California under Mr. Brown has been a rare bright spot, while other ambitious government-funded bullet train proposals across the nation have struggled in the face of opposition from Republicans who are concerned about the costs and disruptions.

Gov. Rick Scott of Florida rejected Federal funds to help build a high speed rail line from Tampa to Orlando, saying it was too expensive for taxpayers. Attempts to upgrade rail service between New York and Boston on Amtrak’s Northeast Corridor have repeatedly faltered because of community opposition.

A high-speed rail line is moving ahead in Texas, connecting Dallas, Fort Worth and Houston, but it is being financed by private industry.

The high-speed train in California, championed by Mr. Brown, a Democrat, and Arnold Schwarzenegger, his Republican predecessor, is the most ambitious public transportation project underway in the nation today. It is moving ahead while other

mass transit improvement ambitions — for the subway system in New York City, for an innovative elevated train line in Honolulu — have also been hamstrung by costs and opposition.

Mr. Brown's enthusiastic backing has been crucial to the project's advances. Gavin Newsom, the Democratic lieutenant governor and the leading contender to succeed Mr. Brown, has offered conflicting views of the project over the years; he has at times come close to opposing it outright, though in this campaign he has said he supported it, while expressing concern about costs and engineering challenges. By contrast, his Republican opponent, John Cox, has pledged unequivocally to abandon the project if elected.



Championed by Gov. Jerry Brown, a Democrat, and Arnold Schwarzenegger, his Republican predecessor, the high-speed rail line is the most ambitious public transportation project now underway in the country.
Credit: Jim Wilson/The New York Times

The 800-mile line from Los Angeles to San Francisco is scheduled for completion by 2033. There is no shortage of obstacles to what even the project's biggest boosters call an ambitious timetable, including the engineering challenge of tunneling through the Tehachapi Mountains, a barrier between the Central Valley and Los Angeles.

The cost was originally supposed to be split among the state, the federal government and private business. But that arrangement faltered, as hopes for federal dollars faded with Republicans in power in Washington and businesses shied away from such an uncertain venture. As of now, the rail authority has come up with less than \$30 billion of the necessary \$100 billion, and the project's costs are expected to continue to rise.

"The rest has to be found," said Martin Wachs, an emeritus engineering professor at the University of California at Berkeley and a member of a committee appointed by the Legislature to review the project. "At the moment, 100 percent of the cost is going to be absorbed by the taxpayers."

Beginning construction without all of the financing in place represents a strategic gamble by the rail authority, and by Mr. Brown, that once enough work is completed, future leaders will be loath to walk away from the project and leave a landscape of unfinished pillars, viaducts, bridges and track beds. Faced with reduced resources, the authority has altered its plans, and is now focused on finishing a 119-mile stretch of track from Bakersfield to Madera by 2022.

Brian P. Kelly, the head of the authority, argued that when this stretch of train is completed, people will rally around the project and the business community would become convinced of its viability.

"If I can get trains on the ground, Californians will start to see that this is something that we want," he said. "There's a lot of attention paid to what we don't have. But we have significant fund-raising to get done what we have to get done."

"Yes, the project has challenges," Mr. Kelly said. "And the primary challenge for this same project is the same today as it was the day the voters passed the bond: And that is, we don't have enough money to build what we want to build."

In downtown Fresno, more than 300 homes and businesses have been relocated, some by condemnation, to make way for the rail line. A mile-long network of viaducts, bridges and platforms is rising more than 60 feet over farmland.

"We had to shift this freeway here over by 100 feet," said Diana Gomez, the Central Valley regional director of the California High-Speed Rail Authority, as she drove down a brand-new stretch of Highway 99 that was rebuilt to make way for the train line just north of this city.

The strategy of concentrating first on the section from Bakersfield to Madera puts off tunneling through mountains, which Mr. Kelly said could cost anywhere from \$4 billion to \$13 billion. It also means that people living in California's two major population centers — San Francisco and Los Angeles — will see no sign of the project any time soon.

“The latest business plan is essentially a going-out-of-business plan,” Mr. Patterson said. “It finally admits that it cannot complete a high speed rail plan between San Francisco and Los Angeles. It's a rump railroad.”

But John Hernandez, an employee with the Small Business Administration who lives in Fresno, said a high-speed train would transform his town, bringing in more visitors and making it easier for him to get to big cities.

“It would change my life,” he said. “I would be able to go places faster. I could get on a train at noon and be in San Francisco at 3 p.m.”

It has been 10 years since Californians voted to approve the \$9.95 billion bond, a down payment on a project that was estimated at that time to cost \$40 billion. Public enthusiasm is dwindling. While 48 percent of respondents said they supported the project in a U.S.C./Dornslife/Los Angeles Times poll done in May, just 31 percent said they wanted the state to continue building the rail line after they were told of the cost overruns.



Some construction crews on the rail project start work as early as 5 a.m. to avoid the Central Valley's 110-degree afternoon heat. At a plant in Hanford, Calif., south of Fresno, workers fabricated precast beams for the rail line's bridges and viaducts.

Credit: Jim Wilson/The New York Times

Roger Dickinson, the executive director of Transportation California, a transit advocacy group, said the obstacles were significant, but the need for the train was critical.

"Looking at the need for increased environmentally sound ways of moving people between Northern and Southern California, it's a project that still makes great sense, and I think it will be successful."

Karen Philbrick, executive director of the Mineta Transportation Institute at San Jose State University, said the problems were not unlike those that confront any ambitious project.

"Approximately two dozen other countries have found H.S.R. feasible, including Uzbekistan," she said, referring to high-speed rail. "And there is no reason it can't be done here."

It remains entirely conceivable that the state could walk away from the project, and put the acquired rights of way and new viaducts to other uses, like conventional

freight or passenger trains. The question is whether the construction on display in the Central Valley will be enough to dissuade a future governor from doing that.

“The more they can show what they have done, the harder it is to abandon the project,” Mr. Wachs said. “On the other hand, it can easily be argued that the cost of what they have done so far has so exceeded their projections that it’s not inappropriate for a governor to look at it and say, ‘Let’s not throw more good money after bad.’”

Mr. Kelly said that the merits of the project would ultimately pull it through.

“The project has been a political football for some time,” he said. “What I know is this: This project has all the right points of what California is trying to do with transportation. We are trying to provide fast, efficient service and we are trying to do it in a clean way that expands our economy.”

A version of this article appears in print on July 29, 2018, on Page A9 of the New York edition with the headline: \$100 Billion Train: Future of California or Boondoggle?.

MASS TRANSIT

NY: Uber and Lyft are Hurting Bus Ridership and Worsening Traffic, New Study Finds

Jason Laughlin On Jul 30, 2018

Source: McClatchy



Photo credit: Pixaby

Ride sharing will, along with taxi cabs, become a more widely used mode of transportation than buses by the end of the year, and is making traffic worse to boot.

That's one of the surprising findings in a study from New York City's Bruce Schaller, who has focused his work on how companies like Uber and Lyft are changing the way Americans travel, and what that means for other ways of getting around. His report forecast an annual rate of 4.74 billion trips in for-hire vehicles by the end of 2018, 241 percent more than through the last six years. That will eclipse the predicted 4.66 billion rides on local buses, Schaller found.

Schaller's study supported previous findings that ride share is more likely to take the place of walking, biking, or taking public transit than a person using their own

car. It also included some of the first findings on the economics of ride share users. In the biggest urban areas, ride share users are overwhelmingly well educated and wealthier, he found. That trend holds across smaller cities, suburbs, and rural areas, though less dramatically than in metropolitan centers.

A service favored by wealthier people that's hurting public transit raises concerns about transportation equity, said Chris Puchalsky, director of policy and special initiatives for Philadelphia's Office of Transportation and Infrastructure Systems.

"There is a long-term, possibly vicious, cycle here that has a negative consequence for those who really cannot afford to pay Uber and Lyft fares," he said. "And the city from a congestion point really cannot afford all this extra traffic."

Uber countered the notion that its customers are largely wealthier people. Schaller did find that the lowest economic rung, those earning less than \$15,000 a year, used ride share almost as much as the very wealthy in smaller cities. In New York City, where data on ride share trips is public, Uber has become widely adopted in boroughs to reach public transportation, said Danielle Filson, a company spokeswoman.

"People are using this to get to transit centers where there isn't a lot of other options," she said.

She also noted Uber business is growing in areas where there's limited public transit, creating mobility for people who don't have access to cars.

Lyft said Schaller's findings aren't definitive, and other studies have come to different conclusions, including one that found traffic in the San Francisco Bay Area declined as Lyft ridership grew.

STREETSBLOG USA

House GOP Transportation Bill Would Raise Taxes on Transit and Bikes

The bill would amount to a tax increase of more than \$200 million annually on American transit agencies.

By: Angie Schmitt

Jul 30, 2018

If House Republicans get their way, the next federal transportation bill will set off a round of fare hikes and service cuts.

New taxes on transit and bikes would raise revenue for highway construction under a bill introduced last week by Pennsylvania Republican Bill Shuster, chair of the House Transportation Committee.

In addition to raising the federal gas tax, the bill calls for a huge increase in fuel taxes paid by transit agencies, as well as a 10 percent tax on adult bicycle tires and electric batteries for cars and bikes.

Federal lawmakers have not raised the gas tax since 1993, and gas tax revenues no longer come close to paying for the federal transportation program. Shuster's bill would raise the gas tax by 15 cents per gallon (20 cents for diesel) over three years, then indexing it to inflation. Over 10 years, the bill would bring in \$300 billion more for federal transportation programs than current funding levels.

But Shuster has larded his bill with revenue sources that put the squeeze on transit and biking, which are already at a huge structural disadvantage in the U.S. While the bill is not expected to go anywhere, the idea of raising taxes on transit and bikes may have staying power with Republican lawmakers.

The bill includes a 10 percent tax on adult bicycle tires, for instance, estimated to raise \$15 million a year by 2021. The tax may not serve any transportation policy purpose, but it's a great way to pander to

angry conservatives who resent the tiny fraction federal spending that goes toward bike infrastructure.

The damage to transit agencies would be much worse. Since 1978, transit agencies have been exempt from federal fuel taxes. Shuster wants to eliminate that exemption. Transit agencies running diesel buses would have to start paying the existing 24.5-cent per gallon diesel tax, plus the 20-cent hike on diesel as well. Agencies operating diesel trains would also be newly subject to a smaller 4.3-cent per gallon tax.

American transit agencies consumed 603 million gallons of diesel fuel in 2017, according to the American Public Transit Association (although not all apply for the exemption). The Shuster bill would amount to a tax increase of more than \$200 million annually on transit agencies for diesel alone (other fuels are taxed at different rates and would add to the total). Many agencies would be forced to hike fares, cut service, or raise local taxes in response.

Shuster's justification is that "a number of surface transportation system users do not currently pay into the system, even though they benefit from it." But it's an indefensible policy, shifting some costs of the federal transportation program — which largely funds highways — to transit riders who can least afford it.

"The Highway Trust Fund shouldn't be funded on the backs of transit and bikes, even if it is a short-term measure," said Sean Doyle, a spokesperson for Transportation for America.

Miami Herald

Miami-Dade Is Almost Ready To Buy Its First Electric Buses. Enter The Lobbyists | Miami Herald

By Douglas Hanks

July 29, 2018 03:10 PM

Miami-Dade County wants to create a new fleet of modern electric buses, but the act of purchasing the quiet and smog-free vehicles seems to be skidding into an old-fashioned procurement fight.

County administrators have recommended buying nearly three dozen 40-foot electric buses from Proterra, a California company that has sold or leased electric buses to governments across the country, including in Washington, D.C. and New York City. With the estimated \$23 million deal awaiting a final sign-off from Mayor Carlos Gimenez, a losing bidder is urging Miami-Dade to throw out the recommendation and buy its vehicles instead.

"We are submitting this letter to, again, express concern regarding the County's decision to engage in negotiations with Proterra," lobbyist Alexander Heckler wrote Gimenez on June 20 on behalf of New Flyer, a bus maker based in St. Cloud, Minn., that also bid on the electric-bus contract. "The flaws in Proterra's buses will not only delay their delivery, but it will also expose the County to significant risks."

Proterra calls the allegations misleading and baseless, since Proterra has already deployed the same kind of battery-powered buses around the county. CEO Ryan Popple said New Flyer's lobbying team is trying to penalize Proterra for updating its bus design to reflect improvements in an emerging technology.

"New Flyer's attorney is trying to use innovation as a negative," Popple said Saturday in response to a statement Heckler released for this article. "We invest in engineering, not lobbyists."

Derailing the electric-bus contract could be a boon to New Flyer, which already sells the county diesel buses and is under contract to replace about a third of the county's bus fleet with vehicles powered by natural gas. Should Miami-Dade decide buying electric buses looks too daunting, New Flyer would be well positioned to provide replacements for an 800-bus fleet already suffering delays from having vehicles that are too old to still be in service.

"We believe New Flyer's letter writing campaign under the County's cone of silence rules is an abuse of the County's process," Proterra lobbyist Joseph Goldstein wrote Gimenez on June 21. "Miami-Dade has waited long enough to enjoy the public health benefits, and the clean, quiet public transportation experience enjoyed in major cities across the country that have deployed Proterra's zero-emission buses."

Federal data released in 2016 identified Miami-Dade as having the least reliable bus system in the country, with extensive breakdowns. A 2018 analysis by the Miami-based Transit Alliance found the number of “ghost buses” — vehicles scheduled to arrive at a stop but that don’t, usually because of mechanical issues — had doubled, to about 700 per month. Miami-Dade launched the electric-bus bidding in late 2016 as a pilot program to see how the battery-powered vehicles fared when put into service countywide. One big concern: how does the air-conditioning system fare on a battery-powered bus deal with Miami heat?

“We have a desire to check out electric buses, because they’re quiet and environmentally friendly,” said Alice Bravo, Gimenez’s transit director. “We do want to continue modernizing our fleet.”

If not resolved quickly, the fight over buying 33 electric buses could lead to the latest blow-up in Miami-Dade’s procurement system, which is notorious for chronic delays and decisions stalled for years as lobbyists argue against a competitor’s client winning a contract.

Miami-Dade is still wrangling over replacing four fire rescue helicopters that were supposed to be sold in 2014. Metrorail passengers have been dealing with extensive delays and breakdowns thanks to trains delivered during the Reagan administration. The county’s first replacement train finally arrived late last year from a bidding system that was launched in 2009 and then plagued by protests and contracting fights that led to years of delays.

“Miami-Dade County has a reputation among people who are suppliers that it’s a difficult place to do business,” said Charles Dusseau, a former county commissioner in the late 1980s and early 1990s who went on to serve as secretary of commerce under Florida Gov. Lawton Chiles.

“There are a lot of companies that come to Miami-Dade County that have never had to hire a lobbyist before,” Dusseau said. “When they come to Miami-Dade County, they find they do have to hire one.”

Contracting rules bar companies from talking directly to decision makers during the bidding process, but written correspondence is allowed. Letters and emails provided by the county show a contentious year of back-and-forth as New Flyer tries to put the brakes on Miami-Dade awarding its first electric-bus contract to Proterra. The company counts former vice president Al Gore as a top investor and says it has delivered roughly 200 battery-powered vehicles to customers.

New Flyer is one of the world’s leading bus sellers. Last year it began selling the county new low-emission buses powered by compressed natural gas. Its primary local lobbying firm, Llorente & Heckler, has extensive political ties. Managing partner Marcelo Llorente served as chairman of Gimenez’s 2016 reelection campaign and Jesse Manzano-Plaza, a partner in the affiliated firm called LSN Partners, was Gimenez’s campaign manager.

Gimenez has not responded to the dueling letters, or issued his recommendation on the electric-bus contract. His recommendation eventually goes to the 13-member County Commission for final approval of the contract.

In May 2017, a county selection committee of transit and purchasing administrators in the Gimenez administration recommended awarding Proterra the electric-bus contract. New Flyer was the runner up, and the panel concluded Proterra could charge its battery-powered buses quicker and the vehicles could travel farther without returning to a charging station.

While both companies bid roughly the same start-up price — about \$75 million for up to 75 buses, including multiple charging stations and other infrastructure — the selection panel concluded Proterra buses would be cheaper to maintain.

“Overall,” the committee’s chairperson, Jesus Lee, a county procurement officer wrote on May 16, 2017, “Proterra’s proposal offers the best life cycle cost.”

New Flyer began its demands for reconsideration 10 days after Lee delivered his recommendation, warning Proterra’s proposed electric bus for Miami-Dade wasn’t properly tested. It claimed that as Proterra altered the proposed vehicle’s design to respond to New Flyer’s objections to weight capacity and battery life, the model morphed into a vehicle so different that it violated the county’s prohibition against altering bids.

“Not only do these major untested changes impose high risk to the County, but [they] violate Florida procurement laws,” Heckler said in a statement. “New Flyer has proven over many years to be a trusted and reliable manufacturer for the County.”

Proterra countered that versions of the buses it wants to sell Miami-Dade are already in service in Louisiana, Washington, D.C., and New York, and that Chicago just picked the model over a New Flyer option after its own procurement process.

At a February hearing in Miami to address New Flyer’s allegations, Popple told the selection committee that the company has been updating its proposed design to address regulatory issues and Miami-Dade’s unique requests for battery-powered buses, and that the modifications are bound to continue once a contract is signed.

“By the time we ship this vehicle, the vehicle for Miami-Dade will be taking advantage of probably 18 months of innovation that was in the works and planned,” he said, according to a transcript. “This is a very rapidly moving technology.”

After the Feb. 16 hearing, the Gimenez administration opted to continue negotiations with Proterra for a final contract. With those talks in the final stages, Heckler said Friday his firm thought it appropriate to write directly to Gimenez with the concerns, given that he has final say on the recommendation.

"We waited until this was properly before the mayor and his senior staff," Heckler said.

New Orleans RTA Turns Away From Greener But Costlier Electric Buses, At Least For Now

BY JESSICA WILLIAMS

Jul 28, 2018 - 6:15 pm



A New Orleans Regional Transit Authority bus passes Greenwood Cemetery and a RTA streetcar on Canal St. and City Park Ave. in New Orleans, La. Wednesday, June 28, 2017. There has been a recent push to restore a single pass at the bus stop so riders can use one pass for the New Orleans Regional Transit Authority and Jefferson Transit (JeT) when transferring buses at the location.

The board that governs the New Orleans Regional Transit Authority is pressing pause on plans for buying costly electric buses, citing limited funding and calls from riders for more bus service in general.

Traditional diesel-powered vehicles are cheaper than battery-powered buses, so the agency can provide more of them for a given amount of money, which would help beef up a fleet badly in need of upgrades.

Thus, a recommendation from Transdev — the private firm that runs the RTA's operations — to pursue federal funding for eight electric buses at a cost of \$9 million was ignored by board members at a meeting last week.

The federal grant program that would have largely funded those buses has an application deadline of Aug. 6.

“The timeline on the bus grant is so tight that we didn't have a chance to do our due diligence to make an informed discussion,” Flozell Daniels, the RTA board chairman, said in an interview.

Meanwhile, he said, “The public has said, ‘All of this is great, but we just want more buses, and we want the buses that should be replaced to be replaced.’ ”

The RTA will instead pursue buying 17 diesel-fueled buses now and look again at electric buses later.

The agency has pondered introducing battery-powered buses as New Orleans officials have made a commitment to cut carbon emissions in the city in half by 2030. That plan specifically asked the transit agency to evaluate those buses' potential.

Electric buses are also a component of the RTA's long-term strategic mobility plan, which officials unveiled late last year.

But the push to go green comes as most of the RTA's traditional buses — nearly all of which had to be replaced after Hurricane Katrina — are at or nearing the end of their useful lives, roughly 10 to 12 years.

Meanwhile, the agency is providing only half of the bus and streetcar service it offered before Katrina, according to the transit advocacy group RIDE New Orleans. That group's data also show that the region went from having 19 high-frequency transit lines — those with vehicles arriving every 15 minutes or less — before the 2005 storm to only five such lines today.

The \$6.3 million grant Transdev wanted to apply for would have paid for much of the cost of adding eight electric buses on two lines, while the RTA would have had to come up with the rest.

Although diesel buses cost a little more than half as much as electric buses, the data Transdev gathered showed that the electric buses would have saved the RTA money over time.

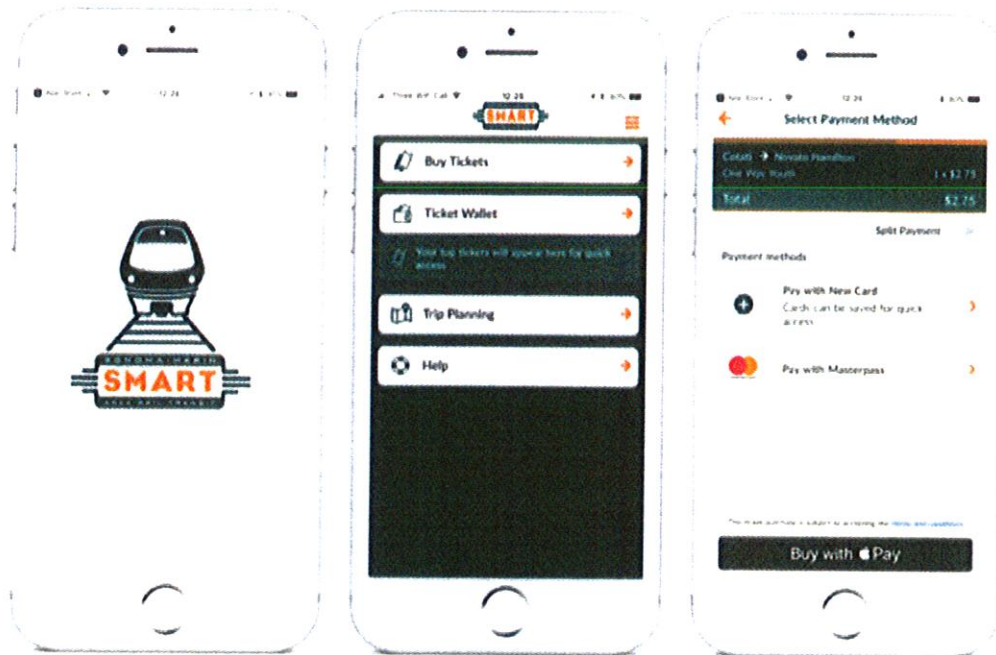
The RTA could still pursue the greener vehicles in the future, Daniels and Alex Posorske of RIDE said, after it ensures that its fleet is well-maintained and robust right now.

“We are going to make this a 21st-century transportation agency,” Daniels said. “It’s going to take a while, but we are going to get it done.”

MASS TRANSIT

Sonoma-Marín Area Rail Transit Adds Masterpass and Apple Pay to the SMART eTickets App

Source: [Masabi US Ltd Jul 24, 2018](#)



Sonoma-Marín Area Rail Transit riders have new options to pay for tickets when using the SMART mobile ticketing app, “SMART eTickets”. **Photo credit:** Masabi

Sonoma-Marín Area Rail Transit riders have new options to pay for tickets when using the SMART mobile ticketing app, “SMART eTickets”, with the addition of Masterpass and Apple Pay digital payment services. This allows customers to purchase tickets with just a tap, eliminating the need to type in any credit card numbers, billing information or security codes to complete a transaction.

To use Masterpass or Apple Pay on the SMART eTickets app, customers simply select the fare they wish to purchase, choose the stored payment card of their choice and complete the payment by using either Masterpass checkout or the Touch or Face ID features for Apple Pay.

Sonoma-Marin Area Rail Transit is the San Francisco Bay Area's newest transportation option for travel, offering passenger rail service in Sonoma and Marin counties. The service has seen strong adoption since launch with the addition of extra train cars to accommodate demand, while the app has proven extremely popular with riders accounting for over 17 percent of fares purchased on the service.

"These new payment options will make our mobile ticketing app even easier to use, and provide a fast and convenient way for our customers to get their tickets," said Jeanne Mariani-Belding, SMART's communications and marketing manager.

"SMART is such a fantastic way of getting around the San Francisco Bay Area and avoiding the congestion." said Brian Zanghi, CEO of Masabi. "The addition of new mobile payment solutions from Mastercard and Apple into the SMART eTicket app will help make riding the train in the Sonoma-Marin area even more seamless."

MASS TRANSIT

CA: Three Homicides in Five Days at BART Stations an 'Anomaly,' Official Says

Don Sweeney On Jul 24, 2018

Source: McClatchy

July 23--A teenage girl slain Sunday night in a knife attack at a Bay Area Rapid Transit station in Oakland is the third person to die in a week after violence on the transit line.

BART Police Chief Carlos Rojas called the series of deaths "an anomaly" at a Monday press conference, saying the attacks are the "highest priority" for transit police, reported KPIX.

Nia Wilson, 18, and her sister, Latifa, had just exited a BART train at MacArthur Station at 9:36 p.m. when a man who also had been on the train slashed Nia's throat and stabbed Latifa, police told The Mercury News.

Nia Wilson died at the scene and her sister has been hospitalized in critical condition, according to the publication. Rojas called it "one of the most vicious attacks I've ever seen."

The sisters were returning home after celebrating the birthday of Nia Wilson's late boyfriend, who drowned two years ago, cousin Ebony Monroe told KNTV.

Police on Monday identified John Lee Cowell, 27, who is homeless, as a suspect in the attack, KNTV reported. Police recovered the knife at a nearby construction site and are searching for Cowell.

At 1 a.m. Saturday, BART police found Don Stevens, 47, unconscious on the platform at the BayFair Station in San Leandro, KPIX reported. Stevens died of head injuries Sunday at a hospital.

A review of security camera video from the station showed a man punch Stevens in the side of head, Rojas told the station. Stevens then collapsed to the platform. Police are seeking the other man.

On Friday, Gerald Bisbee, 51, was found dead in his home from an infection related to an injury in a Wednesday altercation at a Pleasant Hill BART station, reported KRON.

Bisbee suffered a cut lip and cut to his knee in the fight, according to the station. He went to the hospital Thursday after feeling ill but was sent home, reported KRON. An autopsy showed he had died of an infection, officials said.

Abdul Bey, 20, has been arrested in connection with the attack, police told the station.

BART had not released information about the deaths of Stevens or Bisbee until reporters began inquiring about them, reported The San Francisco Chronicle.



IN: Bloomington Transit to End Late-Night Service

Ernest Rollins and Michael Reschke On Jul 24, 2018

Source: McClatchy

July 24--Bloomington Transit is discontinuing its late-night service starting this fall after offering it for nearly a decade.

From around 11 p.m. to 3:30 a.m., Bloomington Transit offered a weekend night owl service along routes 6 and 9 during Indiana University's fall and spring semesters.

Lew May, Bloomington Transit general manager, said primarily college students took advantage of the Bloomington Transit Night Owl routes. He said the service started during the 2009-2010 school year.

May said for the past three years Bloomington Transit requested IU increase the revenue, ranging from 1 to 2.5 percent annually, to support student transportation. However, he said the university turned down those requests.

With ridership declining, IU student transportation board did not recommend increasing student fees to continue the service, said Chuck Carney, university spokesman. The board was more interested improving campus routes during evening hours during the week, among other things.

"The Night Owl service was far down on the list of their priorities," Carney said.

Ridership on Bloomington Transit's Night Owl routes has declined every school year since it started. There were more than 42,000 riders during the 2009-10 school year, May said in an email, compared with about 12,000 during the 2017-18 school year.

Despite ending the Bloomington Transit Night Owl routes, there are still late-night transportation options available for students during the fall and spring semesters. IU Campus Bus will continue running its Night Owl route on Friday and Saturday nights. That route stretches from Memorial Stadium to Third Street and Jordan Avenue to the old Von Lee theater on Kirkwood Avenue. The last stop is Memorial Stadium at 3:03 a.m.

IU Safety Escort is another option seven days a week between 8 and 11:45 p.m. during the summer and 1:45 a.m. during the spring and fall semesters. The service can't be used for rides to a party or bar, but it can be used for a ride home from those events.

Students can call 812-855-SAFE or download the TapRide app to schedule a ride.



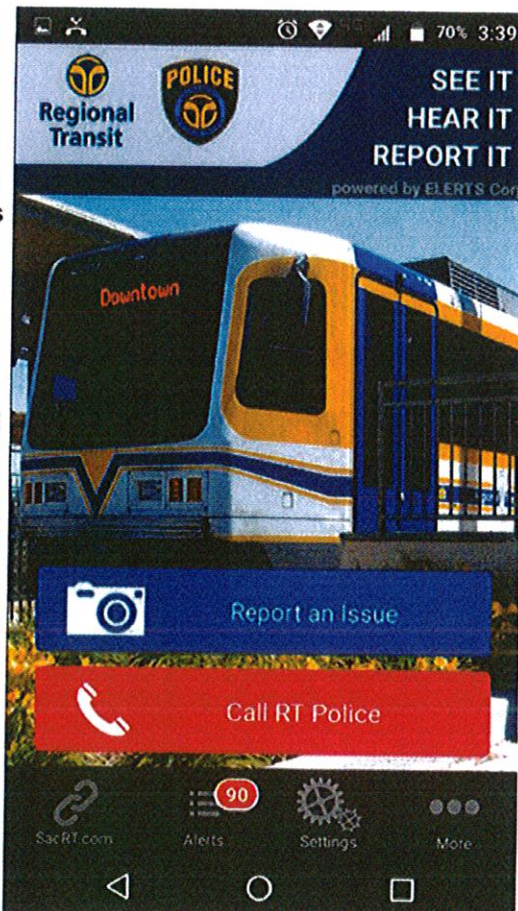
Security Enhancement

Efforts to Make Transit Riders and Facilities More Secure Show Positive Results

By: Stephanie Jordan - Managing Editor, Transit California

7/19/18

The video above shows how the "Alert SacRT" app can communicate directly to SacRT's Security Operations Center located within the Sacramento Police Department. At right, the "Alert SacRT" app not only gives riders general alerts it also allows users to send anonymous messages about suspicious activities. SacRT security enhancement steps have resulted in a 29 percent reduction in crime systemwide, according to recent June year-to-date crime stats.



“Excuse me, to the man wearing a red baseball cap, there is no smoking allowed at the light rail station. Please extinguish the cigarette immediately.” The “Voice of God” directive that comes over a public address (P.A.) system is a one of several security enhancement actions that are improving customer service and customer safety at Sacramento Regional Transit District (SacRT).

And it is working. June year-to-date crime stats reveal that SacRT security enhancement steps have resulted in a 29 percent reduction in crime systemwide, compared to the same time last year.

Originally put in place to help transit agents communicate with riders about the next arriving train, the P.A. system is now also used to reduce basic station rule violations by SacRT passengers, like smoking or drinking alcohol. It is proving effective for addressing nuisance behavior and for the most part, SacRT is finding that passengers tend to listen and then abide by the order. If they do not, the SacRT security staff, which is remotely monitoring surveillance cameras from the Security Operations Center (SOC) in downtown Sacramento, will dispatch a sworn officer or transit agent to the station to issue a citation. The SOC has been so effective at using high tech surveillance cameras and remotely communicating with customers that it has gone to a 24-hour, seven-day-a-week operation.

“Since the program rolled out in June 2017, SacRT’s security team has issued hundreds of P.A. announcements to encourage loiterers to leave and others to straighten up their behavior,” explains SacRT Police Services Chief, Lieutenant Lisa Hinz. “Incredibly, not one person has complained. In fact, SacRT passengers seem to be in favor of the security tool and view it as an exceptional customer service improvement.”

Paid Fare Zones

The P.A. system, which was installed at all 52 light rail stations, is just one tool the agency is using in its campaign to enforce rules and reduce loitering that began when the SacRT Board of Directors adopted Paid Fare Zones in April 2017. The policy requires all light rail passengers to have a valid ticket in order to be waiting in a station. This board action helped address the challenge that SacRT stations had become hangouts for vagrants by providing transit agents with the authority to issue citations to people loitering.

Another step in security enhancement in June 2017 came when SacRT eliminated contract security guards and hired in-house transit agents. This expanded the number of people who could check fares from 6 to 68, as union rules restricted contract security guards from inspecting fares. At the same time, SacRT increased its transit security staff, all of which has significantly reduced problems of fare evasion. A transit agent is now assigned to each train in service, and all agents are in radio communication with the SOC.

The in-house agents began a major fare enforcement effort that saw fare evasion drop from an all-time high of 20 percent down to just 4 percent within a one-year period.

Onboard Monitors

The P.A. system’s incredible success prompted SacRT’s IT Department to expand real-time video feeds to the inside of its entire light rail fleet. SacRT can now monitor passenger behavior

in real time while trains are in revenue service. Transit agents can also communicate problems to SOC staff, who can easily obtain a visual of the interior car so that a sworn officer will be able to respond within minutes and know exactly what type of situation they are about to encounter.

SacRT Police Services now boasts an 85 percent apprehension rate for law breakers, due to the combined enhanced video and police work. Because the SOC is located within the Sacramento Police Department, SacRT security staff is able to take advantage of facial recognition software that can then be used in conjunction with a criminal database to more easily identify suspects.

The primary goal of the SacRT safety and security initiative is to make all of its facilities and services safe and secure for its passengers. As an example, the campaign targeted one of its most troubled stations by having a total of 14 cameras, several of which can remotely tilt, zoom, and pan, installed in its stairwells that feed into the SOC. Every inch of the station is now visible at the SOC via surveillance video.

Other steps that secure the facility include the elevators and stairwell to be closed to the public when light rail service is not operating. Trespassers are cited. SacRT has installed a gate at the top of the station's stairwell that is locked 30 minutes after the end of service until 30 minutes prior to the start of service each day. In addition, SacRT crews removed old vegetation that had provided hiding spots for loiterers.

"Customers are SacRT's number one priority, so it's our mission to provide a clean, safe and convenient public transit service for everyone," states SacRT General Manager Henry Li. At the urging of Li, each member of the SacRT executive team has committed to adopting at least three stations to keep the system clean and safe.

See and Say

Another piece in the security enhancement campaign is engaging SacRT riders. Understanding that there are just a few hundred SacRT frontline employees and nearly 90,000 passengers on weekdays, the agency asks its passengers to download its Alert SacRT app to communicate directly with transit security.

The Alert SacRT app initially implemented in 2016 became much more widely used once the security enhancements became obvious and transit agents were placed on trains, rather than simply patrolling light rail stations. The Alert SacRT app allows riders to discreetly send texts, pictures and video directly to Regional Transit Police Services if they are witnessing criminal activity on the public transportation system. The app also sends service alerts to passengers when a light rail line experiences a disruption.

SacRT began its security initiative in earnest after passenger surveys indicated that people did not feel safe on its system. At the same time, additional pressure was added by city leaders who wanted people to take light rail to the Golden 1 Center, a new stadium in downtown Sacramento that opened in the fall of 2016. There was much concern about congestion management with everyone trying to travel downtown to the stadium to see a concert or watch the Sacramento Kings play basketball. Light rail was seen as the answer, which meant ensuring people felt safe using the system.

The 29 percent decline in crime, compared to the same time last year, is solid evidence that the agency's security enhancement initiative is off to a successful start. The agency intends to conduct another survey in the near future to determine the current perception of safety on its light rail and fixed route bus services.

The Sacramento Bee

Why California Business Leaders Are Fighting To Save The Gas Tax Increase

By: Alexei Koseff

July 16, 2018

It's not often the California Chamber of Commerce endorses a tax increase.

You are more likely to see such legislative proposals – on high-income earners, on services, on corporations — make the “job killers” list that the state’s largest business advocacy organization puts out each year to beat back bills it doesn’t like.

But when Gov. Jerry Brown and Democratic lawmakers last year passed a measure raising fees on transportation fuels and vehicle registration to pay for road repairs, it was because CalChamber, and the larger California business community, helped push it across the finish line.

Their support, along with the money and the bully pulpit it brings, will be essential for the coalition waging an uphill campaign to preserve the tax plan. Public polling indicates that California voters are ready to approve an initiative this November that would repeal the 12-cent-per-gallon hike on gasoline, 20-cent-per-gallon increase for diesel and new annual fee for cars based on their value.

“The roads are pretty miserable here in California. They’ve been neglected for quite some time,” said Allan Zaremborg, president and chief executive officer of CalChamber. “The economy depends on people being able to get to work in their cars and buses and being able to move goods.”

The business community has always been supportive of what it considers “necessary infrastructure investment,” Zaremborg said. In January, the U.S. Chamber of Commerce proposed hiking the federal gas tax 5 cents per year for the next five years to raise money for upgrades to highways, bridges and transit systems.

Zaremborg points out that nearly every aspect of the California economy relies on having usable roads: the transfer of goods from busy ports and warehouses to retailers, emerging sectors like on-demand rides and food delivery, and even tourists driving to San Francisco or Disneyland.

“We have to have a transportation system that allows us to sustain those jobs,” he said.

And this is the fairest way to do it, he argues. While the CalChamber usually objects to taxes that target just the business community or one industry and nobody else, Zaremborg said raising the gas tax is similar to a user fee, because it costs more the more you drive: “You get something in return equal to what you pay.”

CalChamber and dozens of local business associations have already joined the campaign against the repeal measure, which will appear on the ballot this fall as Proposition 6.

Zaremborg said he doesn't know how much he expects to spend on the campaign. That will depend, he said, on whether proponents – including the Republican Party, which has banked on the initiative as a crucial strategy to drive up conservative turnout in November – plan to run a statewide race or focus on targeted House districts where Democrats are trying to take out GOP incumbents.

Several of those congressional candidates have contributed six-figure sums to the repeal effort, calling the fees an unfair burden on drivers already struggling with California's high cost of living.

Republican businessman John Cox has also made the tax repeal the central issue of his gubernatorial campaign. He criticized Democrats for “sticking their hands in the pockets of Californians” and promised to use transportation revenues more efficiently if he is elected.

The opposition has raised more than \$12 million so far to fight the repeal, primarily from construction companies and building trades unions, as well as from the League of California Cities and the California Democratic Party. Gov. Jerry Brown, who worked for several years to get the tax plan through the Legislature, has nearly \$15 million available in his campaign account.

But not everyone is so eager to talk about a policy that is hitting consumers at the pump.

Bloomberg

First Electric Double-Decker Transit Bus Is Coming to America

By: Brian Eckhouse

July 12, 2018

- Southern California to get bus manufactured by Alexander Dennis
- Latest chapter in global shift toward battery-powered buses

The first electric, double-decker bus to be ordered by a public transit agency in the U.S. is headed for the Los Angeles area.

The vehicle, powered by battery technology from Proterra Inc. and manufactured by the U.K.-based bus builder Alexander Dennis, will join a Southern California transit agency's fleet next year, according to a statement Thursday. Terms of the transaction with Foothill Transit weren't disclosed. The companies said the bus marks North America's first electric, double-decker bus order for a public transit agency.

The order brings a global shift toward battery-powered buses to California's San Gabriel and Pomona Valleys, where Foothill operates routes including express service to Pasadena and downtown Los Angeles. Almost half of municipal buses globally will be electric in 2025, based on Bloomberg NEF forecasts.

"We're seeing increasing global demand for electric buses that combine high passenger capacity and comfort," Robert Davey, of Alexander Dennis, said in the statement. Ryan Popple, Proterra's chief executive officer, noted in an interview that California has been "the leading market for the electrification of mass transit."

Proterra has sold more than 590 vehicles to 69 municipal, university, airport, federal and commercial transit agencies in 31 states. Foothill, which bills itself as an environmentally friendly bus service, says it plans to operate only electric buses by 2030.

Los Angeles Times

Driverless-Car Makers Want Congress To Free Them From State Safety Standards

By Eliza Fawcett

Jul 11, 2018 | 7:30 AM



A Google self-driving car on exhibit at the Computer History Museum in Mountain View. (Eric Risberg / Associated Press)

As Silicon Valley and automakers attempt to steer the nation toward a future of driverless vehicles, a group of influential lawmakers remains concerned that bipartisan legislation now moving through Congress could leave consumers at risk by preventing states from demanding tighter safety regulations.

The House passed a bill last fall and similar legislation is pending in the Senate. Both aim to boost the driverless car industry by streamlining rules and preventing states from imposing their own safety and performance standards.

But consumer advocates and a group of lawmakers including Sens. Dianne Feinstein (D-Calif.), Richard Blumenthal (D-Conn.), and Edward J. Markey (D-Mass.) are worried that the current proposals don't go far enough to protect consumers from accidents and other dangers.

The consternation over the legislation highlights Congress' persistent challenge in keeping up with the innovation economy. As lawmakers spar about how to regulate autonomous vehicles, Silicon Valley and the rest of the world are racing ahead with developments. Driverless cars have already been cruising through select cities on test runs.

As testing has expanded, so have the risks. The first pedestrian fatality caused by a driverless vehicle occurred in March, when Elaine Herzberg was fatally struck by an Uber operating on self-drive mode in Tempe, Ariz.

Sponsors of the House and Senate measures are mostly from automotive states such as Michigan and Ohio, and they are eager to anchor the emerging autonomous vehicle industry in their regions. They warn the U.S. could fall behind other nations.

"It's being built in China, it's being built in India, it's being built in Western Europe," said Rep. Debbie Dingell (D-Mich.), a co-sponsor of the SELF DRIVE Act, at a recent forum at George Washington University. "If we want to make sure that we are staying at the forefront of innovation, we've got to be doing the same thing."

The two pending measures would clear a path for industry, largely preempting state regulation of autonomous vehicles, and allow for the development of federal guidelines. But with little indication that the federal government will create a regulatory apparatus in the near future, consumer advocates are concerned that the bills will leave the industry without sufficient consumer protections.

"These vehicles need to come under regulatory oversight, and right now the Department of Transportation really doesn't have the technological capability to set such standards and develop rules for manufacturing," said Jack Gillis, president of the Consumer Federation of America.

The National Highway Traffic Safety Administration does not have a specific timeline for federal regulations for driverless cars, although the agency is working with Congress and automakers toward that end, according to Kathryn Henry, an agency spokeswoman. The 2019 Transportation Department budget includes \$21 million for NHTSA rule-making programs that include "efforts to facilitate the development of autonomous vehicles by reducing regulatory barriers to technology innovation."

The House measure would enable the Transportation secretary to grant automakers exemptions from federal motor vehicle safety standards, through a phased approach that would begin with 25,000 exemptions in the first year and increase to 100,000 by the third year. Manufacturers would have to demonstrate that their driverless cars are as safe as or safer than traditional vehicles, and states would maintain control over the registration and licensing of autonomous vehicles, in addition to overseeing crash investigations, safety inspections, and traffic laws.

The AV START Act, authored by Sen. John Thune (R-S.D.), is meant to set some basic safety and transparency requirements at a time when the vehicles are still being developed. Like the House measure, it enables the preemption of state laws regulating the design and performance of autonomous vehicles.

“Self-driving cars represent the moon shot for artificial intelligence and machine learning,” said Sen. Gary Peters (D-Mich.), a co-sponsor of the bill. “When [autonomous vehicles] can pilot through a city like Washington, D.C., using [artificial intelligence], that means that AI is ready for prime-time in every single industry in America. It will change everything in this country.”

Peters and other lawmakers bullish on the technology are aiming to move the AV START Act to the Senate floor by the end of the summer. The bill passed the Senate Commerce Committee by voice vote last fall.

In March, Uber and Waymo wrote a joint letter urging the Senate to pass the bill. The companies argued that it would “protect against a patchwork of regulations that could only delay or complicate the deployment of this important technology.”

Facing legislative uncertainty on the federal level, many states have begun to create their own regulations for autonomous vehicles. According to the National Conference of State Legislatures, 29 states and Washington have enacted legislation related to driverless cars.

In Florida, autonomous vehicles can legally operate on public roads without a driver present. In 2015, Gov. Doug Ducey of Arizona signed an executive order establishing safety guidelines for the testing of autonomous vehicles and enabling pilot testing programs. The Republican governor updated the order earlier this year to specify that driverless cars must comply with state traffic and safety laws, among other requirements.

But a coalition of lawmakers and consumer advocates warns that the measures leave the public at risk. They worry that the bills fail to protect passengers from

hackers, who could conceivably tap into the systems that control the cars and cause chaos. They also say the bills lack a standard “vision test” to ensure that computer vision systems can properly perceive and react to unexpected obstacles, much in the way that passing a vision test is required to obtain a driver’s license.

A March letter drafted by five Democratic senators — including Feinstein, who represents many tech companies — warned that the Senate bill “indefinitely preempts state and local regulations even if federal safety standards are never developed.” While the bill addresses the deployment of high-level automated vehicles, they wrote, it does not set adequate standards for partially automated vehicles, which have been involved in recent accidents.

In a recent statement, Feinstein said the concerns she outlined in March, particularly concerning public safety and the preemption of state laws, have yet to be adequately addressed. “I’ll continue to oppose this legislation until those issues are fixed,” she said.

Some critics say it would be preferable to pass nothing for now.

Jason Levine, executive director of the Center for Auto Safety, said that since the wide-scale adoption of autonomous vehicles is still a long way off, “the rush to get a bill passed seems like a very in-the-Beltway development.”

The safety concerns are emerging even as one of the biggest selling points of driverless technology is its potential to save lives and eliminate traffic congestion. Driverless cars could follow each other on the highway at 70 miles per hour with just 2 feet of spacing between them, said Jerry Kaplan, an artificial intelligence expert and adjunct professor at Stanford University. That could potentially triple the capacities of highways while reducing accidents and the cost of insurance.

But gnawing at Congress is how widely to allow testing on public roads, where lives are put at risk.

“Doing testing is important, but the American public should not be used as guinea pigs, forced to participate in tests they did not agree to,” said Missy Cummings, a professor of mechanical engineering at Duke University.

John Simpson of the Los Angeles-based Consumer Watchdog said California initially had regulations in place that required a “safety driver” who could take over an autonomous vehicle in the case of emergency. But new regulations allow for the testing of completely driverless vehicles. Still, unlike in other states,

California companies testing self-driving cars are required to file crash and disengagement reports with the Department of Motor Vehicles.

“The regulations in California are too weak already, but at least we have something,” Simpson said. “Many companies testing now have gone to Arizona because there are virtually no regulations there.”

Experts say it will be a long time before autonomous vehicles are available at local dealerships, and many technological issues remain to be resolved.

“The reality is, we’re much closer to autonomous vehicles than we were 20, 30 years ago,” said Jason Levine of the Center for Auto Safety. “But right around the corner? That’s a pretty long corner.”

The Sacramento Bee

California Beats Its 2020 Goals For Cutting Greenhouse Gases

By Dale Kasler

July 11, 2018 02:57 PM

California has beaten its self-imposed goals for reducing greenhouse gas emissions, achieving a milestone in the state's fight against climate change.

The California Air Resources Board announced Wednesday that total statewide carbon emissions fell to 429 million metric tons in 2016, a drop of 12 million tons from the year before. The decline means California met the Legislature's goal of reducing emissions to 1990 levels, and did so a full four years before the target year of 2020.

Gov. Jerry Brown and other state officials said the results proved the state's portfolio of anti-carbon laws and regulations is succeeding — and showed California can fight climate change while still enjoying a significant economic boom. They pledged to continue to fight efforts by President Donald Trump's administration to roll back strict emission rules imposed by the Obama administration.

"This is great news for the health of Californians, the state's environment and its economy, even as we face the failure of our national leadership to address climate change," said Air Resources Board Chair Mary Nichols in a prepared statement.

She said the 2016 carbon emissions were 13 percent below the peak level recorded in 2004; at the same time, the state's economy grew by 26 percent.

The Air Resources Board said the reduction in emissions is the equivalent of taking 12 million cars off the road.

Critics, however, said the California economy has paid a significant price — in the form of higher prices for gasoline, electricity and other goods — while achieving relatively little in terms of global environmental impact. Because California accounts for only 1 percent of global carbon emissions, "the notion that California is going to do anything unilateral that's going to have an effect is statistically ludicrous," said Jeremy Carl, an energy specialist at the conservative Hoover Institution at Stanford University.

Yet Colleen Kredell of Next 10, a Bay Area advocacy group that studies climate change and economics, said state leaders can use the results to inspire other countries to do more to fight global warming. Noting that Brown is co-hosting a global climate summit in September in San Francisco, she said, "California has an opportunity to say our policies are working."

Just how much California's policies are succeeding is a matter of some debate. Severin Borenstein, an energy economist at UC Berkeley, said a key reason why carbon pollution has fallen is the Great Recession, which took a huge toll on economic activity in its early years.

"That's probably the biggest piece of why we hit the target," Borenstein said.

California's war on climate change is built largely around AB 32, the 2006 law that set the goal of reducing emissions to 1990 levels by 2020. Its arsenal includes a cap-and-trade program that's required big industrial firms to spend billions of dollars on credits that provide the right to emit carbon, as well as rules forcing electric utilities to reduce their fossil-fuel consumption and rely more on renewable energy sources like solar and wind power. Oil refiners and other fuel producers also pay through rules that penalize them for spewing carbon during the production process.

Ordinary Californians feel the impact most directly at the pump. Experts say retail gas prices in California, which already were among the highest in the nation, have risen by as much as 15 cents a gallon.

Despite those costs, unemployment has fallen, and California's economy is one of the nation's strongest. Kredell said the expansion of solar energy in particular represents "a tremendous amount of economic opportunity." About 100,000 Californians have jobs installing solar panels or working in other facets of the industry, according to the California Solar Energy Industry Association.

Borenstein said the next steps will be the hardest. SB 32, a follow-up climate change law signed by Brown in 2016, requires California to reduce carbon emissions by 40 percent below 1990's levels. The deadline for hitting the target is 2030.

"We should celebrate ... but we should recognize this is the first baby step," Borenstein said. Hitting the 2030 goals "is a much bigger challenge."

'We all have to wake up' on climate change, Jerry Brown says

He said California faces several hurdles on the way to 2030. Although the electric utilities have made great progress in reducing their carbon footprint, the transportation sector is still lagging. Transportation, the single largest source of greenhouse gases, saw a 2 percent increase in emissions as fuel consumption rose in 2016. Industry experts say Californians' continuing affinity for SUVs and pickup trucks is undermining the quest to reduce carbon emissions.

California, along with several other states, also continues to fight the Trump administration over greenhouse gas limits on cars. The administration has signaled it will roll back Obama-era limits on automotive emissions and could even try to scrap California's cherished clean-air "waiver," which gives the state the right to impose stricter limits than the federal government. Without the waiver, state officials say it will be extremely difficult to meet its future greenhouse emission goals.

MASS TRANSIT

Nearly \$97M Awarded to 152 Public Transportation Projects Under Cap-and-Trade Fund

Source: Caltrans (California Department of Transportation) Jul 11, 2018

Caltrans has announced that 152 local projects received nearly \$97 million in funding from the Low Carbon Transit Operations Program. These projects continue California's effort to reduce greenhouse gas emissions and improve the sustainability of public transportation systems around the state. More than 130 projects totaling \$87 million will specifically benefit the disadvantaged and low-income communities.

"This program is about making transit work better for more riders, funding expanded service and reducing fares, especially for those who face financial barriers to mobility," said Caltrans Director Laurie Berman. "Providing accessible, reliable and affordable public transportation all feeds into promoting a healthier environment, better access to economic opportunity and a higher quality of life."

The Low Carbon Transit Operations Program is one of several state programs under the California Climate Investments which are funded through auction proceeds from the California Air Resources Board's Cap-and-Trade Program into the Greenhouse Gas Reduction Fund. Funding from this program goes toward direct investments in transit projects that reduce greenhouse gas emissions and benefit Disadvantaged and Low-Income Communities and Households (defined by CalEPA) throughout California.

Some of the local projects that will benefit from LCTOP funding disbursements include:

31 Projects to Offer Free or Reduced Fares:

- Yosemite Area Regional Transportation to offer targeted populations from the city of Merced and Mariposa County reduced fares on public transit to access such sites as Yosemite National Park. \$33,038
- Sunline Transit Agency to offer a College Pass that will provide college students in the Coachella Valley free transit service. \$696,048
- Southern California Regional Rail Authority to offer roughly 80,500 free tickets for targeted populations including new generation transit riders and seniors. \$2 million

51 Projects for New or Expanded Transit Service:

- San Francisco Municipal Transportation Agency to expand transit service on San Bruno Rapid Line 9R, Folsom/Pacific Line 12, Sunset Line 29, the O'Shaughnessy Line 44 and the Quintara/24th Street Line 48. \$2.6 million
- Fresno Department of Transportation to expand weekday night service and increase frequency on weekend service. \$350,000
- Omnitrans to continue operating Route 290 Freeway Express that cuts travel time in half for passengers. \$150,350

22 Projects to Purchase Replacement Zero-Emission Vehicles:

- San Diego Metropolitan Transit System will purchase six electric buses, two hydrogen fuel cell buses and infrastructure in their pilot program to introducing zero-emission bus technology on their system. \$2.6 million
- Eastern Sierra Transit Authority will purchase an electric vehicle and infrastructure for a dial-a-ride service. \$26,411
- Santa Clara Valley Transit Authority to purchase up to nine zero-emission battery electric buses and infrastructure. \$3.9 million

15 Projects Purchasing, Constructing, and/or Installing Passenger Amenities at Transit Stops/Stations to Encourage Increased Transit Ridership:

- Humboldt Transit Authority will construct a bus stop to improve safety that will include the shelter, solar lighting and solar-powered real-time bus information. \$75,000
- Madera County Transportation Commission will install multiple shelters and amenities within the city of Madera, the County of Madera and the city of Chowchilla. \$95,635
- City of Torrance will install solar lighting at hundreds of bus stops in targeted communities. \$173,830

This program was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. Approved projects will support new or expanded bus or rail services, or expanded intermodal transit facilities. They may also include equipment acquisition, fueling and maintenance and other costs to operate these services or facilities, with each project reducing greenhouse gas emissions.

MASS TRANSIT

CA: Lawsuit Targets Toll Authority Over \$3 Bridge Toll Increase

Erin Baldassari On Jul 10, 2018

Source: McClatchy

July 10--SAN FRANCISCO -- A taxpayers association, on behalf of three plaintiffs from Vallejo, Vacaville and Lodi, is challenging a recently approved \$3 bridge toll increase in state court -- a move that could potentially delay or eliminate the measure.

The Howard Jarvis Taxpayers Association filed the suit Thursday in San Francisco Superior Court against the Bay Area Toll Authority (BATA). It challenges the notion that Regional Measure 3, which voters approved last month, is a "fee" requiring only a simple majority to pass, rather than a "tax," which requires two-thirds voter approval.

The suit asks that the toll be invalidated.

The measure passed with 55 percent of the vote across all nine Bay Area counties, according to the most recent election results. It would increase bridge tolls by \$1 on Jan. 1, followed by subsequent \$1 increases in 2022 and 2025, raising an estimated \$5.4 billion over the next decade to pay for nearly three-dozen transportation projects in the Bay Area.

That's not a fair increase for the drivers who will be footing the bill for public transit or bicycle and pedestrian projects, which together account for roughly two-thirds of the planned projects, said Timothy Bittle, a lawyer for the Howard Jarvis Taxpayers Association. There's no evidence those projects will result in fewer car trips, he said. Randy Rentschler, a spokesman for the Metropolitan Transportation Commission, which oversees the toll authority, did not respond Monday to questions about how transit would improve traffic flow on the bridge.

"I don't think all that money can be quantified as a traffic reduction expense," Bittle said.

Prop 26, which voters approved in 2010, broadened the definition of a tax to include many payments previously considered to be fees, according to the Legislative Analyst's Office. Fees that benefit the public broadly -- rather than providing services directly to the fee payer, such as garbage fees or state park entrance fees -- would be considered a tax under Prop 26, the analyst's office said.

So, while previous toll increases might have counted as a fee prior to Prop 26, Regional Measure 3 is a tax under the new law, Bittle argued. And, previous toll increases may have been more directly connected to bridge improvements and the highways connected to them than the most recent measure, he said.

"We didn't have Prop 26 before," he said. "And, this measure is almost entirely going to be spent on public transit that the toll payers aren't using."

Regional Measure 3 was written with guidance from the state's Office of Legislative Counsel, as well as the commission's outside law firm, Orrick, Rentschler said. He noted that the taxpayers association also supports the repeal of SB1, the gas tax and registration fee increases the legislature approved last year.

"We oppose their path of obstruction as our highways and transit systems must be maintained and improved in order to support the Bay Area's high wage economy that benefits Bay Area families," Rentschler said. "We have every intention to follow through with the direction the legislature and the voters have provided to gain congestion relief so badly needed to maintain the quality of life so valued by residents."

Santa Cruz Sentinel

Los Angeles Subways To Phase Out Infamous Fabric Seat Covers

Posted: 07/10/18

LOS ANGELES (AP) — The Los Angeles County Metro system plans to phase out some of the fabric seat coverings currently used on subway, rail and bus lines.

Vinyl will be used on the Purple and Red line subways to replace brightly patterned fabric that often conceals all sorts of nasty hazards ranging from bugs to liquids.

Bob Spadafora is the Metro executive overseeing the change. He tells the Los Angeles Times the fabric is like "a housing development for germs," allowing them to fester and breed.

The change will occur over six years as subway cars are overhauled after years in service.

The switch won't involve Metro's 2,438 buses or four light-rail lines, but Spadafora says if the new subway seats are a hit it could expand to the light-rail Gold Line.

METRO

FOR TRANSIT & MOTORCOACH BUSINESS

BYD Partners To Launch First-Ever Electric Bus Leasing Program

Posted on July 10, 2018



BYD client Antelope Valley Transit Authority in Los Angeles County estimated a cost savings of more than \$46 million over the lifetime of a new fleet by electrifying its buses; this equates to approximately \$46,000 per bus per year in savings compared to an all diesel fleet. BYD

Generate Capital Inc., a financier, owner, and operator of distributed infrastructure, announced a joint venture to launch the first electric bus leasing program of its kind in the U.S., in partnership with BYD Motors Inc.

As part of the joint venture, \$200 million will be allocated to this pioneering lease program, which will help public and private sector clients accelerate adoption of battery-powered electric buses by reducing upfront costs. In doing so, the program

will also help provide cleaner, quieter, safer, and more fiscally responsible transportation choices.

According to Bloomberg New Energy Finance, the U.S. energy efficient transportation market is expected to grow 500% over the next eight years. Today, there are approximately 345,000 electric buses on the road globally (according to the 2017 Global EV Outlook), yet the U.S. battery-electric bus stock stands at only about 300 (two-thirds of which were made by BYD). While electric buses save substantial money over the life of the asset, they do require higher upfront investment than conventional diesel-powered buses. This factor has limited the adoption of electric bus technology in the U.S. — particularly among private-sector clients and smaller municipalities where such start-up costs can be daunting.

The Generate-BYD partnership aims to provide these entities with the same access to clean transportation options that larger municipalities use to save substantial money. For instance, BYD client Antelope Valley Transit Authority (AVTA) in Los Angeles County estimated a cost savings of more than \$46 million over the lifetime of a new fleet by electrifying its buses; this equates to approximately \$46,000 per bus per year in savings compared to an all diesel fleet. In addition, AVTA estimated that noise pollution would be reduced by 50% and that the all-electric fleet would provide elimination of CO₂, NO_x, PM₁₀, and PM_{2.5}, improving air quality. AVTA will become the nation's first 100% electric bus fleet by the end of 2018.

This innovative lease program already has several clients, including prominent universities, top corporations, and smaller municipalities. According to the U.S. Department of Transportation, every zero-emission bus eliminates approximately 1,690 tons of CO₂ over a 12-year period. This is equivalent to taking 27 cars off the road. These buses also eliminate approximately 10 tons of nitrogen oxide, and 350 pounds of diesel particulate matter.

“BYD’s mission is to fundamentally change the world by reducing our dependency on carbon-based fuels through the development and advancement of battery- and electric-vehicle technology,” said BYD President Stella Li. “This partnership will be critical in that effort by creating new financing alternatives to a broader range of clients.”

MASS TRANSIT

CA: Billions of Dollars at Stake for Transportation in California Gas Tax Repeal Effort

By: Kevin Fixler On Jul 9, 2018

Source: McClatchy

July 08--The sharpest statewide political battle this November will be fought over California's still-new gas tax, with billions of dollars for road and transit upgrades at stake in a repeal measure that has now earned a place on the ballot.

Leading Republicans in the state, including gubernatorial candidate John Cox, are supporting the repeal, while Democrats are staunchly opposed. The two camps, including their proxies and allies, are expected to dump millions of dollars into swaying voters' decision on the ballot initiative.

If approved, it would roll back a tax increase signed into law last year by Gov. Jerry Brown as part of plan to raise approximately \$52 billion for transportation fixes through higher fees at the pump and other charges.

At stake for Sonoma County is more than \$170 million for regional projects such as the Highway 101 widening, fixes to traffic-clogged Highway 37 and northward expansion of the SMART commuter rail line.

Additionally, upwards of \$19 million in annual city and county road improvement dollars would be lost if voters back the repeal, according to local transportation officials.

"It is everywhere in the region that will be affected," said Supervisor David Rabbitt, who is closely tied into the North Bay's transportation issues. He and other local officials -- nearly all Democrats -- have signaled they will come out swinging against the repeal in whatever capacity they can.

"It's literally every road, and paving of neighborhood roads, too," Rabbitt said. "It would be foolish to go down that route. Our infrastructure will go to hell and we won't see any improvement if that's the case."

But California's GOP leaders, who've seen their party repeatedly shut out in statewide elections, sense they may have a winning strategy, appealing to a tax-sensitive electorate in a state where the cost of living continues to soar.

Tim Hannan, a registered Republican and president of the Sonoma County Taxpayers' Association, said those higher costs, fueled in part by taxes, continue to drive working families out of the state. He plans to vote in favor of the gas tax repeal after what he said was a history of seeing funds dedicated to California's crumbling infrastructure spent elsewhere.

"I like the idea of repealing the gas tax," Hannan said, speaking on his own behalf because the taxpayers' association has not weighed in on the measure. "California government needs to do a better job setting its priorities and budgeting more carefully. So we need an alternative, and the initiative serves that purpose. If the voters decide one particular way, they have to be honored."

The tax increase at issue, Senate Bill 1, passed the Legislature last year virtually along party lines, with Democratic backers hailing it as a major victory for ailing road infrastructure and mass transit lines.

After the new taxes took effect last November, conservative opponents, including Cox, the GOP nominee for governor, soon began collecting signatures to challenge the law. Support poured in from national party leaders, including U.S. House Majority Leader Kevin McCarthy, R-Bakersfield, who helped fund the initiative campaign.

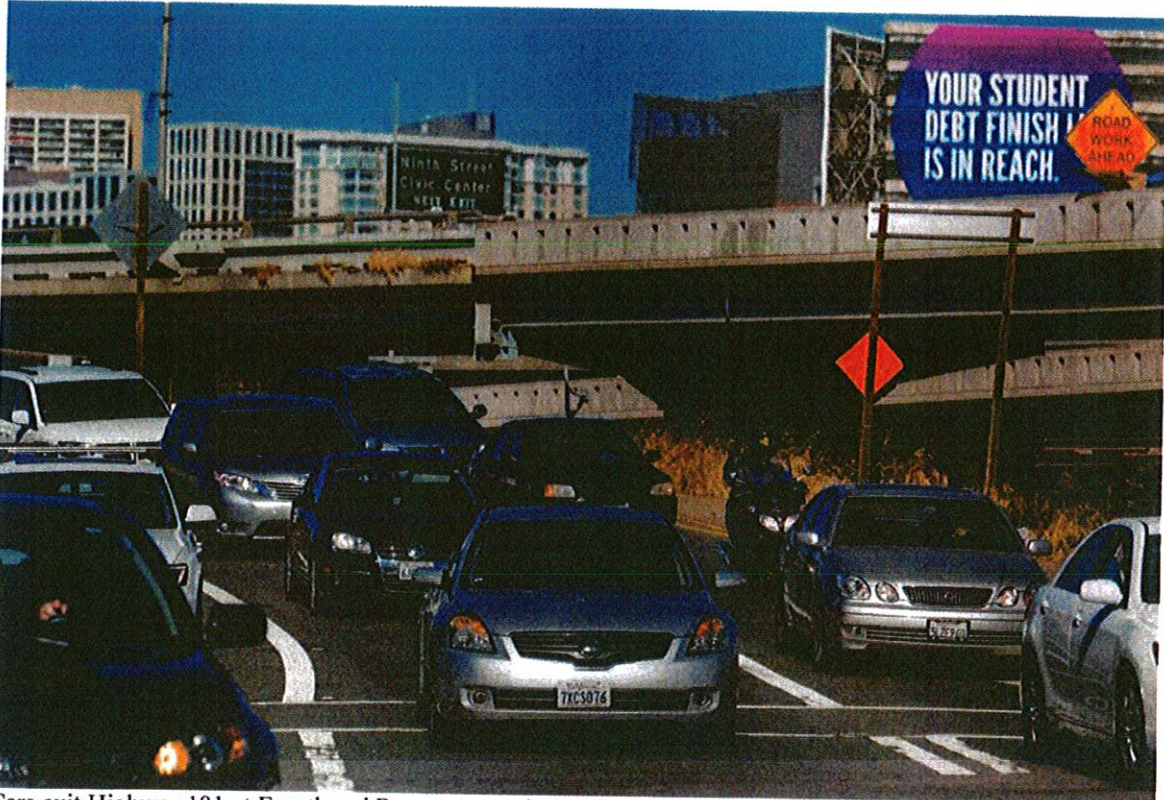
For Brown, who finishes his last term in January, the fight is for the future of one of his chief accomplishments -- a funding stream to help modernize California's aging transportation network. Lt. Gov. Gavin Newsom, the Democrat running to succeed him, opposes the repeal because it would defund safety upgrades to the state's transportation infrastructure, according to a spokesman with his campaign.

San Francisco Chronicle

Highways Considered For Carpool Lanes In And Out Of SF

By: Matier & Ross

July 9, 2018



Cars exit Highway 101 at Fourth and Bryant streets in S.F. last year. Transit officials are looking at creating carpool lanes with a fee on Highway 101 and Interstate 280 for a faster commute in and out of the city.
Photo: Gabrielle Lurie / The Chronicle 2017

Transit officials are looking into carving out carpool lanes along both Highway 101 and Interstate 280 that could double as toll lanes to allow drivers willing to pay a bit extra for a faster commute in and out of the city.

The southbound commute lane would extend along I-280 from King Street, near AT&T Park, down to where Highway 101 meets Interstate 380 near San Francisco International Airport.

The northbound lane would run along Highway 101 — from I-380 up to the San Francisco County line — then pick up again on I-280 from Mariposa to King streets.

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The San Francisco lanes could eventually hook up with other express lanes being planned in San Mateo — and those that are already in operation in Santa Clara County. In time, they could stretch all the way to Morgan Hill.

“The goal is to create a more reliable commute in and out of the city and to encourage more carpooling and bus ridership,” said San Francisco County Transportation Authority Executive Director **Tilly Chang**.

In some sections, the new lanes would take the place of the highway’s existing shoulder. In other sections, adding a carpool lane would mean taking out a lane of traffic.

The estimated cost would be \$60 million to \$100 million.

But it’s not the cost of the lanes that is raising questions — it’s the politics.

“Just like anything in San Francisco, we are all about community process,” said Supervisor **Ahsha Safai**, whose district includes portions of the highways.

An estimated 300,000 people a day travel the heavily congested Peninsula corridor, including drivers and passengers in single cars, passengers on Muni and SamTrans buses, and techies on the fleets of private commuter shuttles that serve Silicon Valley campuses.

There are also an increasing number of ride-hailing services such as Lyft and Uber, ferrying people to and from the airport.

It’s estimated the carpool lanes could shave five to nine minutes off the trip. At the same time, losing regular lanes to express lanes could add up to five minutes for people not in a carpool.

One question: Who benefits the most from the lanes?

“Are we looking at it in terms of San Francisco residents or in terms of people coming up from the Peninsula to work in San Francisco?” Safai said.

There is also the question of whether the carpool lanes should be open for a minimum of two people in a car — or three.

“From what we have seen elsewhere in the Bay Area, if it’s two people per car, the lane fills up right away and does little to help traffic,” said Metropolitan Transportation Commission spokesman **Randy Rentschler**. “It should be three per car.”

The even bigger question is whether drivers who are willing to pay should be allowed onto the lanes, as they are in other parts of the Bay Area.

After all, this is San Francisco, and letting the affluent buy their way out of traffic is not necessarily the ideal way to promote use of public transit. The price paid depends on the time of day and length of the trip.

“For some people, it’s a question of equity,” Supervisor **Aaron Peskin** said.

“Are we trying to get people out of their cars, or are we encouraging those willing to pay to stay in their cars?” Safai asked.

The debate isn’t limited to San Francisco. In neighboring San Mateo County, there are also questions about using new carpool lanes as express lanes.

“It’s a money grab,” said San Mateo County Supervisor **David J. Canepa**. “It’s something the voters should decide.”

Caltrans will make the ultimate call. Meanwhile, as the debate continues, Assemblyman **David Chiu**, at the request of the County Transportation Authority, has introduced a bill to allow either the Santa Clara Valley Transportation Authority or the Metropolitan Transportation Commission to manage the lanes — just in case.

On tap: One of **London Breed**’s first big decisions after being sworn in as San Francisco’s mayor Wednesday will be naming her District Five replacement on the Board of Supervisors, and it could shape up as a family affair.

Topping the list of contenders is **Judson True**, the longtime aide to Assemblyman **David Chiu**. True is married to **Andrea Bruss**, a legislative aide to Breed who will follow her to the mayor’s office.

Others being mentioned include **Mawuli Tugbenyoh**, a legislative aide to Breed, City College trustee **Shanell Williams** and **Vallie Brown**, a former Breed aide and Lower Haight activist who works for the Mayor’s Office of Workforce and Economic Development.

Whoever gets the nod will have the work cut out for her or him.

Breed only narrowly won re-election to the seat two years ago, defeating upstart progressive candidate **Dean Preston** by fewer than 2,000 votes — 52 percent to 48 percent. Preston, who was behind last month's passage of Proposition F to provide free lawyers to tenants facing eviction, took out papers Friday to run again. This time he's promoting himself as a member of the Democratic Socialists of America, newly popular because of **Alexandria Ocasio-Cortez's** stunning upset of Rep. **Joseph Crowley** in New York last week.

Which may explain why speculation also continues over the potential appointment of a dark horse progressive, such as school board member **Stevon Cook** or **Sunny Angulo**, a legislative aide to progressive Supervisor **Aaron Peskin**. That type of pick that could make it tougher for somebody like Preston to mount a challenge.

By the way, we're told there's still plenty of hand-wringing in Breed's circle over Supervisor **Katy Tang's** abrupt — and last-minute — decision not to seek re-election and instead to back her aide **Jennifer Ho** for the Sunset District supervisor post.

Ho isn't particularly well known and until recently had been living in Los Angeles. While Breed quickly endorsed her, Ho is expected to face plenty of competition, including from former Supervisor **Eric Mar's** brother, **Gordon**.

If Ho loses, Breed loyalists fear, the new mayor will be pinned with the defeat of a candidate she had no say in picking.



MN: Metro Transit Fleet Will Soon Get First 'Articulated' Electric Buses in U.S.

By: Janet Moore On Jul 9, 2018

Source: McClatchy

July 06--Eight new buses recently ordered by the Metropolitan Council will be the agency's first powered entirely by electricity, a mode of transit seen as a quieter, more environmentally sensitive and cost effective.

The 60-foot vehicles will be the first articulated electric buses to be put into service in the nation. The articulated buses, which will be part of Metro Transit's C Line, feature two rigid portions for passengers linked by an accordian-like connector.

"As electric, articulated buses join other buses along the C Line bus rapid transit line, they will cut fuel costs and decrease emissions along the corridor, paving the way for other long-term zero-emission possibilities," said Brian Lamb, general manager of Metro Transit, in a statement.

The C Line, currently under construction, will link the Brooklyn Center Transit Station to downtown Minneapolis, mostly through the city's North Side, beginning in 2019. The rapid bus service, similar to St. Paul's popular A Line, is expected to be 25 percent faster than the current Route 19 bus.

A \$12.5 million contract was reached with New Flyer of America Inc. to build the battery-powered buses and related charging equipment. The vehicles will be made at New Flyer's manufacturing plant in St. Cloud.

Nationally, the type of fuel in public transit bus fleets has evolved dramatically in the past two decades, according to the American Public Transportation Association (APTA), a Washington, D.C.-based industry group. More than 95 percent of buses were diesel powered as recently as 1995, but that number has declined as more environmentally friendly natural gas and hybrid buses have been introduced into transit fleets, an APTA report notes.

By 2015, about half of buses were diesel powered, while APTA found that electric-diesel hybrid buses saw their market share increase from 1 percent in 2005 to more than 17 percent a decade later. A report by Navigant Research, an international research firm, predicts electric buses will make up 27 percent of new bus sales in the United States by 2027.

New Flyer of America President Wayne Joseph said, "as the Minneapolis-St. Paul community continues to expand, supporting its growth with zero-emission [bus rapid transit] improves transit mobility while eliminating emissions and creating sustainable solutions."

While transit agencies across the country have been slowly adding electric buses to their fleets, analysts predict sales of the vehicles to grow rapidly in coming years.

One reason for the sales surge is that the cost of batteries, motors and power electronics related to the buses is declining due to increasing volume, according to Navigant Research.

"These improvements are helping plug-in hybrid and battery electric buses become more viable for fleets, and sales are poised to grow across all geographic markets through 2027," a research report states.

Charging equipment for Metro Transit's vehicles will be located in the central bus garage and in the field at the C Line's endpoints, said spokesman Howie Padilla.

Metro Transit plans to build 10 more rapid bus lines, including the C Line. The service mimics light rail because passengers pay before boarding, and buses generally arrive every 10 minutes. Ridership on the C Line is expected to grow to 9,000 rides a day by 2030.

The purchase of the New Flyer buses was helped by a \$1.75 million grant from the Federal Transit Administration.

Metro Transit introduced electric hybrid buses in 2002, and they now comprise about 15 percent of its fleet. Hybrid buses are propelled partly by electric power stored in a large battery in the roof of the bus, Padilla said.

The New York Times

How Control of Congress Could Swing on a Fight to Repeal California's Gas Tax

By: Adam Nagourney

July 6, 2018



A gas tax, which went into effect in November, was intended to finance road improvements, including part of Interstate 10 in Los Angeles. Credit Jenna Schoenefeld for The New York Times

SAN FRANCISCO — It was enacted by the thinnest of margins: A 12-cent gasoline tax passed by lawmakers last year to finance a multibillion-dollar campaign to repair California roads and bridges hobbled by years of neglect and disrepair.

But the tax, which took effect in November, is now the subject of a major battle with far-reaching implications for the state's transportation network and the Democratic campaign to seize control of Congress in November. A measure to repeal the gas tax will appear on the California ballot, championed by Republicans opposed to it but looking to drive up Republican turnout in battleground congressional races.

Taxes have a long and complicated history in California. The state led the tax revolution in 1978, when voters passed Proposition 13 — slashing property taxes and requiring a

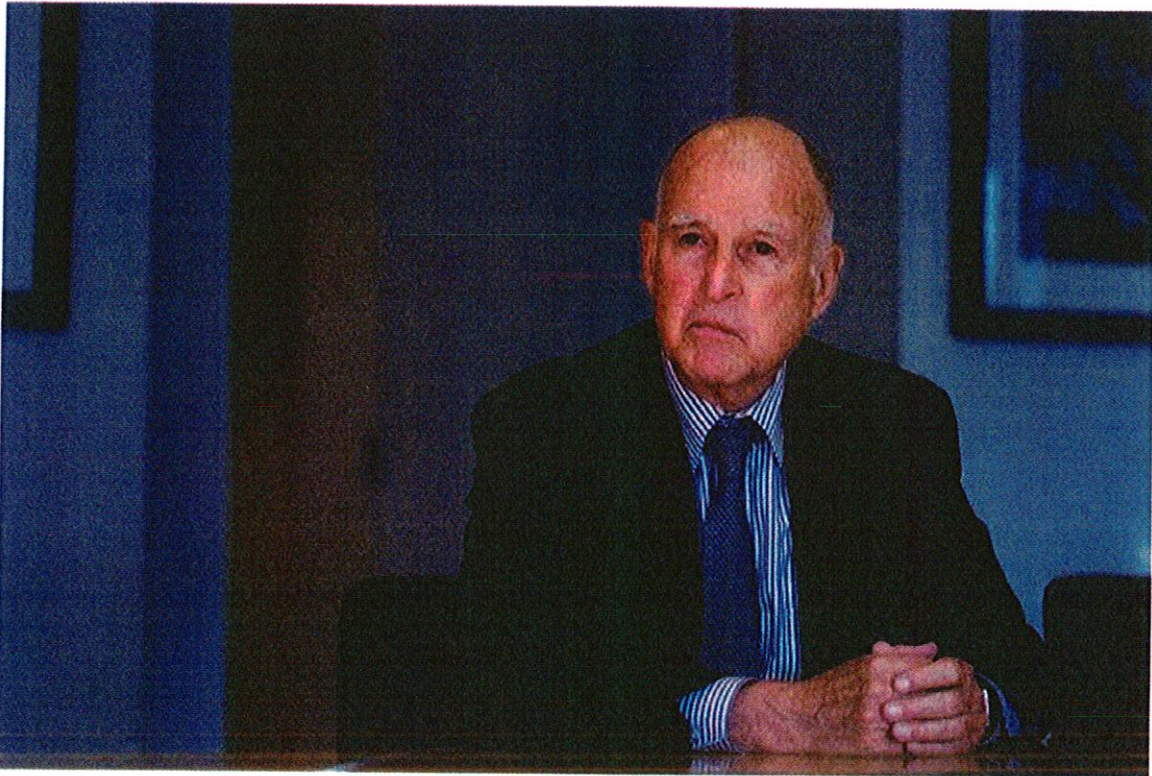
two-thirds vote by the Legislature to raise them. Until now, the gas tax has not been raised for 25 years.

Still, California is one of the highest-taxed states in the nation. President Trump and congressional Republicans have repeatedly assailed California for its taxes. And John Cox, a Republican candidate for governor, has embraced the repeal of the gas tax as a centerpiece of his uphill campaign against Gavin Newsom, the Democratic candidate.

The tax, along with increased vehicle fees, would raise \$5 billion a year.

The repeal has also shaped up as the last political battle for Gov. Jerry Brown, 80, a Democrat who is retiring after nearly a half century in public life. Mr. Brown, in an interview, left no doubt he would fight to save the tax, pledging to raise well over \$25 million in what is likely to be the latest in a history of expensive initiative campaigns that have long defined the state's political and policy landscape.

"This has nothing to do with taxes," Mr. Brown said. "This is engineered by the Republican congressional delegation to prop up their vulnerable Republicans in Orange County and the Central Valley. They don't give a damn about the roads in California."



Preventing the repeal of the gas tax is expected to be the last political battle for Gov. Jerry Brown of California, who is leaving office. CreditTanner Curtis/The New York Times

The drive to save the gas tax is broadly supported by business and labor leaders, as well as Mr. Newsom, who is likely to succeed Mr. Brown. They argue that a repeal

would stop projects already underway, as well as raise questions about how the rest of the nation can find the money to deal with an epidemic of deteriorating roads, highways and bridges.

"I drive on our roads every day," said Allan Zaremberg, the head of the California Chamber of Commerce. "They are in pretty terrible condition and deteriorating. Without this, the roads are going to deteriorate even more."

But the obstacles are considerable. California gas prices are spiking, as they do each summer as the state switches to a lower-pollution — but more expensive — blend. The average price for regular gasoline is \$3.66 a gallon in California, far above the national average of \$2.80, according to figures compiled by the AAA.

Mr. Brown just signed his final budget, which projects a \$6.1 billion surplus, money that Republicans are arguing should be used for road repairs, eliminating the need for a gas tax that forces Californians to pay more at the pump.

California Republicans have seized on the issue. Taxes have long been a point of divisions between Republicans and Democrats, and all the more so since Mr. Trump and congressional Republicans enacted a tax reform bill that severely reduced deductions for state and local taxes, posing a particular burden for California homeowners. Kevin McCarthy, a California Republican who is the House majority leader and looking to become its next speaker, has contributed money to the repeal in an effort to save seven Republican congressional seats.

Mr. Cox said he had found a "ton of support" for the repeal.

"Whenever I am out campaigning, I always talk to working people — valet parking people, the desk clerks, the people behind the counter," he said. "I ask people what do they think about the cost of living and the gas tax. And they say: 'We can't take this. We had to move an extra 20 miles away because we couldn't find an apartment we could afford. And now we are sitting in traffic burning up gasoline at almost \$5 a gallon.'"

"Mr. Brown and Mr. Newsom are being dishonest when they say these projects will come to a halt if we don't have this tax," he said. "They know that these road projects could be done if we changed work rules, if we used money more efficiently, if we cut better deals to make the process more efficiently."

A U.S.C. Dornsife/Los Angeles Times poll in May found 38 percent of voters said they supported the gas tax, a perilously low number; only 49 percent of Democrats said they supported it. Backers of the initiative gathered over 900,000 signatures to get it on the ballot; only 585,407 were needed.

"It has a lot of support in the business community. It's part of Jerry Brown's legacy. But to save it, people will have to spend a lot of money and he will have to get personally involved and they will have to change the way it's talked about," said Robert M. Shrum,

the director of the Jesse M. Unruh Institute of Politics at the University of Southern California, which conducted the poll.

Representative Kevin McCarthy, a California Republican who is the House majority leader, has contributed money to the repeal in an effort to save seven Republican Congressional seats. Credit Erin Schaff for The New York Times

"If it's talked about as the gas tax, I don't see how it survives," he said. "You have to talk about it in terms of safe bridges, a decent road system, the economic future and jobs."

Mr. Brown has a long history with California initiatives, giving him what some Republicans say is an advantage.

He steered a 2012 initiative to impose an income tax surcharge to what was an unexpected victory after campaigning vigorously on its behalf. (That said, as governor, he campaigned against Proposition 13; it was easily passed and the next day Mr. Brown embraced it).

"They are not voting in favor of taxes," Mr. Brown said of the repeal, signaling the argument he would use to try to defeat it. "The proposal is to kill \$5 billion in investment in roads, bridges and transit and public safety. That's the issue."

In a warning for proponents of the gas tax, Republicans succeeded in recalling last month a California state senator, Josh Newman, a Democrat, for supporting it. "There is true bipartisan support for repealing the gas tax," said Carl DeMaio, a Republican and former San Diego council member who is leading the repeal campaign. "We are seeing a lot of folks come on board. People feel that Brown has been wrong on this one at every turn."

"It doesn't matter how much money the governor tries to spend to sell an ice cream cone to an Eskimo," he said. "People are either for it or against it."

Mr. DeMaio said he thought the gas tax repeal on the November ballot would save the Republicans from what could have been a political shellacking.

"In California, they should have been able to see a mega-blue wave," he said. "But because they overreached on this issue, because Jerry sold them a bill of goods, they are not in a position where they'll make those gains."

Dan Newman, a political consultant who is advising the campaign to protect the gas tax, said the high stakes of the election — and Mr. Trump's unpopularity in Washington — would overshadow the gas tax.

"There are massive once-in-a-lifetime tectonic issues hanging in the balance that give people plenty of reasons to vote," he said.

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TRANSPORTATION

President's tariffs make rebuilding a lot harder

By David A. Lieb
The Associated Press

JEFFERSON CITY, MO. » President Donald Trump wants to rebuild the nation's transportation infrastructure. He also wants to strengthen the U.S. steel industry through tariffs on imports.

But that second goal could make it more costly to accomplish the first.

Since Trump announced the tariffs in March, prices have been rising for the American steel used to build bridges, reinforce concrete highways and lay the rails for mass transit systems. Though many of this summer's big construction projects had locked in pre-tariff prices, concerns are mounting among contractors and some transportation officials that the tariffs could raise costs and delay work that is still in the planning stages.

"The president seems to be at loggerheads with two conflicting priorities of his administration," said Brian Turinail, vice president of public affairs and strategic initiatives at the Associated General Contractors of America. "He's making it very difficult for construction firms and people who build infrastructure to be successful, at least in the short term."

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Tariffs

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In Kansas City, for example, voters recently approved higher sales and property taxes to fund a streetcar extension that had been estimated to cost at least \$250 million. Though the project had been in the works for a year, officials are now recalculating.

"We are anticipating our prices to increase because of the tariffs," said Donna Mandelbaum, communications director for the Kansas City Streetcar Authority.

Trump in February announced a \$1.5 trillion infrastructure plan that would use \$200 billion in federal funds to leverage state, local and private-sector investment. The proposal had yet to gain traction in Congress when the president announced tariffs of 25 percent on steel and

10 percent on aluminum imported from most countries. After a temporary exemption, the metal tariffs hit the U.S. allies of Canada, Mexico and the European Union on May 31.

Most federally funded transportation projects in the U.S. already are required by law to use U.S. steel. Tariffs are like taxes charged only on imported products. But because they make foreign steel more expensive, tariffs also allow U.S. steel producers to raise prices without being undercut by international competitors.

The price of U.S. hot-rolled coil steel, a bellwether product for the industry, is up about 40 percent since the start of this year due to a combination of Trump's tariffs and strong economic demand, said Joe Innaee, the metals content director in the Americas at S&P Global Platts.

Prices also have been rising for specific transporta-

tion-related products, such as fabricated metal for bridges.

That's created a predicament for the owners of a 127-year-old railroad bridge over the Mississippi River at St. Louis that is in danger of being shut down if not replaced soon. Bids for the \$219 million Merchants Bridge project were made in February, shortly before Trump announced the tariffs. But in June, the administration denied a grant that would have financed one-third of the project.

Bridge officials now are scrambling to fill the funding gap before a July 7 deadline to decide whether to go forward with the winning bid. Adding to their urgency is the price for the needed 12,500 tons of steel.

"The bidding environment is not going to get better," said Mike McCarthy, president of the Terminal Railroad Association of St. Louis, which owns the bridge. "In light of steel

prices, I think they're going to be creeping up."

Some other states also are warily watching steel prices.

California already faces uncertainty because of an attempt to repeal a gas tax hike that's projected to raise \$52 billion for roads and bridges over the next decade. The state Department of Transportation is monitoring whether the steel tariffs will raise material costs "to determine if adjustments may need to be

made in future contracts," agency spokesman Mark Dinger said.

In Pennsylvania, concerns that tariffs could drive up the steel market have officials watching for any effects on their four-year construction plan, said Rich Kirkpatrick, a spokesman for the Pennsylvania Transportation Department.

Rhode Island transportation officials said they are allowing for retroactive cost adjustments in con-

tracts to account for significant changes in steel prices. They have asked the Federal Highway Administration for permission to use federal money to cover those higher costs.

Steel-related products account for about 10 cents of every \$1 spent on highways and bridges, though that ratio can be significantly higher for particular projects, said Alison Black, chief economist at the American Road & Transportation Builders Association.

CITY LAB

There's a Bus Driver Shortage. And No Wonder.

By: Laura Bliss

Jun 28, 2018

Why doesn't anyone want to drive the bus?

Hauling passengers on a 40-foot city bus has never been glamorous. But Ryan Timlin could at least see the potential back in 2006, when he was earning nearly minimum wage at a St. Paul hardware store and hungry for a change. A friend who worked at Metro Transit, the public transportation agency for the Twin Cities, convinced him that driving buses meant good pay and a stable future. So Timlin donned the striped Metro uniform and got behind the wheel, ferrying passengers around Minneapolis and St. Paul every day for 11 years.

Timlin, now 38, recently settled into a new role as president of his local Amalgamated Transit Union chapter. He has no regrets about his career. But if he was younger and searching for a new job today, he isn't sure he'd choose the bus route. "I loved that job, even with all its baggage," he said over the phone last week. "But it's hard to say that I would do it again, because of how it's gotten."

How has it gotten? By many accounts, driving a city bus is a worse paying, more arduous, and more dangerous occupation than it once was. Yet many more workers are needed, badly, for a job that few seem eager to do. There's an industry-wide labor shortage, and it is affecting passengers by straining service.

You don't have to look far to find this problem. Across the country, transit agencies are working overtime to recruit more bus drivers. King County Metro in Seattle, Washington, needs about 100 more people to make up their operator gap. Ray Greaves, the New Jersey State ATU chair, believes New Jersey transit needs at least 200 more bus operators across the state. As of last December, Regional Transit Denver was short 127 bus drivers. L.A. County Metro, which operates the second-largest bus system in the country, is hustling to fill shifts.

Riders may be feeling its effects, too. A 6 percent cut in bus service by the Toledo Area Regional Transit Authority in Ohio earlier this year—the second year in a row—was attributed in large part to their driver shortage and growing overtime expenses. In Gainesville, Florida, cutbacks that hit 17 routes—setting back arrival times as much as 15 to 35 minutes—were linked to a lack of bodies behind the wheel. Louisville's 40 operator vacancies were resulting in delays on about 10 routes every day earlier this year. The shortage is plaguing rural and suburban systems, too: The Cooperative Alliance for Seacoast Transit in New Hampshire is short at least 25 percent of the workforce it needs to cover its timetable.

Why doesn't anyone want to drive the bus? Once upon a time, it was considered an honorable and desirable gig—a stable union job with a good middle-class salary, a public pension, and at least some cultural recognition for the contributions it made to society, if bus-driving everyman heroes like Ralph Kramden of “The Honeymooners” were to be believed. Like many public sector jobs, it provided a reliable foothold on the ladder of social ascension. Even if you didn't have a college degree, being a city bus driver meant you could buy a house, feed your family, take a vacation, save for your child's college tuition. And relative to other transportation jobs, transit is still more inclusive of women and people of color.

But public sector jobs of all kinds have declined in pay as collective bargaining continues to be eroded. Bloated MTA salaries may be a punchline in New York City, but not so in other towns. The median hourly wage for a municipal bus driver in the U.S. is \$19.61, according to the Bureau of Labor Statistics. That's above-average pay, and seasoned employees can make double. But as with all kinds of low- and middle-income jobs, driver wages have barely kept up with the rate of inflation over the past decade. Entry-level paychecks tend to be much smaller, which can pose a barrier to many young workers, especially with the fee required to earn the requisite commercial driver's license.

During World War II, women took on bus operator jobs in cities nationwide, including this driver in Beaumont, Texas, in May 1943. (Corbis via Getty)

Sustained funding cuts that began during the recession have further challenged transit agencies to keep pay competitive. Less funding also translates into diminished routes and reduced frequencies, which seem to be the most important factors driving down bus ridership around the U.S. Welcome to the transit death spiral: fewer riders, lower revenues, lighter paychecks. “We have drivers who are homeless in this country,” Larry Hanley, the president of ATU International, the largest labor union representing transit workers in the U.S., said. “In the Google area of California, the pay is so suppressed that we have drivers who are sleeping in their buses.”

Hanley was referring to a policy in Santa Clara Valley Transportation Authority, which for 20 years has permitted employees who live more than 50 miles away to sleep on trailers parked on its property. Some drivers also choose to snooze in their cars on nearby streets, according to the *San Francisco Chronicle*. News broke this week that VTA's official sleep-permitting policy is being phased out so that the agency, which faces a \$26.4 million budget gap for the coming fiscal year, can sell the land to a developer. Operators there aren't sure what they're going to do.

Labor shortages are a barrier even for cities that look healthy from a transit perspective. Until King County Metro in Seattle—a rare example of 21st-century bus ridership success—can fill its 100-person driver gap, it won't be able to fill rising demand for more service, one county transportation planner told me in March. Back in Minneapolis and St. Paul, which have been praised for increasing bus and rail service to meet a growing population, “we do not see that number [of bus operators] moving the right direction

without any additional programming or assistance,” Aaron Koski, the head of Metro Transit's workforce development department, told MPR News in May. A system expansion “will put more pressure on the need to have a full complement of operators to deliver service.”

There were always times when Metro Transit struggled to meet the demands of the system, like during state fairs or during Ramadan, Timlin told me. (Many of the agency's operators are Somali, and don't work during the holy week, he said.) “If there's no one there, the bus just gets cut,” he said. Part-time drivers are running in short supply; pushing overtime too often burns out full-time workers.

Virtually all of the old transportation trades, private and public, are facing hiring struggles, from school bus systems to trucking industries. A “silver tsunami” retirement wave is hitting them hard, and ground transit—which includes city buses and intercity coaches—has the highest percentage of workers over the age of 55 (35 percent) compared to the trucking, air, rail, and maritime transportation sectors. A staggering 63 percent of transit workers are over the age of 45. While trucking has the greatest projected future labor needs, buses are hardly dying out, contrary to what you might read about Uber and Lyft killing transit. Nearly 200,000 transit and intercity coach driving jobs are estimated to open up by 2022, according to a 2015 joint analysis of BLS data by the U.S. Departments of Transportation, Labor, and Education. And nearly 72 percent of the current operator workforce is set to exit by that year.

The transportation trade facing the most existential angst right now is probably taxi driving. Uber, Lyft, and other ride-hailing services have blown up that industry's rigid, medallion-based business model, leading to plummeting earnings (and a wave of suicides among New York cabbies). For better or worse, new players dramatically lowered the barrier to entry for workers who wanted to plug in and drive. Indeed, the allure of ride-hailing gig work may be siphoning off would-be bus drivers, some of the union and transit agency leaders I spoke with suggested. Driving for services like Amazon Flex may be another draw.

But there's a distinction between the bus and taxi labor crises: Buses themselves aren't critically endangered, as the demand for operator jobs right now proves. Bus *driving*, however—at least as the job has long been described—might be, if the profession doesn't undergo a radical makeover.

The plight of the American bus driver is like a Rorschach test for society's ills.

According to a current job description posted by L.A. Metro, here's what a bus operator needs to know: state and local traffic laws, vehicle safety rules, and “basic money and time concepts.” That makes sense; apart from maneuvering the vehicle, bus operators have traffic to negotiate, schedules to adhere to, and fares to collect. Unmentioned, though, is the most demanding part of the job, according to drivers: the human element. A bus is an unruly micro-community, full of passengers who are getting sick, laughing,

crying, arguing, and dancing. They need directions, they're carrying babies and strollers, they're struggling to scrape together fares.

Most riders are respectful and pleasant, bus operators told me. But knowing how to handle the full rainbow of behaviors makes bus driving a highly skilled customer-service job that other transportation trades are not. "We've seen a lot of reluctance among the youth," said Hanley. "When someone who is 21, probably raised on technology, is offered this kind of job, they may venture out and try it. But they'll realize it's a hard job. You have to actively concern yourself with all the things you see."

Members of the Amalgamated Transit Union Local 1433 strike in front of the First Transit Inc., bus depot on in Tempe, Arizona in 2013. (Ross D. Franklin/AP)

Bus operators also face the quite tangible occupational hazard of assault. Incidents of verbal abuse, spitting, slapping, stabbing, and even Tasering against drivers appear to be continuing to rise, even as transit ridership numbers have fluctuated. Highly-publicized incidents, like bus hijackings and urine flingings, depress morale and scare off recruits, Timlin, Hanley, and others said. Most bus-rage eruptions escalate from fare disputes. "The bus driver is like the tax collector," said Greaves, the union leader in New Jersey. "They're demanding the fare, which puts them in a precarious situation"—especially as fares climb to cover budget gaps.

Many agencies have struggled to make adequate driver safety improvements, according to one 2015 U.S. Department of Transportation report. But there are pathways. Automated fare collection and driver barriers would lower the risk of assaults, said Ed Wytkind, president of the Transportation Trades Department, a national coalition of transit worker unions. Union leaders are also pushing for improved driver workstations with better visibility and ergonomics; chronic muscle and skeletal strains are common among drivers, another factor explaining high rates of absenteeism and turnover.

Held at different angles, the plight of the American bus driver is like a Rorschach test for society's ills. See the graying labor force with no successors, the failure to retrain middle-class workers, the yawning class divides. See the tech disruptions peeling away customers and workers. And here, see the extinction-level threat still looming in the future. That's automation.

Self-driving shuttles have already hit the roads in Paris, Helsinki, Las Vegas, and the Bay Area, and on campuses like the University of Michigan. Drivers have taken note. Following the fatal crash of a self-driving Uber in March, drivers from the Columbus, Ohio, chapter of the Transit Workers Union distributed pamphlets to riders warning against the threat of autonomous vehicles. The demonstration focused on the technology's perceived safety hazards, but it was also fueled by job loss concerns, workers said.

They may have been premature: the transition to self-driving for full-length, fixed-route buses is likely decades away, experts say. And technology may, in fact, hold hope for the profession. For now, and perhaps for the foreseeable future, the scope of what is involved in managing a bus—not just driving it—eclipses the abilities of any robot or digital device. And the stress of the job transcends that of most comparable gigs in transportation or service. After all, bus driving is both.

That's why transit agency leaders like to say automation won't displace the need for transit labor; as long as there are people boarding a communal vehicle, someone's got to be in charge to manage them. "We talk about placing a greater focus on customer experience," said Joshua Schank, the chief innovation officer at L.A. Metro. "As it is, we're not doing a good enough job making it the best it would be." He imagined future bus operators positioned at the front of the vehicle giving directions, helping passengers board, and settling conflicts and mishaps.

"The industry has to decide that they're going to pay bus drivers enough to live in the city where they work."

No agency I've spoken with seems to have seriously broached the topic of automation with labor, though. Union representatives, meanwhile, largely view automation as a threat to riders and drivers. For them, the worst thing would be if agencies used the labor shortage to further cut service, or if automation was used as "solution" for the lack of workers. "No," Hanley said. "The industry has to decide that they're going to pay bus drivers enough to live in the city where they work."

But if self-driving technology ever got to a point where a bus can handle street traffic without a human driver, Hanley did agree that reorienting drivers to focus on passengers would make sense. It's hard to see the downside of starting to train bus operators that as customer service experts now. It seems new drivers would be better prepared for their jobs and perhaps more likely to stick around.

Tom Fink, who drove for the Santa Clara Valley Transportation Authority in San Jose, California for 25 years before retiring in the mid-2000s, has devoted his retirement to changing operator training so that agencies more fully prepare drivers for the stress of the job. In 2008, he helped launch the Joint Workforce Investment program, a partnership between VTA and the local ATU chapter that partners newer recruits with more seasoned operators as mentors. Rookie drivers can learn the art of negotiating with difficult passengers or simply get a chance to vent—important in an occupation that's almost totally solitary. The results point in a promising direction. Satisfaction and retention rates of VTA operators who've gone through the program have been notably higher than those who haven't. Working with the Transportation Learning Center and ATU, Fink is working to export the model to other union chapters and agencies. "It's not right to not prepare people for the full spectrum of the job," he said.

The Washington Post

D.C. Council's Vote To Increase Ride-Hailing Tax Will Probably Mean Higher Uber And Lyft Fares — To Support Metro

By: Faiz Siddiqui

June 26



The D.C. Council voted unanimously Tuesday to raise a tax on ride-hailing companies such as Uber and Lyft. (Lucy Nicholson/Reuters)

The D.C. Council voted unanimously Tuesday to raise the tax on ride-hailing services such as Uber and Lyft, as part of a plan to raise \$178.5 million in new funding for Metro — the District's share of \$500 million in regional dedicated funding.

The vote increases the tax on ride-hailing companies' gross receipts from 1 percent to 6 percent, meaning what is normally a 10-cent tax on a \$10 ride will now cost riders \$0.60. City officials note that it is a revenue tax that does not have to be charged directly to passengers, but ride-hailing companies have indicated that they will tack it directly onto fares.

The tax increase, which would raise about 10 percent of the new Metro funding, passed amid opposition from Uber, Lyft and Via, and some smart-growth advocates who had called for a

tiered system that would exempt pooled rides from the fee increase. In the wake of the bill's passage, D.C. Council member Brandon T. Todd (D-Ward 4) announced he was preparing a bill to introduce a tiered tax — although details were not immediately available.

Uber applauded Todd for his upcoming bill, but the company expressed disappointment with the council's decision Tuesday.

“While the D.C. Council missed a good opportunity to set a national example by taxing congestion-reducing carpooling options like UberPOOL at a lower rate than single-passenger trips, we're eager to continue working with Mayor [Muriel E.] Bowser, Council member Todd, and other forward-looking leaders on smart policies that give District residents alternatives to owning or driving their own cars,” Uber spokesman Colin Tooze said. The company says it is not a public transit competitor and supports dedicated funding for Metro.

[As ride hailing booms in D.C., it's not just eating into the taxi market — it's increasing vehicle trips]

Still, Metro is studying the impact that ride-hailing services have on its ridership, and a range of studies has shown that between 15 to 30 percent of Uber and Lyft trips would have otherwise been taken using transit.

The council justified the tax increase plan when it outlined its budget proposal in May, arguing ride-hailing companies “contribute to traffic congestion, add wear and tear to the District's roads, and there is evidence that they draw people away from public transit.”

But the council's version of the tax drew opposition from Bowser (D), who backed the tiered system favored by the companies. Bowser's initial proposal, the original plan to raise taxes on ride-hailing for Metro, would have taken the tax from 1 percent to 4.75 percent.

Beyond the tax, the measure — the 2019 Budget Support Act — also cements a broad array of data-sharing requirements that have been championed by advocates pushing transparency from the firms. Ride-hailing companies will be required to submit data to District officials on how many drivers they have, the amount of vehicle miles driven on their platforms, and anonymized logs on rides booked through the apps — which would include the prearranged pickup and destination points for each trip, for example.

The budget goes into effect in October.

STREETSBLOGUSA

The Story of “Micro Transit” Is Consistent, Dismal Failure

By: Angie Schmitt

Jun 26, 2018



The Chariot vans running around Brooklyn streets are mostly empty. Photo: Ford

To hear the start-up world tell it, “micro transit” is the next big urban transportation breakthrough. But out in the real world, the results haven’t lived up to the hype.

“Micro transit” refers to services that function like UberPool or LyftLine but with large vans or minibuses instead of sedans and SUVs, using mobile apps and algorithms to match passengers making similar trips in a single vehicle. The pitch to public agencies is that micro transit can be a more cost-effective way to provide service in some travel markets than fixed-route buses.

Years after micro transit started grabbing attention — CityLab reported on the crowded start-up scene back in 2015 — we’re still waiting for the first significant success story. Despite a string of failures, a growing number of transit agencies are contracting with firms like Via and Transloc to give micro transit a try, and the press coverage remains credulous, almost fawning.

Four agencies in California recently embarked on micro transit pilots. Transloc, now a subsidiary of Ford, called 2017 a “banner year” and projected a 600 percent increase in “live pilots” in 2018. Nationwide, at least 24 transit agencies are expected to initiate micro transit contracts this year, according to the Washington Post, which said micro transit “might be an answer” for transit agencies losing riders.

Micro transit may have a place in city transportation systems, but experience so far suggests that it’s a very small niche, like an app-enabled version of dial-a-ride service. The PR for micro transit is outrunning empirical experience. It is clearly not the large-scale substitute for bus service that much media coverage makes it out to be.

An early experiment with the now-bankrupt Bridj in Kansas City was a complete flop. Riders made only 1,480 trips during the course of the one-year pilot, even though each passenger got their first 10 rides for free. Only a third of riders kept using the service after the free rides expired. The local transit agency, KCATA, spent \$1.5 million to administer the service, for a jaw-dropping subsidy of more than \$1,000 per ride.

The Santa Clara Valley Transportation Authority, serving San Jose and its suburbs, began a micro transit experiment in 2015. Again, the results were woeful. The Eno Center on Transportation reports that it generated only 0.4 boardings per hour that a vehicle was in service, a tiny fraction of the 15-boardings-per-hour threshold that VTA requires to keep running bus routes. The core ridership of the micro transit service consisted of just 20 people, according to EnoTrans.

Maybe what happened in Kansas City and Santa Clara was a learning experience and not indicative of broader limitations with micro transit. The start-ups in the industry are certainly banking on transit agencies seeing it that way. They are aggressively pursuing contracts for pilots, especially with agencies near Silicon Valley.

Recently, AC Transit, serving the East Bay, contracted with DemandTrans to provide low-density suburban areas with “flex rides” that allow people to book trips on demand from pick-up locations at certain bus stops. The micro transit service replaced some fixed route service, using DemandTrans software to match people and vehicles. So how’d it perform? Not too well.

The flex rides served just three passengers per hour, reported AC Transit planner John Urgo in a post for TransitCenter, “less than half of the fixed route it replaced”:

There’s no getting around the fact that on-demand transit carries fewer passengers per hour than even a low ridership fixed route. This makes it hard to justify as a replacement service, especially on a route for route basis.

Greg Rogers, formerly a policy analyst at EnoTrans, recently put out a call on Twitter for any examples of successful micro transit experiments, saying that “so far microtransit pilots have experienced mixed results — and in some cases, absolute failures.” Nobody who responded could point to an unmitigated success.

But Transloc replied that it had improved “riders per hour” for the Sacramento Regional Transit. Sacramento and Transloc have been loudly touting the “success” of this micro transit pilot.

Transloc CEO Doug Kaufman told Mobility Lab, “SacRT’s success in deploying innovative, on-demand microtransit is a proof-point for the huge potential impact of microtransit across the nation, particularly for riders.” But the numbers don’t bear that out.

Sacramento Regional Transit had been operating an on-demand service where riders called in advance and were picked up at their home in the low-density suburb of Citrus Heights. These types of point-to-point services are inherently less efficient than fixed-route transit and should be that much easier for micro transit firms to outperform.

Prior to TransLoc’s involvement, Sacramento’s “Dial-a-Ride” served around two people per hour, according to SacRT’s Forward Network Plan. The report, released in April, notes that “early results of SacRT’s ‘microtransit’ pilot” — the one with Transloc — “suggest that it will not exceed 3 boardings per hour.” About the same.

In other words, as of April, there was no evidence that TransLoc was significantly outperforming the dial-a-ride service it replaced. (Streetsblog requested up-to-date numbers from SacRT and did not receive a response.) Nevertheless, in May the Sacramento Transportation Authority awarded SacRT a \$12 million grant to expand the service.

Diverting resources to micro transit that could be devoted to fixed-route bus service may accelerate the downward trend in transit ridership in American cities, a scenario that TransitCenter and transit analyst Jarrett Walker have been warning about.

As Walker writes, “micro transit” does little besides package dial-a-ride-type services in an app. The interface may be convenient, but it can’t overcome the geometric efficiency of fixed-route service. To pretend otherwise will make transit service less equitable.

“On average, microtransit seems to trigger an upward redistribution of the benefits of public subsidy,” Walker writes. “This is a Very Bad Thing for the public sector.”

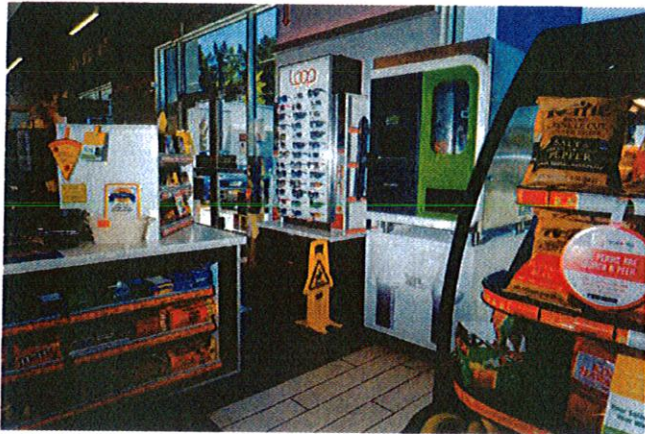
Correction: This post originally stated that Sacramento's traditional dial-a-ride service received six boardings per hour. The correct figure is 2.25 riders per hour. (Six is the upper limit on dial-a-ride services in general.) The post has been amended to reflect the correct ridership rate.

San Francisco Chronicle

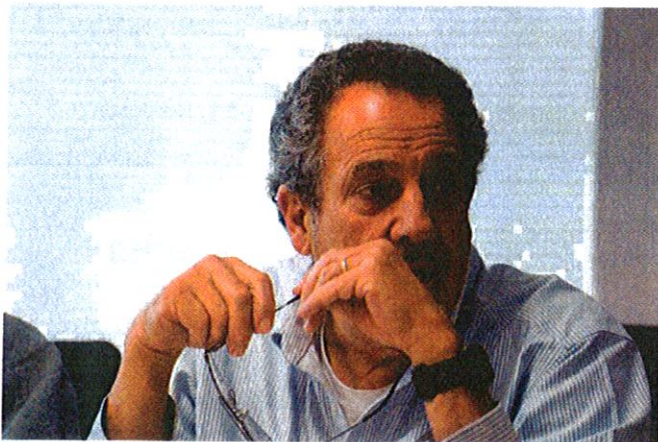
Google Tax To Go Before Voters As Tech Giant's Hometown Puts Proposal On Ballot

Natasha Mascarenhas

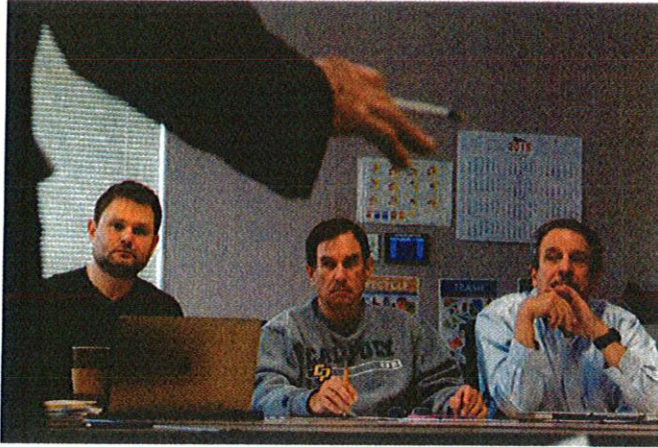
June 26, 2018



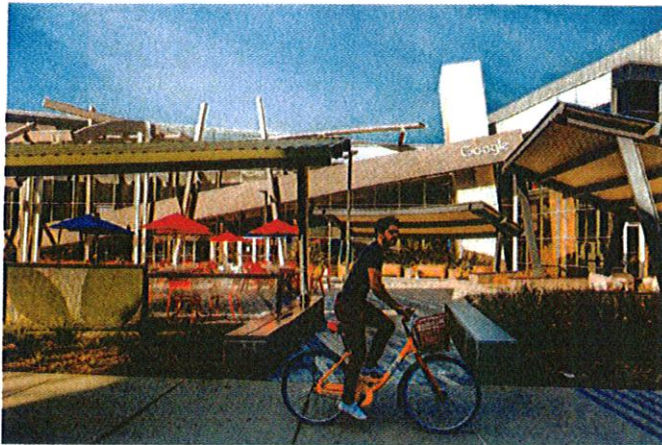
• Small businesses like the Loop Neighborhood Market would pay less than larger businesses under the Mountain View tax proposal. Photo: James Tensuan / Special to The Chronicle



• Mountain View Mayor Lenny Siegel argues that the proposed new tax will benefit businesses. Photo: James Tensuan / Special to The Chronicle



Mountain View council members Chris Clark, John McAlister and Mayor Lenny Siegel listen to public comment during a subcommittee meeting at Mountain View City Hall in May. The city has been deliberating about a ...Photo: James Tensuan / Special to The Chronicle



Google has not spoken publicly on the Mountain View tax proposal, which now goes to voters in November. Photo: Gabrielle Lurie / The Chronicle

Come November, Mountain View voters will decide whether to charge its largest employer, Google, \$3.3 million in new fees — a hundred-thousand fold increase on the business tax the company currently pays in its hometown. The decision could resonate through Silicon Valley and beyond, as many cities contemplate how to deal with the challenges of housing and transporting the burgeoning workforces of fast-growing tech companies.

“We understand that the Bay Area is watching,” Bruce Humphrey, president of the Mountain View Chamber of Commerce, said Tuesday during a City Council

meeting where elected officials voted unanimously to place a new business tax on November's ballot.

The council has been deliberating for months on whether to increase its current \$30 a year business license fee to a new business tax that rises with the number of employees. Charged on businesses with more than 50 employees, the fee per employee would rise progressively with the number of employees, with the largest employers paying proportionately more. The employer tax is expected to raise \$5.9 million for the city's general fund and could fund transportation and housing efforts, city officials said.

METRO

First Transit To Pilot Shared Autonomous Vehicles On Public Roads

June 25, 2018



The SAV is designed to travel short distances using pre-programmed routes, and is equipped with a sensor and intelligent vehicle system to detect obstacles and avoid collisions. LAVTA

First Transit is partnering with the Livermore Amador Valley Transit Authority (LAVTA) to pilot the first operation of a shared autonomous vehicle (SAV) on a public road by a transit agency in the state of California. This is the fifth SAV initiative for First Transit in North America.

The SAV pilot will connect passengers from the Dublin/Pleasanton Bay Area Rapid Transit (BART) station in Dublin, Calif., to nearby shopping and entertainment. The testing phase for this pilot is expected to take two years without passengers.

First Transit will provide operational support, maintenance, and an onboard customer service agent for passenger questions and information. Easy Mile is the SAV manufacturer.

“We are proud to work with the LAVTA team bringing SAV technology to their passengers and community,” said Justin Pate, sr. VP, marketing and business development, at First Transit. “After the testing phase, an onboard customer

service agent will be available to answer passenger questions about how this technology is advancing to enhance their transit experience.”

The SAV is designed to travel short distances using pre-programmed routes, and is equipped with a sensor and intelligent vehicle system to detect obstacles and avoid collisions. Each SAV can carry 12 passengers and can operate for 14 hours on one battery charge.

“Our team is excited to work with a firm like First Transit that has experience operating and maintaining SAVs,” said Michael Tree, executive director of LAVTA.

First Transit’s four additional SAV pilots and initiatives across North America include Bishop Ranch Office Park in San Ramon, Calif.; GoMentum Station in Concord, Calif.; the City of Arlington in Arlington, Texas; and the SAV roadshow with the Minnesota Department of Transportation.

Los Angeles Times

California Ballot Will Include Gas Tax Repeal In November

By Patrick McGreevy

Jun 25, 2018 | 8:45 PM



Construction crews conduct repairs in San Francisco last year. California voters will get a chance on the November ballot to decide whether to repeal recent increases to the state gas tax and vehicle fees to pay for road repair and mass transit projects. (Justin Sullivan / Getty Images)

Californians will vote in November on a ballot proposition that would repeal a new gas tax and vehicle fees, saddling Gov. Jerry Brown with a final challenge to preserve a key part of his legacy before leaving office.

With polls showing most California voters want to kill the new tax, the initiative poses a real threat that the funding plan pushed by Brown and Democratic legislative leaders to fix the state's roads and bridges won't survive the Nov. 6 election. The measure earned a spot on the statewide ballot Monday, garnering more than the 585,407 signatures of registered voters required, according to a random sample count announced by state officials.

Brown on Monday blasted the initiative and gave a preview of his campaign strategy.

"This flawed and dangerous measure pushed by Trump's Washington allies jeopardizes the safety of millions of Californians by stopping local communities from fixing their crumbling roads and bridges. Just say no," Brown said in a statement.

gallon. The measure also created a new, annual vehicle fee ranging from \$25 for cars valued at less than \$5,000, to \$175 for cars worth \$60,000 or more.

Los Angeles Mayor Eric Garcetti appeared with Brown in Torrance, and he and leaders of other cities are expected to play prominently in the anti-repeal campaign, telling voters that potholed roads and crumbling bridges in their communities need the influx of dollars provided by the new tax and fees. A portion of the billions raised by the fees will go toward expansion of the Los Angeles County Metropolitan Transportation Authority's bus and rail systems.

"If you want to pay for more popped tires, realigned axels, you want to see our roads continue to deteriorate, go ahead and repeal SB 1," Garcetti said. "But we all know like with our houses, if we don't fix the leak we are going to be paying a lot more in the future."

Opponents of the gas tax complained this week that the state and local governments have been abusing taxpayer funds by putting up signs along roads throughout the state touting the construction made possible by SB1, but state officials say such signs have been a common sight for decades.

City transit officials plan to demonstrate to voters that the money is being well spent on real road projects.

"I think in part our responsibility to the taxpayers is to shine a bright spotlight on the improvements that these dollars are making in communities every day already," said Carolyn Coleman, executive director of the League of California Cities.

Repeal, she said, "would mean the loss of important and scarce resources to make the long overdue improvements in our streets and roads and bridges and easing traffic congestion."

But the pro-repeal forces are likely to begin the campaign with favorable odds. Scrapping the higher tax and fees was supported by 51% of registered voters in the state, according to a USC Dornsife/Los Angeles Times statewide poll last month.

With billions of dollars at stake, both sides are planning big-budget campaigns. The gas tax is supported by the Coalition to Protect Local Transportation Improvements, which reported \$5.1 million in campaign donations as of May 19.

Some of that went to support Proposition 69, which was approved by voters on the June 5 ballot, and requires gas-tax money to go to transportation projects.

Much of the money raised so far by the main campaign for the initiative has gone to signature gathering, with big contributions from the California Republican Party and GOP leaders.

Republicans see the gas tax as a defining issue for congressional and state legislative candidates in the November election, with hopes it will also draw more conservative voters to the polls.

Donna Bauer

From: Regional Transportation Commission <info@sccrtc.ccsend.com> on behalf of Regional Transportation Commission <info@sccrtc.org>
Sent: Monday, August 06, 2018 4:21 PM
To: Donna Bauer
Subject: Measure D Update: Summer 2018

SCCRTC

Measure D Update

Summer 2018

Hello Donna,

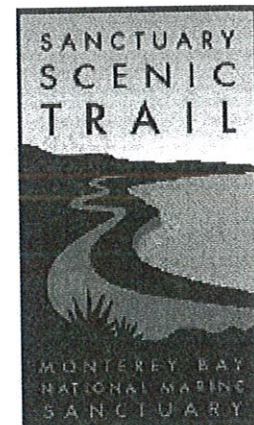
It is construction season and the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville, the County of Santa Cruz, Santa Cruz METRO, Community Bridges, and the RTC are putting Measure D funds to work - filling

potholes, building new bicycle and walking paths, replacing outdated buses, increasing transportation service for seniors and people with disabilities, and designing major infrastructure projects. The following highlights a few of the Measure D-funded projects that are underway.



Monterey Bay Sanctuary Scenic Trail Network (MBSST) Rail Trail Breaking Ground

- The first Rail Trail section of the Monterey Bay Sanctuary Scenic Trail Network (MBSST) between Natural Bridges Drive to Bay St/California Ave in the City of Santa Cruz (phase 1 of Segment 7) is expected to break ground soon, with construction anticipated to take about 6 months.
- The San Lorenzo River Trestle Widening project, improving access for bicycles and pedestrians traveling next to the railroad tracks near the Boardwalk, is anticipated to go out to bid for



construction in September or October. The project is expected to be completed in spring 2019.

- The draft environmental document for the North Coast section from Davenport to Wilder Ranch State Park (Segment 5) will be available for public review in the coming weeks.

Fixing Your Local Streets and Roads

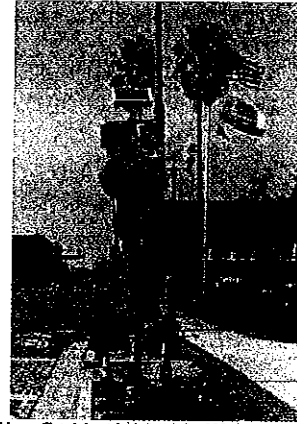
City and County public works departments have been busy repairing local roads and improving bicycle and pedestrian facilities throughout the county.

- County of Santa Cruz:
 - 2018 Resurfacing Project includes 55 days of summer construction on roadways in Boulder Creek, La Selva Beach, Martin Road, and Miller Road. Maps of construction locations in unincorporated areas are online at: <http://2018measuredsantacruzcounty.org/>. The work involves the resurfacing of approximately 6.4 miles on 27 roadways in unincorporated areas.
- Capitola:
 - Starting this September Capitola will begin construction of its 2018 Slurry Seal Program which will complete pavement repairs and apply a slurry seal on sections of Wharf Road, 46th Avenue, Prospect Avenue, Capitola Avenue, Pine Street, Plum Street, Burlingame Avenue, Del Monte Avenue, and Pilgrim Drive.
- Santa Cruz:
 - Citywide Street Reconstruction: The city is repaving roadways citywide and will begin complete reconstruction of Cedar Street from Cathcart Street through the intersection at Elm Street later this summer.
- Scotts Valley:
 - Completed work on the Scotts Valley/Mt. Hermon Road intersection in June.
 - Pavement Rehabilitation and Bicycle Paths –Green Hills Road: Started construction in June.
 - New sidewalks on Kings Village Road and Blue Bonnet starting construction later this summer.



Credit: MME+Structural Engineering

- Watsonville:
 - Measure D funding received in FY17/18 was used on Pedestrian and Traffic Safety and Downtown Revitalization efforts, including - pedestrian safety flashing beacon installed on Main St (see photo), lighting through downtown, and bicycle safety Bike Smart, Walk Smart, and Earn-a-bike programs.

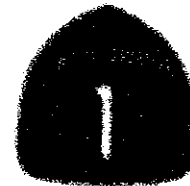


New flashing beacon in Watsonville

- Watsonville is gearing up for more bicycle safety improvements, including signage and traffic markings, trail maintenance, pedestrian and traffic safety improvements, and reconstruction of Green Valley Road starting this fall.

Highway Projects Under Development

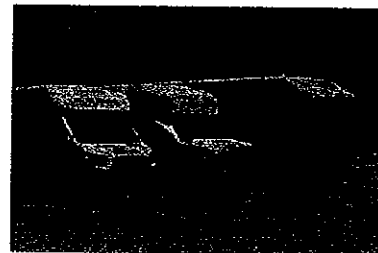
The RTC, working closely with the County of Santa Cruz and Caltrans, is accelerating design work for construction of auxiliary lanes between 41st Avenue and Soquel Drive, and a bicycle/pedestrian crossing at Chanticleer. Proposals for engineering services are due July 30.



Caltrans is moving quickly on design of the **Highway 17 Wildlife Crossing**. Community members expressed strong enthusiasm for the project at a public meeting held in Scotts Valley this spring. The Land Trust of Santa Cruz County has kicked off its fundraising campaign for funds needed to match Measure D funds allocated to the project.

METRO Rebuilding Fleet with SB1 and Measure D

METRO has acquired 18 new vehicles to replace aging vehicles with more efficient and cleaner running equipment. Acquisition of the new vehicles was made possible because of Measure D and SB1. The new vehicles include three Paul Revere buses, three ParaCruz Cut-Away buses and 12 ParaCruz Vans.



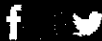
Implementation and Oversight

- Agencies that receive Measure D funds updated their Five-Year Plans this spring, outlining how each agencies plans to use Measure D funds FY2018/19-FY22/23.
 - Links to the Five-Year Plans are available on the RTC website: www.sccrtc.org/move.
- The RTC received 35 applications for the Measure D Taxpayer Oversight Committee. The RTC will be selecting members for the oversight committee in September. The Oversight Committee will be responsible for ensuring Measure D revenues have been spent in accordance with the Measure D Ordinance and Expenditure Plan.
- The RTC continues making regular payments of Measure D revenues to recipient agencies, based on the percentage rates to each investment category set forth in the voter-approved Measure D [Ordinance](#) and [Expenditure Plan](#) (see links). Fiscal Year 2017/18 Measure D revenues exceeded original projections by 4.5 %.

www.sccrtc.org

Santa Cruz County Regional Transportation Commission
email: [info\[at\]sccrtc.org](mailto:info[at]sccrtc.org)

[Website](#) [Funding & Planning](#) [Projects](#) [Services](#) [About the RTC](#)



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SB1

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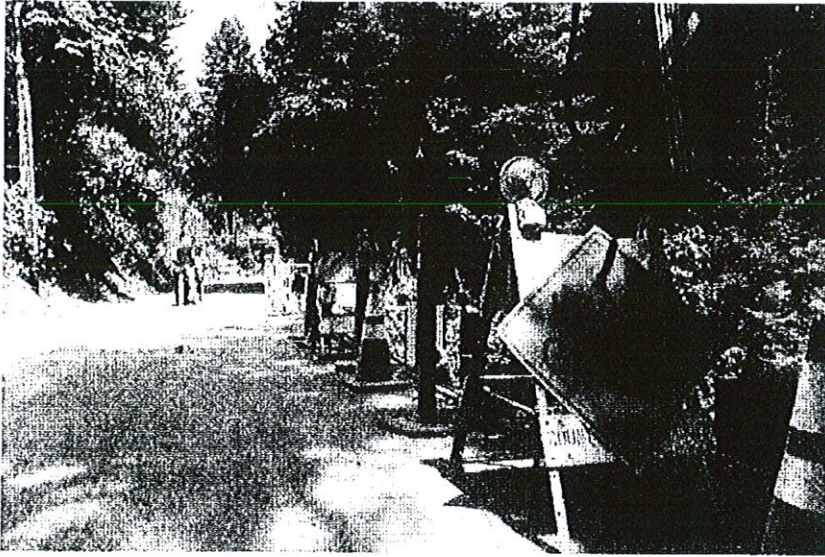
PROP 6

Santa Cruz Sentinel

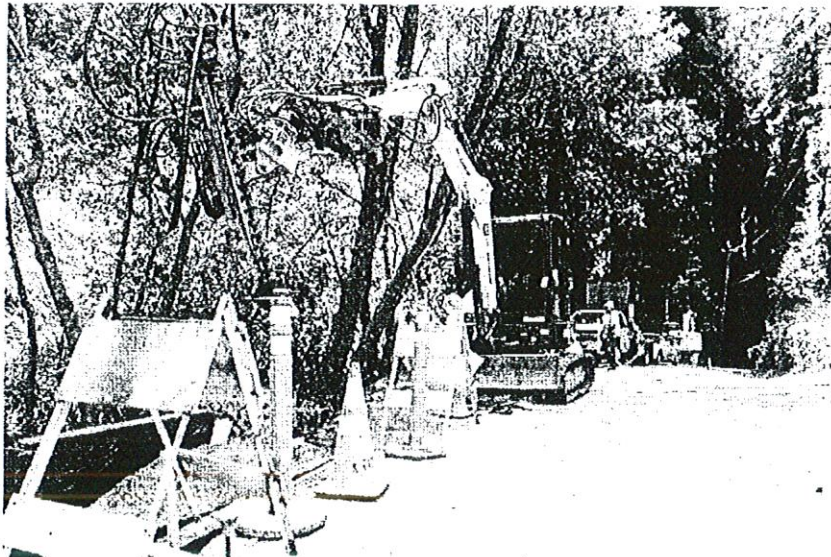
Prop. 6: Santa Cruz County Officials Say Gas Tax Repeal Would “Devastate” Local Roads

By: Nicholas Ibarra, Santa Cruz Sentinel

Posted: 08/09/18



Workers reconstruct a storm-damaged section of Prescott Road on Wednesday in Soquel. (Marcello Hutchinson-Trujillo — Santa Cruz Sentinel)



Heavy machinery is used to reconstruct a section of Prescott Road on Wednesday afternoon in Soquel. (Marcello Hutchinson-Trujillo — Santa Cruz Sentinel)

SANTA CRUZ >> Local officials are urging voters to reject a ballot initiative that would repeal a statewide gas-tax hike and dry up \$115 million in local transportation funding over the next decade.

The initiative, Proposition 6, would “devastate our road system,” said Santa Cruz County Public Works Director Matt Machado. “It would result in a continuing decline of our road condition to the point of complete failure of our road system.”

Repairing local roadways has become a major focus for Santa Cruz County’s local government in the wake of the most damaging winter storms on record in 2017. Repair cost estimates range upward of \$130 million and work is expected to take up to five more years to complete.

“In the short-term where it (gas-tax revenue)’s going right now is to repairing the storm damage from last year,” Macahdo said, adding that once those projects are finished, the gas-tax funding would be used to resurface and maintain roads.

On Tuesday, the Santa Cruz County Board of Supervisors unanimously passed a resolution opposing Proposition 6, which would overturn the new gas tax and require legislators to send any future fuel tax proposals to voters.

The initiative would have “tremendous impacts” on Santa Cruz County infrastructure, 3rd District Supervisor Ryan Coonerty said at the board’s Tuesday meeting.

“We just can’t take care of our county and the needs — especially from the recent storm damage that we’ve had — alone,” said 5th District Supervisor Bruce McPherson.

Legislators passed the gas-tax increase, Senate Bill 1, in 2017 to raise \$54 billion in 10 years to fund repairs to California’s crumbling roadways and other transit projects. The law raised the per-gallon tax consumers pay at the pump from 18 to 30 cents and imposed a new annual “Transportation Improvement Fee” on every vehicle, ranging from \$25 to \$175 based on the value of the car.

Supporters of Prop. 6 say the gas tax hits California’s poorest residents hardest and point to lawmakers’ history of funneling gas-tax funds away from road repairs.

“It’s shameful that they are holding hostage road repairs and bridge repairs in order to try to extort higher taxes from working families that already are struggling with the cost of living that is too high in California,” said Carl DeMaio, the Prop. 6 campaign chairman, radio host and former San Diego City Councilman, in an interview with the Sentinel.

Instead, DeMaio wants to put forward another ballot measure that would restrict all gas and auto sales taxes to directly fund roadway projects — to the exclusion of other transportation projects, such as alternative transit. He said that initiative would be put forward if Prop. 6 passes.

Prop. 6 opponents contend infrastructure investments have been put off for too long already, and say that while funds may have been diverted in the past, that’s no longer possible after Prop. 69 passed in June restricting the new funding to transportation uses.

“The state has a bad record of stealing from transportation funds, but that will no longer happen,” McPherson said on Tuesday.

In unincorporated Santa Cruz County, S.B. 1 provides between \$5 to \$6 million in annual funds — about a third of the total road repair budget, according to Machado, the Public Works director. Roughly another third comes from Measure D, the half-cent sales tax approved by county voters in 2016.

If Prop. 6 passed, Machado said the county would be forced to do without preventative work such as road resurfacing to focus on paying for the repairs.

“It would be disastrous to let those projects go unfinished, so we’d be forced to use Measure D money — which is not a great solution either, but is the only solution we have,” he said.

PROP. 6

What: Proposition 6, a statewide voter initiative to appear on the Nov. 6 midterm ballot.

Effect: Would repeal recently passed fuel and vehicle taxes statewide, saving consumers 12 cents per gallon at the pump and between \$25 and \$175 in car registration costs. It would eliminate \$5.1 billion in transportation funds statewide and about \$115 million locally.



**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: Bruce McPherson, Fifth District Supervisor, Ryan Coonerty, Third District Supervisor

(831) 454-2200

Subject: Resolution Opposing Proposition 6

Meeting Date: August 7, 2018

Recommended Action:

Adopt the attached resolution opposing Proposition 6, and direct the Clerk of the Board to distribute the resolution to members of Santa Cruz County's delegation and the California State Association of Counties.

Executive Summary

Proposition 6 would repeal Senate Bill (SB) 1, the Road Repair and Accountability Act, which represents the most significant effort to fund local road and bridge repairs in years. Losing SB 1 funds would have a catastrophic impact on the County's ability to fund road repairs and storm recovery.

Background

SB 1, the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017), was passed by the Legislature and Signed into law by the Governor in April 2017, and represents the most significant influx of statewide transportation funding in a generation. Anti-tax foes of SB 1 vowed to circumvent the legislative process by taking a repeal of SB 1 directly to voters. In June, their efforts resulted in Proposition 6 being placed on the November ballot. Gov. Jerry Brown, along with a coalition of labor and business groups, oppose Proposition 6.

Analysis

Over the first 10 years of SB 1, local governments within Santa Cruz County will receive \$115 million in new funding, approximately half of which will support County projects. In addition to funding essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public, SB 1 has allowed the County to fund significant storm recovery projects by providing necessary matching funds. Proposition 6 would repeal SB 1, and undermine the County's ability to address significant road and infrastructure needs. Repealing SB 1 would also undermine the County's efforts to implement the Strategic Plan, which includes improvements to Regional and Community Mobility, Local Roads and Public Transit.

Strategic Plan Elements:

- 3.A (Reliable Transportation: Regional Mobility)
- 3.B (Reliable Transportation: Community Mobility)
- 3.C (Reliable Transportation: Local Roads)
- 3.D (Reliable Transportation: Public Transit)

The agenda item works towards these Strategic Plan Elements by opposing Proposition 6, which repeal the Road Repair and Accountability Act, also known as SB 1, and cost Santa Cruz County millions in needed funds to improve local roads and bridges.

Submitted by:

Bruce McPherson, Fifth District Supervisor, Ryan Coonerty, Third District Supervisor

Attachments:

- a Resolution Opposing Prop. 6

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO.

On the motion of
Duly seconded by
The following resolution is adopted

RESOLUTION OPPOSING PROPOSITION 6

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and signed into law by the Governor in April 2017 in order to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of Santa Cruz County are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, Santa Cruz County and all cities within the county will receive an estimated \$115 million in SB 1 funding over the first 10 years of the bill, assisted by new gas taxes, registration fees, and other revenues; and

WHEREAS, SB 1 funding will enable Santa Cruz County to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

WHEREAS, SB 1 has allowed the County to implement storm recovery repairs from the 2016-17 winter without diverting funding from other programs and projects, leading to the completion of numerous high-priority storm recovery projects such as Valencia Road at Trout Gulch, Soquel Drive at Aptos Street, Soquel-San Jose Road and Bear Creek Road at PM 8.02; and

WHEREAS, Santa Cruz County is using an SB 1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the communities' priorities for transportation investment; and

WHEREAS, the 2016 California Statewide Local Streets and Roads Needs Assessment found that Santa Cruz County's streets and roads have an average Pavement Condition Index of 50, on the cusp of a "poor" rating condition, and that absent this revenue the overall quality of our road system would degrade further; and

Attachment: Resolution Opposing Prop. 6 (5837 : Resolution Opposing Proposition 6)

RESOLUTION OPPOSING PROPOSITION 6
Page 2

WHEREAS, Proposition 6 would repeal SB 1, reducing local transportation funding by millions of dollars annually, impeding Santa Cruz County storm recovery efforts and impairing the County's ability to improve its transportation network and road system for the benefits of all Santa Cruz County residents.

NOW, THEREFORE IT IS HEREBY RESOLVED, the Santa Cruz County Board of Supervisors hereby opposes Proposition 6 as a threat to local road improvements, storm recovery and safety for the travelling public.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this _____ day of _____, 2018, by the following vote:

AYES: SUPERVISOR
NOES: SUPERVISOR
ABSENT SUPERVISOR

ZACH FRIEND, Chair
Board of Supervisors

ATTEST: _____
Clerk of said Board

Approved as to form:



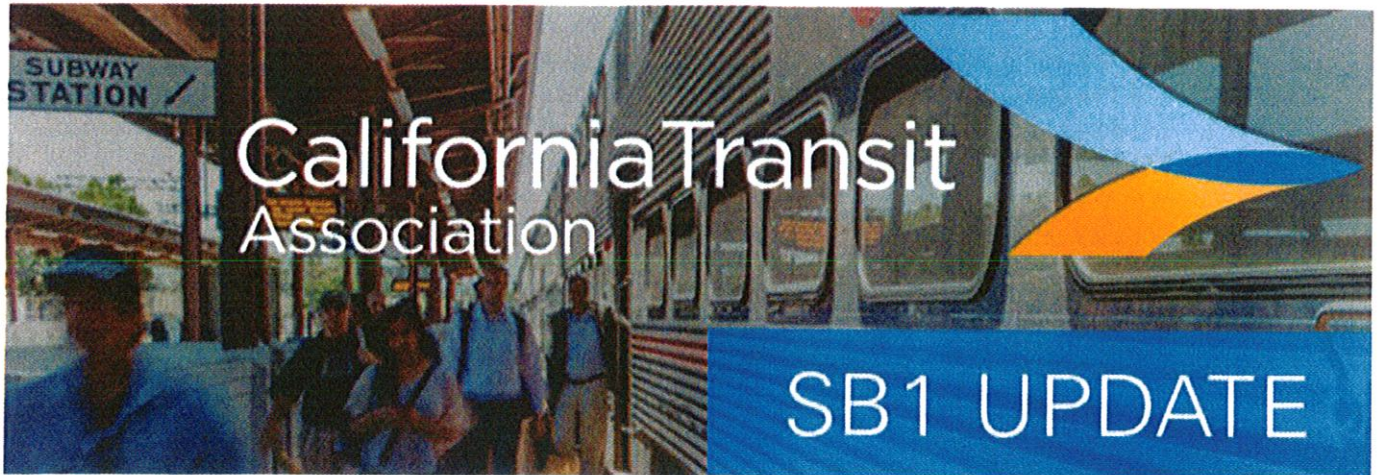
County Counsel

Distribution: Public Works

Attachment: Resolution Opposing Prop. 6 (5837 : Resolution Opposing Proposition 6)

Donna Bauer

From: California Transit Association <info@caltransit.org>
Sent: Tuesday, July 31, 2018 2:51 PM
To: Donna Bauer
Subject: SB 1 Update – July 31, 2018



July 31, 2018

By Joshua W. Shaw, Executive Director

New Regional Data Shows Local Impacts of Senate Bill 1

Earlier today, the American Road & Transportation Builders Association (ARTBA) released a [series of reports quantifying the regional economic impact of the recently-enacted Senate Bill 1](#) (Beall and Frazier) [Chapter 5, Statutes of 2017]

ARTBA is a national non-partisan federation whose primary goal is to grow and protect transportation infrastructure to meet the public and business demand for safe and efficient travel. The reports highlight the economic impact of transportation projects, including major public transportation investments, on six major California regions: the San Francisco Bay Area, Los Angeles County, the San Joaquin Valley, the Inland Empire, and San Diego and Imperial counties.

We encourage your agency to share the relevant regional reports with your board members, local stakeholder groups and your riders. A summary of the reports' findings follows:

In the San Francisco Bay Area, SB 1 adds:

- \$34.5 billion in economic activity and user benefits over 10 years.

- Including jeopardizing \$9.8 billion in savings for drivers, transit riders and businesses and \$19.3 billion in economic output.
- Nearly 12,300 jobs per year, totaling 122,932 job-years over 10 years, in which these workers will earn \$5.4 billion.

In Los Angeles County, SB 1 adds:

- \$29.2 billion in economic activity and user benefits over 10 years.
 - Including jeopardizing \$6.8 billion in savings for drivers, transit riders and businesses, and \$18.0 billion in economic output.
- Over 9,000 jobs per year, totaling 90,161 job-years over 10 years, in which these workers will earn \$4.3 billion.

In the San Joaquin Valley, SB 1 adds:

- \$20.1 billion in economic activity and user benefits over 10 years.
 - Including jeopardizing \$4.9 billion in savings for drivers, transit riders and businesses, and \$11.9 billion in economic output.
- Over 6,600 jobs per year, or 66,398 job-years over 10 years, in which these workers will earn \$3.2 billion.

In the Inland Empire, SB 1 adds:

- \$15.6 billion in economic activity and user benefits over 10 years.
 - Including jeopardizing \$3.3 billion in savings for drivers, transit riders and businesses, and \$9.9 billion in economic output.
- Over 4,900 jobs per year, or 49,598 job-years over 10 years, in which these workers will earn \$2.5 billion.

In San Diego and Imperial counties, SB 1 adds:

- \$13.8 billion in economic activity and user benefits over 10 years.
 - Including jeopardizing \$3.4 billion in savings for drivers, transit riders and businesses, and \$8.1 billion in economic output.
- Nearly 5,000 jobs per year, totaling 49,455 job-years over 10 years, in which these workers will earn \$2.3 billion.

In Orange County, SB 1 adds:

- \$9.7 billion in economic activity and user benefits over 10 years.
 - Including jeopardizing \$2.3 billion in savings for drivers, transit riders and businesses, and \$6 billion in economic output.
- Over 2,700 jobs per year, totaling 27,537 job-years over 10 years, in which these workers will earn \$1.4 billion.

These regional reports build upon a statewide analysis of the impacts of statewide transportation funding, released by [ARTBA in February](#). That analysis found that SB 1 adds nearly \$183 billion in economic activity and user benefits throughout all sectors of the state's economy over 10 years.

If you have any questions or comments about this SB1 Update, feel free to contact our advocacy team:

Joshua W. Shaw, Executive Director, (916) 446-4656, x 1012, or josh@caltransit.org
Matt Robinson, Legislative Advocate, (916) 446-4656, x 1022, or matt@caltransit.org
Michael Pimentel, Legislative and Regulatory Advocate, (916) 446-4656, x 1034, or michael@caltransit.org

Connect with us



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