



**BOARD OF DIRECTORS REGULAR MEETING AGENDA  
MARCH 25, 2011  
SANTA CRUZ CITY COUNCIL CHAMBERS\*  
\*809 CENTER STREET\*  
SANTA CRUZ, CALIFORNIA  
9:00 a.m. – 12:00 noon**

**THE BOARD MEETING AGENDA PACKET CAN BE FOUND ONLINE AT [WWW.SCMTD.COM](http://WWW.SCMTD.COM) AND IS AVAILABLE FOR INSPECTION AT SANTA CRUZ METRO'S ADMINISTRATIVE OFFICES LOCATED AT 110 VERNON STREET, SANTA CRUZ, CA**

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

**SECTION I: OPEN SESSION - 9:00 a.m.**

1. ROLL CALL
2. **ORAL ANNOUNCEMENT:** AMY WEISS WILL BE AVAILABLE FOR SPANISH LANGUAGE INTERPRETATION DURING "ORAL COMMUNICATIONS" AND FOR ANY OTHER AGENDA ITEM FOR WHICH THESE SERVICES ARE NEEDED
3. ORAL AND WRITTEN COMMUNICATION TO THE BOARD OF DIRECTORS
4. LABOR ORGANIZATION COMMUNICATIONS
5. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

**CONSENT AGENDA**

- 6-1. CONSIDERATION OF TORT CLAIMS: DENY THE APPLICATION OF MARIO DE LA GARZA TO FILE A LATE "NEW CLAIM", #10-0023; REJECT THE CLAIM OF ALISIA GARCIA, #11-0007; REJECT THE CLAIM OF MICHAEL KOYAMA, #11-0008
- 6-2. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF JANUARY 2011
- 6-3. ACCEPT AND FILE RIDERSHIP AND PERFORMANCE REPORT FOR JANUARY 2011
- 6-4. APPROVE REGULAR BOARD MEETING MINUTES OF FEBRUARY 11 AND 25, 2011
- 6-5. ACCEPT AND FILE STATUS REPORT OF ACTIVE GRANTS AND SUBMITTED GRANT PROPOSALS FOR MARCH 2011

- 6-6. ACCEPT AND FILE STATUS REPORT OF FEDERAL AND STATE LEGISLATION AND CURRENT LEGISLATIVE ISSUES
- 6-7. CONSIDERATION OF AUTHORIZING A CLAIM FOR FY12 TRANSPORTATION DEVELOPMENT ACT (TDA) AND SURFACE TRANSPORTATION ACT (STA) FUNDS
- 6-8. CONSIDERATION OF EXTENDING PROPERTY INSURANCE COVERAGE AND BOILER AND MACHINERY COVERAGE FROM FEBRUARY 14, 2011 TO SEPTEMBER 1, 2011 FOR 1200 B RIVER STREET AND 138 GOLF CLUB DRIVE
- 6-9. CONSIDERATION OF CONTRACT RENEWALS WITH SANTA CRUZ TRANSPORTATION, LLC AND WATSONVILLE TRANSPORTATION, INC. FOR SUPPLEMENTAL PARATRANSIT SERVICES
- 6-10. CONSIDERATION OF ADOPTING A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO SIGN THE NECESSARY CALTRANS MASTER AGREEMENT FOR CALTRANS-ADMINISTERED GRANTS PROGRAMS

### REGULAR AGENDA

- 7. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS  
Presented by: Chair Pirie
- 8. CONSIDERATION OF ADOPTION OF RESOLUTION OF APPRECIATION FOR THE SERVICES OF MANNY GARBEZ AS BUS OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
Presented by: Chair Pirie
- 9. DISCUSSION OF SERVICE REDUCTION OPTIONS IN EFFORT TO BALANCE THE FY12 AND FY13 BUDGETS  
Presented by: Ciro Aguirre, Operations Manager
- 10. **ORAL ANNOUNCEMENT:** THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE HELD FRIDAY, APRIL 8, 2011 AT 9:30 A.M. AT THE SANTA CRUZ METRO ADMINISTRATIVE OFFICES LOCATED AT 110 VERNON STREET, SANTA CRUZ  
Presented by: Chair Pirie
- 11. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel
- 12. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

### SECTION II: CLOSED SESSION

- 1. CONFERENCE WITH LABOR NEGOTIATORS  
(Pursuant to Government Code Section 54957.6)

- a. Agency Negotiators: Robyn Slater, Human Resources Manager; Angela Aitken, Acting Assistant General Manager/Finance Manager; Ciro Aguirre, Operations Manager; and Mary Ferrick, Fixed Route Superintendent

- 1. Employee Organizations: United Transportation Union (UTU), Local 23 (Fixed Route and Paracruz) and Service Employees International Union (SEIU), Local 521

2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Pursuant to Government Code Section 54956.9)

- a. Name of Case: State Farm Insurance (subrogating for Dias, Phyllis) vs. Santa Cruz METRO
- b. Name of Case: Mario De La Garza vs. Santa Cruz METRO
- c. Name of Case: Consuelo Dimas (Guardian Ad Litem for Salvador Lopez Chipres) vs. Santa Cruz METRO

**SECTION III: RECONVENE TO OPEN SESSION**

13. REPORT OF CLOSED SESSION

**ADJOURN**

**NOTICE TO PUBLIC**

Members of the public may address the Board of Directors on a topic not on the agenda but within the jurisdiction of the Board of Directors or on the consent agenda by approaching the Board during consideration of Agenda Item #3 "Oral and Written Communications", under Section I. Presentations will be limited in time in accordance with District Resolution 69-2-1.

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.

Members of the public may address the Board of Directors on a topic on the agenda by approaching the Board immediately after presentation of the staff report but before the Board of Directors' deliberation on the topic to be addressed. Presentations will be limited in time in accordance with Santa Cruz METRO Resolution 69-2-1.

The Santa Cruz Metropolitan Transit District does not discriminate on the basis of disability. The City Council Chambers is located 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, should contact Tony Tapiz, Administrative Services Coordinator, 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. A Spanish language translator will be available during "Oral Communications" and for any other agenda item for which these services are needed. This meeting will be broadcast live by Community Television of Santa Cruz on Channel 26.

**GOVERNMENT TORT CLAIM**

**RECOMMENDED ACTION**

TO: Board of Directors

FROM: District Counsel

RE: Petition to Present a Late "New Claim"

Claim of: De La Garza, Mario

Date of Incident: 3/05/2010

Received: 3/11/2011 Claim #: 10-0023

Occurrence Report No.: SC 03-10-06

In regard to the above-referenced Claim, this is to recommend that the Board of Directors take the following action:

- 1. Reject the claim entirely.
- 2. Deny the application to file a late "New Claim."
- 3. Grant the application to file a late claim.
- 4. Reject the new claim as untimely filed.
- 5. Reject the claim as insufficient.
- 6. Allow the claim in full.
- 7. Allow the claim in part, in the amount of \$ \_\_\_\_\_ and reject the balance.

By Margaret Gallagher  
Margaret Gallagher  
DISTRICT COUNSEL

Date: 3/15/11

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I, Tony Tapiz, do hereby attest that the above Petition to Present a Late "New Claim" was duly presented to and the recommendations were approved by the Santa Cruz Metropolitan Transit District's Board of Directors at the meeting of March 25, 2011.

By \_\_\_\_\_

Tony Tapiz  
RECORDING SECRETARY

Date: \_\_\_\_\_

MG/lg  
Attachment(s)

SANTA CRUZ METROPOLITANT  
TRANSIC DISTRIC

3/05/11

SCMTD  
Margaret Gallagher  
District Counsel

Re: "Leave to present a late claim:

Dear Margaret G.

In your last letter( 8/13/11 copy fax included ) to Lawyer James King, you indicated that from that date Mr. king, had six months to file a new claim ( first claim was rejected ), that date was on or before 2/13/11..

Lawyer James King send you a letter notifying you that he would no longer represent me on this matter of the Civil Suit.

I had to file in pro-per for the time being, I did that as you know on the 2/09/11, and according to your new letter, you are asking me to petition or to apply to SCMTD for a **leave to present a late claim**.

**So I'm requesting with this letter my petition for "leave to present a late claim".**

PETITION TO:  
**"LEAVE TO PRESENT A LATE CLAIM"**

As of this date 3/05/11, I Mario De La Garza request such petition, due to the fact that according to my records, I had the right to file a **New Claim** on or before 2/13/11, and according to your letter "claim of De la Garza Mario #10-0023". Claim was presented on 8/13/10

**Your immediate consideration is greatly appreciated.** Any further notices, or instructions; Please feel free to contact me immediately.

Sincerely,

Mario De La Garza

**6-1.2**

# GOVERNMENT TORT CLAIM

## RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Garcia, Alisia  
Date of Incident: 9/22/10

Received: 3/03/11 Claim #: 11-0007  
Occurrence Report No.: MISC 10-11

In regard to the above-referenced Claim, this is to recommend that the Board of Directors take the following action:

- 1. Reject the claim entirely.
- 2. Deny the application to file a late claim.
- 3. Grant the application to file a late claim.
- 4. Reject the claim as untimely filed.
- 5. Reject the claim as insufficient.
- 6. Allow the claim in full.
- 7. Allow the claim in part, in the amount of \$ \_\_\_\_\_ and reject the balance.

By Margaret Gallagher  
Margaret Gallagher  
DISTRICT COUNSEL

Date: 3-7-11

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I, Tony Tapiz, do hereby attest that the above Claim was duly presented to and the recommendations were approved by the Santa Cruz Metropolitan Transit District's Board of Directors at the meeting of March 25, 2011.

By \_\_\_\_\_  
Tony Tapiz  
RECORDING SECRETARY

Date: \_\_\_\_\_

MG/lg  
Attachment(s)



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

**CLAIM FOR DAMAGES**

(Pursuant to Section 910 et Seq., Government Code)

Claim # 11-0007  
(To be completed by METRO staff)

Please Print or Type:

The name and post office address of the claimant:

Claimant's Legal First Name: Alisia

Claimant's Legal Last Name: Garcia

Address to which notices are to be sent: \_\_\_\_\_

Telephone (Home): \_\_\_\_\_

Telephone (Business/Cell): \_\_\_\_\_

Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA), a new federal law that became effective January 1, 2009, requires that the Santa Cruz Metropolitan Transit District report specific information about Medicare beneficiaries who have other insurance coverage. This reporting is to assist Centers for Medicare and Medicaid Services and other insurance plans to properly coordinate payment of benefits among plans so that (your) claims are paid promptly and correctly. We are asking you to answer the following questions so that we may comply with this law.

Are you presently, or have you ever been, enrolled in Medicare Part A or B? Yes  or No

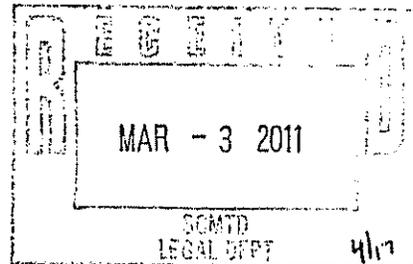
**IF YES**, please provide the following information:

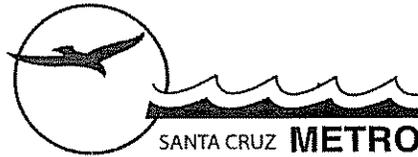
Medicare Claim Number: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Gender: M  or F





Claimant Name: Alisia Garcia

### CLAIM FOR DAMAGES

The date, place and other circumstances of the occurrence or transaction that gave rise to the claim asserted:

Date of Incident/Accident: 9/22/10

Time of Incident/Accident: 2:40  AM  PM

Location of Incident/Accident

Street/City: entrance of buses on Rodriguez  
Watsonville  
Metro

A general description of the indebtedness, obligation, injury, damage or loss incurred so far as it may be known at the at the time of presentation of the claim. Please state the known facts surrounding the loss and use additional paper if needed. As of 11/11/10

emergency \$100. Dr visits co-pays \$20, medication co-pay \$45  
loss of wages, stopped working on Oct 14, 2010, as of Nov 15  
\$2,395.06 gross pay. Paying people for rides \$100



Claimant Name: \_\_\_\_\_

**CLAIM FOR DAMAGES**

The name or names of the METRO employee or employees causing the injury, damage, or loss, if known:

*none*

If the claim totals less than \$10,000, the amount claimed as of the date of the presentation of the claim: to date 2,670.06

If the amount exceeds \$10,000, this claim would be:  Less than \$25,000 (Limited Civil Case)  More than \$25,000

Claimant: Alisia Garcia / Alisia Garcia Date: 11/11/10  
Signature/Print Name

Attorney or Representative: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature/Print Name

On September 22, 2010 I was walking to the Watsonville Metro at 2:40 pm. I had reached the crossing area where the buses enter at Rodriguez St.

I fell to my knees. I did not slip, lose my balance or felt dizzy. Physically I do not know why I fell. I have never experience this before or after this incident.

When I got up. I looked around. There was a man on the cross seating on the sidewalk. He was not looking my way. I looked quickly at the area, I did see anything that was wet, slippery, or an obstacle.

I wish I had looked closely but being embarrassed and needing to catch the 2:50 bus stopped me. I should have had someone from the bus line inspect at the moment instead of waiting for the next day.

I went to emergency the following day, I had broken my foot.

I do not feel this incident was **6-1-7**

yours or my fault. But it is where I  
got injured. I lose time, energy, work, money  
and when into a deep depression because I am  
always working. Realize I only ask for  
lost wages and out of pocket expenses.

Thank you,

Alisia Garcia

# GOVERNMENT TORT CLAIM

## RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Koyama, Michael  
Date of Incident: 3/10/11

Received: 3/14/11 Claim #: 11-0008  
Occurrence Report No.: MISC 11-04

In regard to the above-referenced Claim, this is to recommend that the Board of Directors take the following action:

- 1. Reject the claim entirely.
- 2. Deny the application to file a late claim.
- 3. Grant the application to file a late claim.
- 4. Reject the claim as untimely filed.
- 5. Reject the claim as insufficient.
- 6. Allow the claim in full.
- 7. Allow the claim in part, in the amount of \$ \_\_\_\_\_ and reject the balance.

By Margaret Gallagher  
Margaret Gallagher  
DISTRICT COUNSEL

Date: 3-18-11

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I, Tony Tapiz, do hereby attest that the above Claim was duly presented to and the recommendations were approved by the Santa Cruz Metropolitan Transit District's Board of Directors at the meeting of March 25, 2011.

By \_\_\_\_\_  
Tony Tapiz  
RECORDING SECRETARY

Date: \_\_\_\_\_

MG/lg  
Attachment(s)



2011 MAR 14 PM 1:33  
RECEIVED  
SANTA CRUZ METRO  
ADMINISTRATION

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

**CLAIM FOR DAMAGES**

(Pursuant to Section 910 et Seq., Government Code)

Claim # 11-0008  
(To be completed by METRO staff)

Please Print or Type:

The name and post office address of the claimant:

Claimant's Legal First Name: Michael Kayama

Claimant's Legal Last Name: Contact: Alisha Montenegro - Mercury Insurance

Address to which notices are to be sent: P.O. Box 1150, Brea, Ca 92822

Telephone (Home): Claim #: 2011 0010 001574-96

Telephone (Business/Cell): 888-263-7287 ext. 27659

Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA), a new federal law that became effective January 1, 2009, requires that the Santa Cruz Metropolitan Transit District report specific information about Medicare beneficiaries who have other insurance coverage. This reporting is to assist Centers for Medicare and Medicaid Services and other insurance plans to properly coordinate payment of benefits among plans so that (your) claims are paid promptly and correctly. We are asking you to answer the following questions so that we may comply with this law.

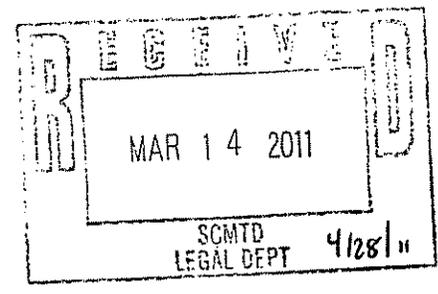
Are you presently, or have you ever been, enrolled in Medicare Part A or B? Yes  or No

**IF YES**, please provide the following information:

Medicare Claim Number: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Social Security Number: \_\_\_\_\_





Gender: M  or F

Claimant Name: Michael Koyama

### CLAIM FOR DAMAGES

The date, place and other circumstances of the occurrence or transaction that gave rise to the claim asserted:

Date of Incident/Accident: 03-10-11

Time of Incident/Accident: 2:35  AM  PM

Location of Incident/Accident

Street/City: Olive & 18th St, Los Angeles, Ca

A general description of the indebtedness, obligation, injury, damage or loss incurred so far as it may be known at the at the time of presentation of the claim. Please state the known facts surrounding the loss and use additional paper if needed.

Our insured, Michael Koyama, and bus # 6758 were both making left turns onto Olive St. from 18th St. The bus was in the inside lane and Michael was in the #2 lane, to the right of the bus. As they turned, the bus went into his lane and hit his driver's side rear.



Claimant Name: Michael Koyama

### CLAIM FOR DAMAGES

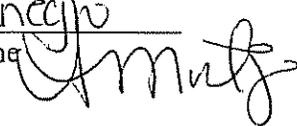
The name or names of the METRO employee or employees causing the injury, damage, or loss, if known:

Driver Badge: 77323  
Bus #: 6758  
Line #: 485 Br. 6

If the claim totals less than \$10,000, the amount claimed as of the date of the presentation of the claim: inspection pending

If the amount exceeds \$10,000, this claim would be:  Less than \$25,000 (Limited Civil Case)  More than \$25,000

Claimant: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature/Print Name

Attorney or Representative: Alisha Montenegro Date: 03-11-11  
Signature/Print Name 

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** March 25, 2011  
**TO:** Board of Directors  
**FROM:** April Warnock, Paratransit Superintendent  
**SUBJECT: METRO PARACRUZ OPERATIONS STATUS REPORT**

## I. RECOMMENDED ACTION

**This report is for information only - no action requested**

## II. SUMMARY OF ISSUES

- METRO ParaCruz is the federally mandated ADA complementary paratransit program of the Transit District, providing shared ride, door-to-door demand-response transportation to customers certified as having disabilities that prevent them from independently using the fixed route bus.
- METRO assumed direct operation of paratransit services November 1, 2004. This service had been delivered under contract since 1992.
- Discussion of ParaCruz Operations Status Report.
- Attachment A: On-time Performance Chart displays the percentage of pick-ups within the “ready window” and a breakdown in 5-minute increments for pick-ups beyond the “ready window”. The monthly Customer Service Reports summary is included.
- Attachment B: Report of ParaCruz’ operating statistics. Performance Averages and Performance Goals are reflected in the Comparative Operating Statistics Table in order to establish and compare actual performance measures, as performance is a critical indicator as to ParaCruz’ efficiency.
- Attachments C and D: ParaCruz Performance Charts displaying trends in rider-ship and mileage spanning a period of three years.
- Attachment E: Current calendar year’s statistical information on the number of ParaCruz in-person eligibility assessments, including a comparison to past years, since implementation in August of 2002.

### **III. DISCUSSION**

In January 2011 ParaCruz rides decreased by 109 rides from January 2010. The number of rides in January 2011 decreased by 532 rides from December 2010. The decrease in rides between December and January trends with last years statistics, however, the decrease in rides is greater than previous years.

Call Center statistics were unavailable and reflect that we experienced problems with the phone system attributed to wiring issues that have been identified. Corrective measures are underway that will alleviate the issue and improve the system's performance.

### **IV. FINANCIAL CONSIDERATIONS**

NONE

### **V. ATTACHMENTS**

- Attachment A:** ParaCruz On-time Performance Chart
- Attachment B:** Comparative Operating Statistics Table
- Attachment C:** Number of Rides Comparison Chart and Shared vs. Total Rides Chart
- Attachment D:** Mileage Comparison Chart and Year to Date Mileage Chart
- Attachment E:** Eligibility Chart

## ATTACHMENT A

Board of Directors  
Board Meeting March 25, 2011

<b>ParaCruz On-time Performance Report</b>		
	<b>Jan 2010</b>	<b>Jan 2011</b>
Total pick ups	6985	6876
<b>Percent in “ready window”</b>	<b>95.99%</b>	<b>96.06%</b>
1 to 5 minutes late	1.68%	1.88%
6 to 10 minutes late	1.16%	1.06%
11 to 15 minutes late	.52%	.49%
16 to 20 minutes late	.36%	.32%
21 to 25 minutes late	.23%	.12%
26 to 30 minutes late	.06%	.03%
31 to 35 minutes late	.00%	.04%
36 to 40 minutes late	.01%	.00%
41 or more minutes late (excessively late/missed trips)	.00%	.00%
<b>Total beyond “ready window”</b>	<b>4.01%</b>	<b>3.94%</b>

During the month of January 2011, ParaCruz received nine (9) Customer Service Reports. Three (3) of the reports were valid complaints, one of which pertained to the telephone system failures. Two (2) of the reports were not valid, and four (4) of the reports were compliments.

# ATTACHMENT B

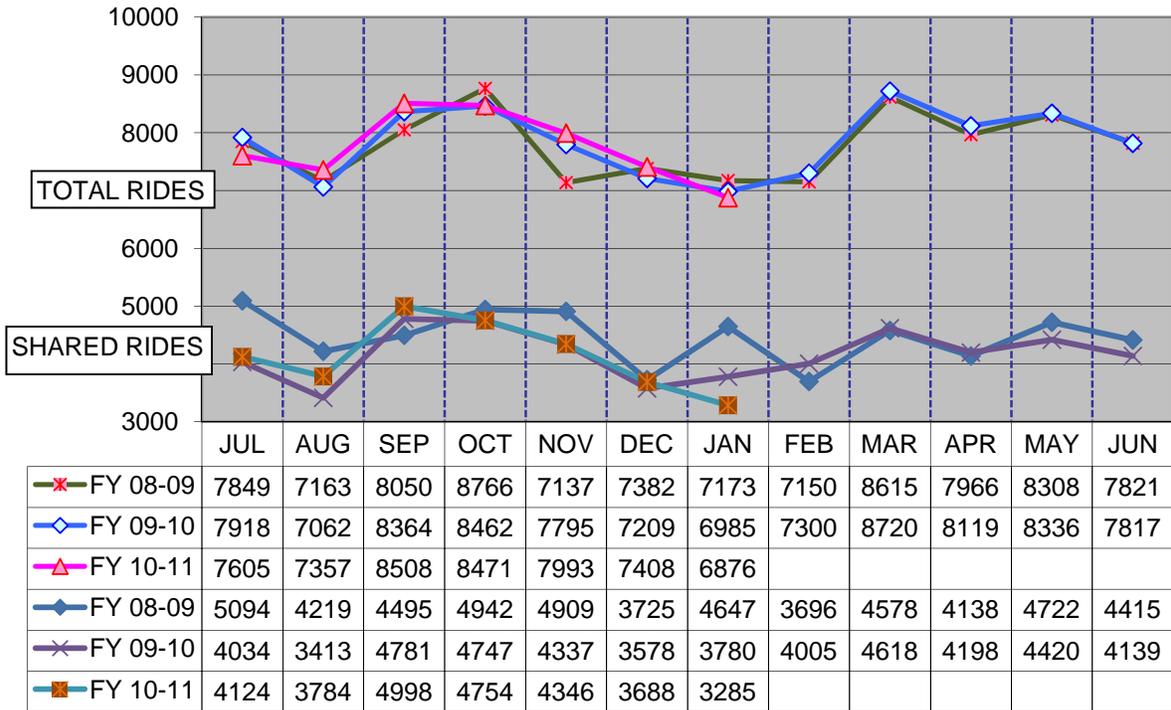
Board of Directors  
Board Meeting March 25, 2011

## Comparative Operating Statistics This Fiscal Year, Last Fiscal Year through January 2011.

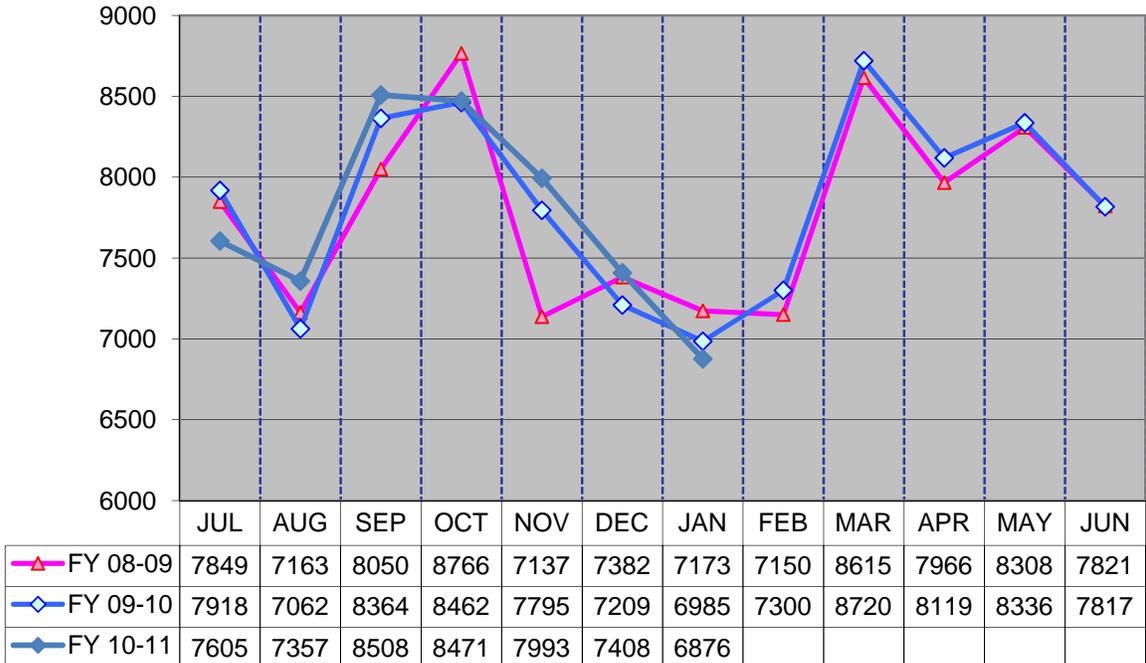
	<b>Jan 10</b>	<b>Jan 11</b>	<b>Fiscal 09-10</b>	<b>Fiscal 10-11</b>	<b>Performance Averages</b>	<b>Performance Goals</b>
Requested	7802	7204	58,690	57,442	8376	
Performed	6985	6876	53,788	54,211	7276	
Cancels	20.33%	16.94%	20.41%	17.93%	17.99%	
No Shows	3.97%	2.62%	1.86%	2.08%	2.34%	Less than 3%
Total miles	46,676	47,320	349,460	367,899	50,718	
Av trip miles	5.08	5.05	5.07	5.01	5.02	
Within ready window	95.99%	96.17%	95.65%	96.17%	95.85%	92.00% or better
Excessively late/missed trips	0	0	7	10	2.25	Zero (0)
Call center volume	5644	N/A	N/A	N/A	N/A	
Call average seconds to answer	25	N/A	N/A	N/A	N/A	Less than 2 minutes
Hold times less than 2 minutes	96%	N/A	N/A	N/A	N/A	Greater than 90%
Distinct riders	786	760	1,487	1548	810	
Most frequent rider	40 rides	55 rides	218 rides	360 rides	58 rides	
Shared rides	64.0%	56.9%	62.1%	62.3%	62.78%	Greater than 60%
Passengers per rev hour	2.09	2.01	2.17	2.12	2.14	Greater than 1.6 passengers/hour
Rides by supplemental providers	12.53%	6.94%	13.28%	9.65%	9.67%	No more than 25%
Vendor cost per ride	\$46.24	\$21.23	\$24.85	\$20.68	\$23.63	
ParaCruz driver cost per ride (estimated)	\$24.42	\$22.55	\$26.12	\$24.10	\$24.48	
Rides < 10 miles	69.88%	71.20%	69.67%	70.35%	70.20%	
Rides > 10	30.12%	28.8%	30.33%	29.65%	29.80%	

# ATTACHMENT C

## TOTAL RIDES vs. SHARED RIDES

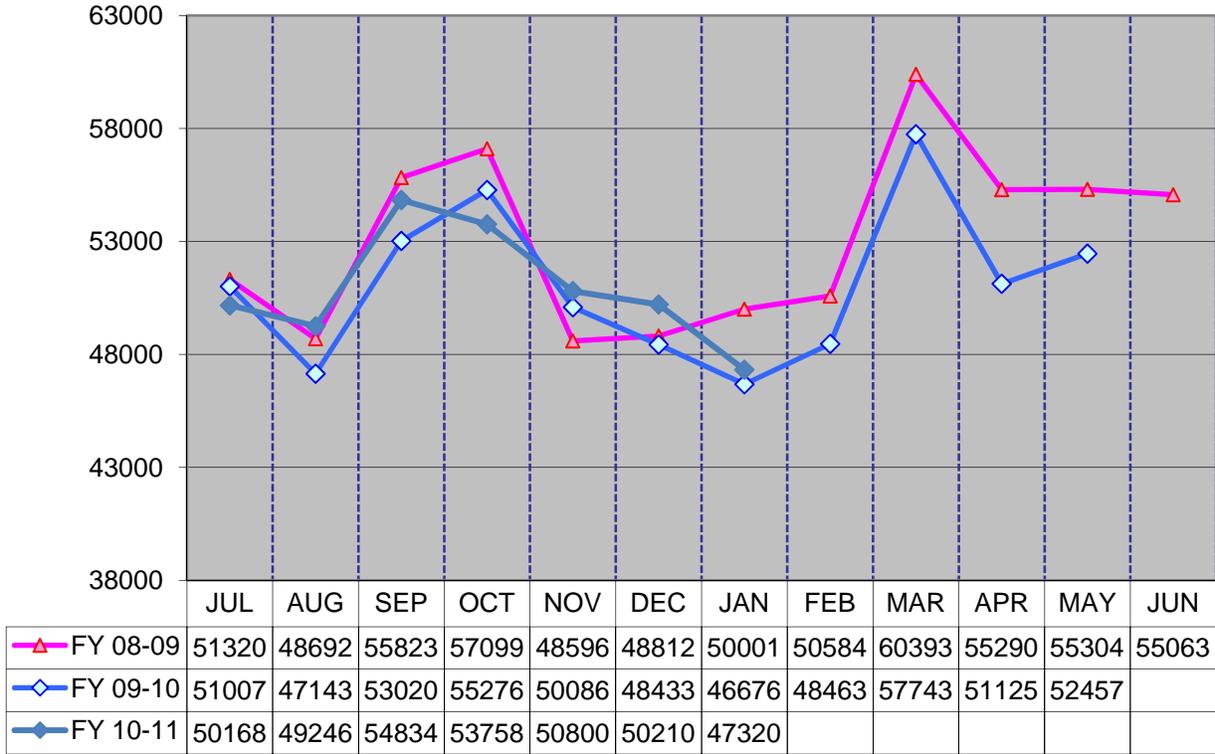


## NUMBER OF RIDES COMPARISON CHART

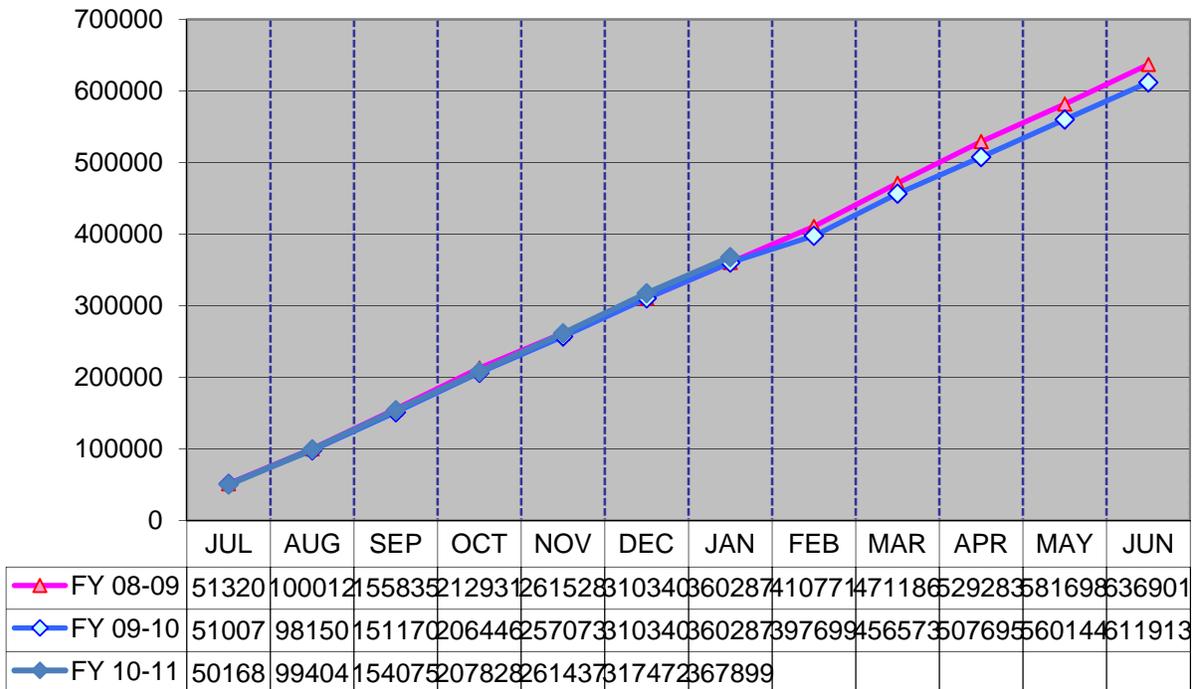


# ATTACHMENT D

## MILEAGE COMPARISON



## YEAR TO DATE MILEAGE COMPARISON CHART



## ATTACHMENT E

<b>MONTHLY ASSESSMENTS</b>						
	UNRESTRICTED	RESTRICTED CONDITIONAL	RESTRICTED TRIP BY TRIP	TEMPORARY	DENIED	TOTAL
JANUARY 2010	35	1	6	4	0	46
FEBRUARY 2010	42	1	4	1	0	48
MARCH 2010	48	3	3	2	0	56
APRIL 2010	29	2	7	5	0	43
MAY 2010	44	6	3	3	0	56
JUNE 2010	49	9	3	0	0	49
JULY 2010	33	4	7	1	0	45
AUGUST 2010	31	1	9	4	0	45
SEPTEMBER 2010	55	4	9	1	1	70
OCTOBER 2010	58	1	10	2	0	71
NOVEMBER 2010	45	0	4	5	1	55
DECEMBER 2010	32	0	7	5	0	44
JANUARY 2011	43	3	4	4	0	54

<b>NUMBER OF ELIGIBLE RIDERS</b>	
<b>YEAR</b>	<b>ACTIVE</b>
2006	<b>5315</b>
2007	<b>4820</b>
2008	<b>4895</b>
2009	<b>5291</b>
2010	<b>3314</b>

The significantly lower number of eligible riders in 2010 reflects the increased accuracy of an integrated database, in this case Trapeze.

Prior to 2010, figures were derived from the Eligibility database, which was not connected to the Trapeze database. The Certification module (CERT) was added to Trapeze in early January of 2010. As Trapeze is the operational database utilized to perform ParaCruz services, the status of clients is updated as it changes, creating an accurate and more current database.

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** March 25, 2011  
**TO:** Board of Directors  
**FROM:** Angela Aitken, Finance Manager & Acting Assistant General Manager  
**SUBJECT: SANTA CRUZ METRO SYSTEM RIDERSHIP REPORT FOR JANUARY 2011**

## I. RECOMMENDED ACTION

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

## II. SUMMARY OF ISSUES

- Total ridership for the month of January 2011 was 532,307, which is an increase of 14,221 riders or 2.74% versus January 2010. System Daily Averages for January include:
  - 21,107 riders per Weekday, a loss of 0.67% (141 riders)
  - 11,915 riders per Saturday, a gain of 14.10% (1,472 riders)
  - 8,279 riders per Sunday, a gain of 1.21% (99 riders)
- Highway 17 Express ridership for the month of January 2011 was 25,157, which is an increase of 1,462 riders, or 6.17%, from January 2010. Daily averages include:
  - 931 riders per Weekday, a gain of 0.85% (8 riders)
  - 690 riders per Saturday, a gain of 35.45% (181 riders)
  - 567 riders per Sunday, a gain of 6.02% (32 riders)
- UCSC students and staff/faculty generated 290,554 rides in January 2011, a gain of 1.43%. Revenue generated from UCSC was \$363,919.89, a 1.08% increase from January 2010.
- Overall system wide ridership remains steady with a slight YTD decrease of 0.78% despite a recent 10% reduction in service implemented in September 2010.

## III. DISCUSSION

In the twenty-one (21) weekdays, four (4) Saturdays, and five (5) Sundays of January 2011, Santa Cruz METRO's total ridership was 532,307 riders. This was a gain from the previous year, increasing by 14,221 riders or 2.74%. More weekdays, and unseasonably fair weather for most of the month most likely caused the increase in ridership. Currently, FY11 YTD ridership is 3,127,362, which is down 0.78% from FY10.

**Attachment A** shows that during January 2011, Santa Cruz METRO averaged 21,107 riders per Weekday. This was a small loss from the previous January of 0.67% which is most likely due to steady high unemployment, holidays, and schools resuming classes. Weekends experienced gains of 14.10% and 1.21% on Saturdays and Sundays respectively possibly due to fair weather conditions, and Holiday (Martin Luther King Day) weekend travel.

**Attachment A** also shows Highway 17 Express total ridership at 25,157 riders. This was a gain from the previous year, increasing by 1,462 riders or simply 6.17%. Ridership on Highway 17 Express has begun to rebound since the fares were raised nearly 25% in June of 2010.

FY11 average weekday ridership on the Highway 17 Express was 931 riders per weekday, a 0.85% increase from 924 riders per weekday in FY10. Simultaneously Highway 17 Express has seen a 35.45% spike in riders on Saturdays and a gain of 6.02% in riders on Sundays. These variations in ridership could be due to rising gasoline prices as well as weekend travel demands from UCSC students on the weekends.

**Attachment B** shows UCSC ridership continues to grow at a steady rate every month. In January 2011, UCSC generated 290,554 rides between students and staff/faculty. This accounts for over half of Santa Cruz METRO's total ridership count. During school term days, UCSC ridership was 12,173 per "School Term" day, a loss of 4.60%. Other Weekdays also saw a decrease of 3.94%, while Weekends saw a gain of 4.83% in ridership. Total revenue derived from UCSC in January 2011 was \$363,919.89, a 1.08% increase from January 2010.

**Attachment C** depicts Weekday, Saturday, and Sunday ridership by route. Many of Santa Cruz METRO's main-lines service are well ridden while overall ridership remains flat. January is generally a very good month for representing the demand for transit service, as most schools are back in session and commuters return to their normal travel patterns after the holiday season. Overall, system wide ridership remains fairly steady with a small YTD decrease of 0.78% despite a recent 10% service cut which was implemented in September 2010.

#### **IV. FINANCIAL CONSIDERATIONS.**

Revenue derived from passenger fares and passes is reflected in the FY11 Revenue.

#### **V. ATTACHMENTS**

**Attachment A: Monthly Ridership Summary**

**Attachment B: UCSC Ridership Summary**

**Attachment C: Ridership by Route**

Prepared by: Erich Friedrich, Jr. Transportation Planner.  
Date Prepared: March 17, 2011

# Monthly Ridership Summary

JANUARY 01, 2011 - JANUARY 31, 2011

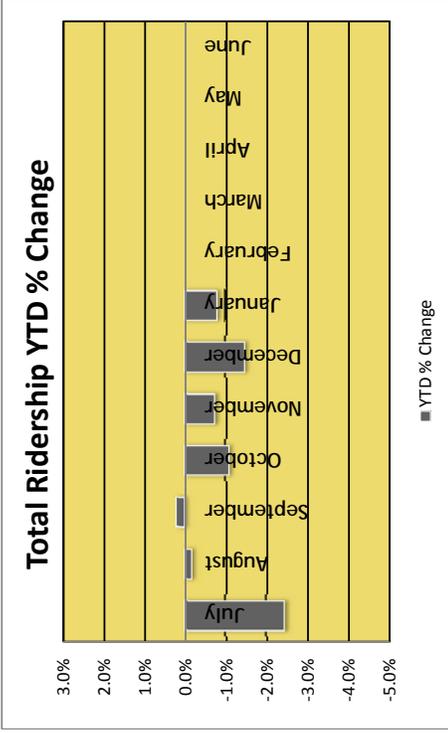
## Calendar Operating Days

	This Year	Last Year
Weekdays	21	20
Saturdays	4	5
Sundays	5	5

## Monthly System Totals

	Monthly Totals		
	This Year	Last Year	Difference
Local Fixed Route	507,150	494,391	12,759
AMTRAK/Highway 17 Express	25,157	23,695	1,462
<b>System Total</b>	<b>532,307</b>	<b>518,086</b>	<b>14,221</b>

	Year to Date Totals		
	This Year	Last Year	Difference
Local Fixed Route	2,980,406	2,978,296	2,110
AMTRAK/Highway 17 Express	146,956	173,659	-26,703
<b>System Total</b>	<b>3,127,362</b>	<b>3,151,955</b>	<b>-24,593</b>



## System Daily Averages

	Weekdays			Saturday			Sunday		
	This Year	Last Year	Difference	This Year	Last Year	Difference	This Year	Last Year	Difference
Local Fixed Route	20,176	20,325	-149	11,225	9,933	1,292	7,712	7,646	67
AMTRAK/Highway 17 Express	931	924	8	690	510	181	567	535	32
<b>System Total</b>	<b>21,107</b>	<b>21,249</b>	<b>-141</b>	<b>11,915</b>	<b>10,443</b>	<b>1,472</b>	<b>8,279</b>	<b>8,180</b>	<b>99</b>

# UCSC Ridership Summary

JANUARY 01, 2011 - JANUARY 31, 2011

## Calendar Operating Days

	This Year	Last Year
School Term Days	20	19
Weekdays	21	20
Weekend Days	10	10

## UCSC Revenue

	This Year	Last Year	\$ Difference	% Change
Student Billing	\$335,186.54	\$331,619.03	\$3,567.51	1.08%
Staff Billing	\$14,786.46	\$15,284.03	-\$497.57	-3.26%
Night Owl Service	\$9,854.91	\$8,693.45	\$1,161.46	13.36%
Route 20D Service	\$4,091.98	\$0.00	\$4,091.98	N/A
<b>Total</b>	<b>\$363,919.89</b>	<b>\$360,024.37</b>	<b>\$3,895.52</b>	<b>1.08%</b>

## UCSC Monthly System Totals

	Monthly Totals			Year to Date Totals				
	This Year	Last Year	Difference	% Change	This Year	Last Year	Difference	% Change
Students	278,089	273,839	4,250	1.55%	1,175,767	1,137,159	38,608	3.40%
Staff & Faculty	12,465	12,621	-156	-1.24%	85,722	84,669	1,053	1.24%
<b>Total</b>	<b>290,554</b>	<b>286,460</b>	<b>4,094</b>	<b>1.43%</b>	<b>1,261,489</b>	<b>1,221,828</b>	<b>39,661</b>	<b>3.25%</b>

## UCSC System Daily Averages

	School Term Days			Weekdays			Weekend Days					
	This Year	Last Year	Difference	% Change	This Year	Last Year	Difference	% Change	This Year	Last Year	Difference	% Change
Students	11,616	12,174	-558	-4.58%	11,245	11,703	-458	-3.91%	4,195	3,979	216	5.43%
Staff & Faculty	557	587	-30	-5.04%	539	565	-26	-4.63%	115	132	-17	-13.05%
<b>Total</b>	<b>12,173</b>	<b>12,761</b>	<b>-587</b>	<b>-4.60%</b>	<b>11,784</b>	<b>12,268</b>	<b>-484</b>	<b>-3.94%</b>	<b>4,309</b>	<b>4,111</b>	<b>199</b>	<b>4.83%</b>

## Attachment C

## Ridership by Route

JANUARY 01, 2011 - JANUARY 31, 2011								
Route	Corridor	Weekday Ridership	Weekday Average	Saturday Ridership	Saturday Average	Sunday Ridership	Sunday Average	Monthly Ridership
10	UCSC via High St.	29,609	1,410	2,363	591	2,306	461	34,278
13	UCSC via Walnut	16,082	766					16,082
15	UCSC via Laurel West	51,933	2,473					51,933
16	UCSC via Laurel East	90,708	4,319	14,540	3,635	11,263	2,253	116,511
16N	UCSC Night Owl - Laurel East	1,395	66	1,132	283	1,141	228	3,668
19	UCSC via Lower Bay	26,328	1,254	2,666	667	2,273	455	31,267
19N	UCSC Night Owl - Lower Bay			692	173	1,141	228	1,833
3	Mission/Beach	2,569	122					2,569
4	Harvey West/Emeline	4,077	194					4,077
8	Emeline	101	5					101
12A	UCSC East Side District	1,086	52					1,086
20	UCSC via West Side	22,262	1,060	2,661	665	1,991	398	26,914
20D	UCSC via West Side Supp.	9,654	460					9,654
30	Gramhill/Scotts Valley	765	36					765
33	Lompico SLV/Felton Faire	375	18					375
34	South Felton	110	5					110
35/35A	Santa Cruz/Scotts Valley/SLV	30,214	1,439	3,868	967	3,687	737	37,769
40	Davenport/North Coast	1,201	57	89	22	103	21	1,393
41	Bonny Doon	1,845	88	53	13	42	8	1,940
42	Davenport/Bonny Doon	284	14	124	31	135	27	543
54	Capitola/Aptos/La Selva Beach	197	9	87	22	71	14	355
55	Rio Del Mar	2,309	110					2,309
56	La Selva Beach	319	15					319
66	Live Oak via 17th	11,316	539	1,855	464	1,809	362	14,980
68	Like Oak via Broadway/Portola	7,135	340	1,061	265	1,076	215	9,272
69	Capitola Road	7,736	368	83	21	29	6	7,848
69A	Cap. Road/Cabrillo/Watsonville	17,977	856	3,021	755	2,908	582	23,906
69N	Capitola Road/Cabrillo Night	2,199	105					2,199
69W	Capitola Road/Watsonville	18,320	872	2,871	718	6,608	1,322	27,799
71	Santa Cruz to Watsonville	51,010	2,429	6,920	1,730	838	168	58,768
72	Corralitos	3,162	151					3,162
74	Ohlone Parkway/Rolling Hills	1,972	94					1,972
75	Green Valley Road	4,870	232	813	203	1,141	228	6,824
79	East Lake	1,392	66					1,392
91x	Santa Cruz/Watsonville Express	3,177	151					3,177
Hwy 17	AMTRAK/Hwy 17 Express	19,561	931	2,761	690	2,835	567	25,157
<b>Monthly Total</b>		<b>443,250</b>	<b>21,107</b>	<b>47,660</b>	<b>11,915</b>	<b>41,397</b>	<b>8,279</b>	<b>532,307</b>
<b>Previous Year</b>		<b>424,971</b>	<b>21,249</b>	<b>52,213</b>	<b>10,443</b>	<b>40,902</b>	<b>8,180</b>	<b>518,086</b>
<b>% Change</b>		<b>4.30%</b>	<b>-0.67%</b>	<b>-8.72%</b>	<b>14.10%</b>	<b>1.21%</b>	<b>1.21%</b>	<b>2.74%</b>

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

February 11, 2011

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, February 11, 2011 at the District's Administrative Office located at 110 Vernon Street in Santa Cruz, California.

Vice Chair Robinson called the meeting to order at 9:33 a.m.

## SECTION 1: OPEN SESSION

### 1. ROLL CALL:

#### DIRECTORS PRESENT

Hilary Bryant  
Dene Bustichi  
Daniel Dodge  
Ron Graves  
Donald Hagen  
Michelle Hinkle  
John Leopold  
William Neighbors  
Ellen Pirie  
Lynn Robinson

#### DIRECTORS ABSENT

Mark Stone  
Ex-Officio Donna Blitzer

#### STAFF PRESENT

Ciro Aguirre, Operations Manager  
Angela Aitken, Acting AGM/Finance Manager  
Bob Cotter, Maintenance Manager  
Frank Cheng, MB Project Manager  
Mary Ferrick, Fixed Route Superintendent

Margaret Gallagher, District Counsel  
Debbie Kinslow, Asst Finance Manager  
Robyn Slater, Human Resources Manager  
April Warnock, Paratransit Superintendent  
Les White, General Manager

#### EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT

John Daugherty, SEA  
Manny Martinez, PSA  
Eduardo Montesino, UTU  
Bonnie Morr, UTU  
Will Regan, VMU

**2. ORAL AND WRITTEN COMMUNICATION TO THE BOARD OF DIRECTORS**

Written:

None.

Oral:

None.

**3. LABOR ORGANIZATION COMMUNICATIONS**

Bonnie Morr, UTU, stated that a few employee recognitions had been missed. Leslie White asked for a list of the affected employees. Ms. Morr said she was concerned about the posting of documentation from the Resource Allocation meeting, and said that it was a scare tactic because the numbers are not set in stone and because discussions with the District are in progress. John Daugherty, SEA, pointed out unsafe conditions at METRO Center, noted the poor ventilation and need for air conditioning in the facility and the poor configuration of the facility for ADA purposes.

**DIRECTOR DODGE ARRIVED.**

**4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

None.

**CONSENT AGENDA**

**5-1. CONSIDERATION OF TORT CLAIMS: REJECT THE CLAIM OF STATE FARM INSURANCE (SUBROGATING FOR STEVE AND ELLEN LAGORE), #11-0002**

**5-2. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A ONE-YEAR CONTRACT EXTENSION WITH DEVCO OIL, INC. FOR FUELING OF PARACRUZ METRO VEHICLES IN AN AMOUNT NOT TO EXCEED \$185,000**

**5-3. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A ONE-YEAR CONTRACT EXTENSION WITH MASTER CAR WASH FOR PARACRUZ VEHICLE WASHING SERVICES FOR AN AMOUNT NOT TO EXCEED \$25,000**

**5-4. CONSIDERATION OF DECLARING 1 TOYOTA PRIUS, 1 NORTEL BCM200 SWITCH, 2 ANALOG PHONE SWITCHES, 16 NORTEL PHONE UNITS AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION**

**ACTION: MOTION: DIRECTOR PIRIE SECOND: DIRECTOR HAGEN**

**Approve Consent Agenda.**

**Motion passed unanimously with Director Stone being absent.**

**REGULAR AGENDA**

**6. CONSIDERATION OF THE RESOURCE ALLOCATION PRESENTATION AND DISCUSSION OF THE REVISED PROJECTED FY11 AND FY12 BUDGETS**

Angela Aitken presented the Resource Allocation. Les White explained how the Gas Tax Swap funding would work. There was a discussion about Operating revenue and Capital revenue.

**7. ACCEPT AND FILE REPORT ON STATUS OF METRO PARACRUZ RESERVATION PHONE SYSTEM REPAIRS**

Ciro Aguirre described that nature of the persistent phone problems that ParaCruz had been experiencing, and explained how steps were taken to isolate and correct the errors involved. Mr. Aguirre commended the ParaCruz, Customer Service, and Information Technology staffs for their efforts.

**8. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA) TO USE MEASURE A FUNDS TO PURCHASE FIVE (5) 40-FOOT LOW FLOOR CNG POWERED SUBURBAN COACHES**

Angela Aitken reported that this agreement would secure \$2.5 million to allow the purchase of 5 new buses for the Highway 17 Express.

**ACTION: MOTION: DIRECTOR BUSTICHI SECOND: DIRECTOR LEOPOLD**

**Authorize the General Manager to execute an agreement with the Santa Clara Valley Transportation Authority (VTA) to use Measure A funds to purchase five (5) 40-foot low floor CNG powered suburban coaches**

**Motion passed unanimously with Director Stone being absent.**

9. **ORAL ANNOUNCEMENT: THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE HELD FRIDAY, FEBRUARY 25, 2011 AT 9:00 A.M. AT THE WATSONVILLE CITY COUNCIL CHAMBERS LOCATED AT 275 MAIN STREET, IN WATSONVILLE**

10. **REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel**

Margaret Gallagher said that the Board will have a conference with Real Property negotiators regarding the claim of Iuliano, LLC.; a conference with Legal Counsel regarding the existing litigation of Raudel Delgado v. Santa Cruz Metro and the potential litigation of Salvador Lopez Chipres; and a Public Employee Evaluation of the District Counsel.

11. **ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION**  
None

**SECTION II: CLOSED SESSION**

Chair Pirie adjourned to Closed Session at 9:52 a.m. and reconvened to Open Session at 10:49 a.m.

**SECTION III: RECONVENE TO OPEN SESSION**

17. **REPORT OF CLOSED SESSION**

Margaret Gallagher stated that there was no reportable action taken in Closed Session.

**ADJOURN**

There being no further business, Chair Pirie adjourned the meeting at 10:49 a.m.

Respectfully submitted,

ANTHONY TAPIZ  
Administrative Services Coordinator

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**Minutes- Board of Directors**

**February 25, 2011**

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A regular meeting of the Santa Cruz Metropolitan Transit District Board of Directors was held on Friday, February 25, 2011 at the Watsonville City Council Chambers, located at 275 Main Street, in Watsonville, California.

Chair Pirie called the meeting to order at 9:05 a.m.

## **SECTION 1: OPEN SESSION**

### **1. ROLL CALL:**

#### **DIRECTORS PRESENT**

Dene Bustichi  
Daniel Dodge  
Ron Graves  
Donald Hagen  
Michelle Hinkle  
John Leopold  
William Neighbors  
Ellen Pirie  
Mark Stone  
Ex-Officio Donna Blitzer

#### **DIRECTORS ABSENT**

Hilary Bryant  
Lynn Robinson

#### **STAFF PRESENT**

Angela Aitken, Acting AGM/Finance Mgr  
Bob Cotter, Maintenance Manager  
Frank Cheng, MB Project Manager  
Mary Ferrick, Fixed Route Superintendent  
Margaret Gallagher, District Counsel

Debbie Kinslow, Asst Finance Manager  
Robyn Slater, Human Resources Manager  
April Warnock, Paratransit Superintendent

#### **EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT**

John Daugherty, SEA  
Manny Martinez, PSA  
Bonnie Morr, UTU

Will Regan, VMU  
Amy Weiss, Spanish Interpreter

**2. ORAL AND WRITTEN COMMUNICATION TO THE BOARD OF DIRECTORS**

Written:

None.

Oral:

None.

**3. LABOR ORGANIZATION COMMUNICATIONS**

Bonnie Morr, UTU, reminded the Board about the annual Seniors Dinner and said a request would be forthcoming.

**4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

Margaret Gallagher distributed documents in support of item #14.

**CONSENT AGENDA**

- 5-1. **ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF DECEMBER 2010**
- 5-2. **ACCEPT AND FILE MONTHLY BUDGET STATUS REPORTS FOR DECEMBER 2010 AND APPROVAL OF BUDGET TRANSFERS**
- 5-3. **CONSIDERATION OF TORT CLAIMS: REJECT THE CLAIM OF STATE FARM INSURANCE (SUBROGATING FOR ANDERSON, JOHN), #11-0003; REJECT THE CLAIM OF COMMERCE WEST INSURANCE (SUBROGATING FOR TABULA, VINCE), #11-0005**
- 5-4. **ACCEPT AND FILE MAC AGENDA FOR FEBRUARY 2011 MEETING**
- 5-5. **ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR PREVIOUS MEETINGS**
- 5-6. **ACCEPT AND FILE STATUS REPORT OF ACTIVE GRANTS AND SUBMITTED GRANT PROPOSALS FOR FEBRUARY 2011**
- 5-7. **ACCEPT AND FILE STATUS REPORT OF FEDERAL AND STATE LEGISLATION AND CURRENT LEGISLATIVE ISSUES**
- 5-8. **1- CONSIDERATION OF ACCEPTANCE AND APPROVAL OF THE TERMS OF THE COUNTY OF SANTA CRUZ' RIGHT OF ENTRY FOR METRO'S ENTRY ONTO THE EMELINE BUS STOP RELOCATION PROJECT; 2- CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE ANY NECESSARY DOCUMENTS REQUIRED FOR ENTRY ONTO PROPERTIES**

**IN CONNECTION WITH THE CONSTRUCTION, IMPROVEMENT AND/OR REPAIR OF  
PROPOSED BUS STOPS THROUGHOUT THE COUNTY OF SANTA CRUZ**

- 5-9. **APPROVE REGULAR BOARD MEETING MINUTES OF JANUARY 14 AND JANUARY 28, 2011**
- 5-10. **ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF  
DECEMBER 2010**

Director Graves noted that he was present at the January 28, 2011 meeting even though the minutes indicate he was absent.

**ACTION: MOTION: DIRECTOR BUSTICHI SECOND: DIRECTOR LEOPOLD**

**Approve the Consent Agenda with corrections to minutes of January 28, 2011.**

**Motion passed unanimously with Directors Bryant, Hinkle, and Robinson being absent.**

**REGULAR AGENDA**

6. **PRESENTATION OF EMPLOYEE LONGEVITY AWARDS**

The following employees were acknowledged for ten years of service: Eulalio Abrego, Bus Operator; Donna Smith, Bus Operator.

The following employees were acknowledged for thirty years of service: Maria Granados-Boyce, Customer Service Supervisor; Mark Hansen, Mechanic II.

**DIRECTOR HINKLE AND EX-OFFICIO DIRECTOR BLITZER ARRIVED.**

7. **CONSIDERATION OF ADOPTION OF RESOLUTION OF APPRECIATION FOR THE  
SERVICES OF ANTONIO RIVAS AS A MEMBER OF THE BOARD OF DIRECTORS OF  
THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

**ACTION: MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR DODGE**

**Adopt Resolution of Appreciation for the services of Antonio Rivas as a member of the Board of Directors of the Santa Cruz Metropolitan Transit District.**

**Motion passed unanimously with Directors Bryant and Robinson being absent.**

Mr. Rivas expressed appreciation and gratitude to Board of Directors, especially for providing services to the city and people of Watsonville.

8. **CONSIDERATION OF APPOINTMENT OF ROSEANN MARQUEZ TO THE METRO ADVISORY COMMITTEE (NOMINATED BY DIRECTOR HAGEN)**

**ACTION: MOTION: DIRECTOR BUSTICHI SECOND: DIRECTOR HAGEN**

**Appoint Roseann Marquez to the Metro Advisory Committee (MAC) for a term of office ending December 31, 2012.**

**Motion passed unanimously with Directors Bryant and Robinson being absent.**

9. **CONSIDERATION OF NOMINATIONS OF ADDITIONAL MEMBERS TO THE SANTA CRUZ CIVIC IMPROVEMENT CORPORATION**

**ACTION: MOTION: DIRECTOR DODGE SECOND: DIRECTOR HAGEN**

**Defer item to next meeting on March 11, 2011.**

**Motion passed unanimously with Directors Bryant and Robinson being absent.**

10. **CONSIDERATION OF ADOPTING A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO SUBMIT A GRANT APPLICATION AND SIGN NECESSARY AGREEMENTS TO OBTAIN PROPOSITION 1B FUNDING FROM THE FY11 CALIFORNIA TRANSIT SECURITY GRANT PROGRAM**

Angela Aitken recommended adopting the attached resolution to designate an Authorized Agent to submit an application to the California Emergency Management Agency and to execute necessary agreements to obtain the FY11 allocation of CTSGP funds for Santa Cruz METRO security projects.

**ACTION: MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR HAGEN**

**Adopt a resolution authorizing the General Manager to submit a grant application and sign necessary agreements to obtain Proposition 1b funding from the FY11 California Transit Security Grant Program**

**Motion passed unanimously with Directors Bryant and Robinson being absent.**

**11. CONSIDERATION OF CONTINUING SPONSORSHIP OF LEADERSHIP SANTA CRUZ COUNTY IN ORDER TO PROVIDE EDUCATION ON TRANSPORTATION ISSUES, SERVICES, AND FACILITIES AND TO PROVIDE THE OPPORTUNITY FOR METRO STAFF TO PARTICIPATE IN THE PROGRAM**

Director Dodge asked if METRO was listed as a sponsor, and asked whether or not this was the right time to continue sponsorship due to budget constraints. Angela Aitken noted the importance of the partnerships formed within the organizations that have assisted in bringing in funds to the District.

**ACTION: MOTION: DIRECTOR BUSTICHI SECOND: DIRECTOR LEOPOLD**

**Continue sponsorship of Leadership Santa Cruz County in order to provide education on transportation issues, services, and facilities and to provide the opportunity for METRO staff to participate in the program.**

**Motion passed unanimously with Directors Bryant and Robinson being absent.**

**12. CONSIDERATION OF CONCERNS REGARDING THE DISSEMINATION OF METRO FINANCIAL INFORMATION TO EMPLOYEES**

Angela Aitken gave a brief history of the Resource Allocation meeting with Union representatives. Bonnie Mohr, UTU, expressed concern that by posting the budget without explanation, METRO was circumventing the Union, and she asked that the Board direct staff to discontinue posting the budget. Will Regan, VMU, stated that SEIU did not make a request for the discontinuance of the posting, and said that he agreed that the information is confusing and incomplete.

There was a discussion about the posting of financial information. Director Dodge stated that there was animosity left over from the strike and that the District had to be sensitive to that. Chair Pirie remarked that the request was asking to withhold information from the public. Director Graves said that the information should be posted and that it should generate questions from the Union membership to their leaders, and he said that staff should be commended, not chastised. Director Stone said it was a question of process, not a question of the numbers.

Angela Aitken said that she would include verbiage stating that if there were any questions regarding the information posted that the employee should contact their Union representative or herself, and she indicated that her door was always open. Bonnie Morr, UTU, stated that in the past METRO had issued a joint letter regarding the issues surrounding the budget. Chair Pirie requested that Ms. Morr work with whomever the General Manager designates to create a joint Union and staff letter explaining the purpose of the numbers in the budget and what the figures signify. John Daugherty, SEA, welcomed the opportunity to be part of the written communication that gives context to the information posted. Chair Pirie directed staff to continue posting the Resource Allocation information on a monthly basis, and to include a synopsis of what it means in a letter that includes the contact information of the Finance Manager and Union Representatives.

**13. CONSIDERATION OF AUTHORIZING GENERAL MANAGER TO SIGN AN AGREEMENT WITH MONTEREY-SALINAS TRANSIT FOR INTER-AGENCY TRAVEL**

Angela Aitken reported that upgrades in fare collection equipment have offered the opportunity for Santa Cruz METRO and Monterey-Salinas Transit (MST) to revise the current transfer procedure between both systems. Ms. Aitken said that to simplify the transfer agreement, the procedure of passenger transfers is set in a way that no monies are exchanged between Santa Cruz METRO and MST.

**ACTION: MOTION: DIRECTOR NEIGHBORS SECOND: DIRECTOR HAGEN**

**Authorize General Manager to sign an agreement with Monterey-Salinas Transit for inter-agency travel.**

**Motion passed unanimously with Directors Bryant and Robinson being absent.**

**14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN OPERATION AND MAINTENANCE AGREEMENT AND A COVENANT TO RESTRICT USE OF PROPERTY AGREEMENT BETWEEN SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) AND THE DEPARTMENT OF TOXIC SUBSTANCE CONTROL (DTSC) FOR THE SITE LOCATED AT 425 FRONT STREET, SANTA CRUZ, CALIFORNIA**

Margaret Gallagher informed the Board that as part of the purchase sales agreement, Greyhound was required to retain approximately \$500,000 in escrow to insure that the Property's documented contamination was environmentally remediated in accordance with the California Department of Toxic Substances Control (DTSC) requirements. Ms. Gallagher said that the contamination has been remediated, and now METRO is required to execute certain documents in order to insure the continuous monitoring of the property by DTSC, limit the available uses of the property and insure annual inspections of the property take place.

**ACTION: MOTION: DIRECTOR HAGEN SECOND: DIRECTOR DODGE**

**Authorize the General Manager to execute an Operation and Maintenance Agreement and a Covenant to restrict use of Property Agreement between Santa Cruz Metropolitan Transit District (METRO) and the Department of Toxic Substance Control (DTSC) for the site located at 425 Front Street, Santa Cruz, California.**

**Motion passed unanimously with Directors Bryant and Robinson being absent.**

**15. CONSIDERATION OF APPROVAL TO REINSTATE CLASS SPECIFICATIONS AND UPDATE WAGE SCALES PREVIOUSLY REMOVED FROM THE SEIU, LOCAL 521 MEMORANDUM OF UNDERSTANDING (MOU)**

Robyn Slater reported that In June 2005 METRO and SEIU agreed to a wage increase for one year with no additional changes to the contract, and rather than print a new contract, the Information Technology department provided Human Resources and SEIU with the revised wage scale which was distributed. Ms. Slater said that METRO and SEIU approved the revised wage scale without realizing that class specifications that were not currently filled had been deleted from the list, and when the MOU's were subsequently printed, they excluded the class specification titles and wage scales for positions that were not filled.

Ms. Slater said that METRO staff is interested in using the Administrative Specialist class specification when the incumbent for the Senior Facilities Maintenance Worker retires. Ms. Slater said that the Board approved changes to the wage scales to Administrative positions in July 2006, and she suggested that the wage scale adjustments for the Administrative career ladder positions also be applied to the Administrative Specialist position. Ms. Slater added that the revised wage scale for the Administrative Specialist is close to the wage scale for the position being vacated.

**ACTION: MOTION: DIRECTOR HAGEN SECOND: DIRECTOR DODGE**

**Approve reinstatement of class specifications and update wage scales previously removed from the SEIU, Local 521 Memorandum of Understanding (MOU).**

**Motion passed unanimously with Directors Bryant and Robinson being absent.**

**16. ACCEPT AND FILE RIDERSHIP AND PERFORMANCE REPORT FOR DECEMBER 2010**

Angela Aitken said that the Ridership Report is on the Regular Agenda instead of Consent Agenda because all of the ridership reports have been consolidated into one report, and with the approval of the Board, the Ridership reports will continue to be presented in this manner.

**Accept and file Ridership and Performance report for December 2010.**

**ACTION: MOTION: DIRECTOR HAGEN SECOND: DIRECTOR LEOPOLD**

**Motion passed unanimously with Directors Bryant and Robinson being absent.**

**17. ORAL ANNOUNCEMENT: THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE HELD FRIDAY, MARCH 11, 2011 AT 9:30 A.M. AT THE SANTA CRUZ METRO ADMINISTRATIVE OFFICES LOCATED AT 110 VERNON STREET, IN SANTA CRUZ.**

**18. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION**

Margaret Gallagher said that the Board will have a conference with Legal Counsel regarding the existing litigation of Raudel Delgado v. Santa Cruz Metro and the existing litigation of Christopher Lanagan v. Santa Cruz Metro; a conference with its Labor Negotiator with regard to United Transportation Union (UTU), Local 23 (Fixed Route and Paracruz) and Service Employees International Union (SEIU), Local 521.

**19. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION**

Bonnie Morr, UTU, stated that UTU has offered to flat-line their Labor Agreement in light of the state of METRO finances. Ms. Morr also said that a 30% service reduction would damage the system, and said that in the past, discretionary monies had been deposited into the Capital account, and she hopes that the Board will consider back-filling any shortfalls in operating funding with reserve monies. Will Regan, VMU, said that he wasn't aware why SEIU is included in the Closed Session discussion, and reminded the Board that SEIU is a separate union.

**SECTION II: CLOSED SESSION**

Chair Pirie adjourned to Closed Session at 10:27 a.m. and reconvened to Open Session at 12:20 p.m.

**SECTION III: RECONVENE TO OPEN SESSION**

**20. REPORT OF CLOSED SESSION**

Margaret Gallagher stated that there was no reportable action taken in Closed Session.

**ADJOURN**

There being no further business, Chair Pirie adjourned the meeting at 12:20 p.m.

Respectfully submitted,

ANTHONY TAPIZ  
Administrative Services Coordinator

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** March 25, 2011  
**TO:** Board of Directors  
**FROM:** Angela Aitken, Finance Manager & Acting Assistant General Manager  
**SUBJECT: STATUS REPORT OF ACTIVE GRANTS AND SUBMITTED GRANT PROPOSALS FOR FEBRUARY 2011**

## I. RECOMMENDED ACTION

**This report is for informational purposes only. Active grants and grant proposals are current as of March 11, 2011. No action is required.**

## II. SUMMARY OF ISSUES

- Santa Cruz METRO relies upon grant funding from other agencies for more than 25% of its FY11 operating revenue and over 95% of its FY11 capital funding.
- A list of Santa Cruz METRO's active grants (Attachment A) and a list of grant proposals for new funds (Attachment B) are provided monthly in order to apprise the Board of the status of grants funding.
- Santa Cruz METRO has active grant awards totaling \$37,662,287.
- Items in **bold** on Attachments A and B depict changes from last month's report.
- Santa Cruz METRO staff is working with the Santa Cruz County Regional Transportation Commission to develop a new grant application for a Small Urban Transit Planning study.

## III. DISCUSSION

Santa Cruz METRO relies upon grants from a number of other entities throughout the year for more than 25% of its FY11 operating revenue and over 95% of its FY11 capital funding. Programs such as the Transportation Development Act (TDA) and the Federal Transit Administration (FTA) urbanized area program annually allocate funds by formula while others such as the Monterey Bay Unified Air Pollution Control District's AB2766 Motor Vehicle Emissions Reduction Program and the California Department of Transportation (Caltrans) discretionary planning grants are competitively awarded based on merit. Santa Cruz METRO relies on both formula and discretionary grant revenue to support its operating and capital budgets.

This staff report is to apprise the Board of Directors of active grants funding current projects and proposed grants for new projects and ongoing operating costs. **Attachment A** lists all of Santa Cruz METRO's active grants with the award amount, the remaining balance and the status of the

projects funded by the grant. **Attachment B** lists Santa Cruz METRO's open grant applications with a brief description, source and status of proposed funds. Items in **bold** on Attachments A and B depict changes from last month's report.

#### **IV. FINANCIAL CONSIDERATIONS**

Active grant awards for operating and capital projects total \$37,662,287 with an unspent balance of \$14,284,159. Annual applications are being developed and submitted for FY11 FTA rural and urban transit assistance, Transit Security Grants, Transportation Development Act and State Transit Assistance funds.

Staff is developing an application with SCCRTC in the Caltrans Small Urban Transit Planning program to enhance transit demand modeling for the Regional Transportation Plan.

#### **V. ATTACHMENTS**

**Attachment A:** Santa Cruz METRO Active Grants Status Report as of March 11, 2011

**Attachment B:** Santa Cruz METRO Grant Applications as of March 11, 2011

*Staff Report prepared by Tove Beatty and Thomas Hiltner, Grants/Legislative Analysts*

*Date Prepared: March 11, 2011*

# Attachment A

## Santa Cruz METRO Active Grants as of March 11, 2011

#	Grant	Description	\$ Grant Awarded	\$ Grant Balance	Funding Source	Grant Status
1	Smartcard Farebox; ParaCruz Vans; IT Upgrades; Operating Assistance	Upgrade dispatch, scheduling and customer information software; purchase 27 replacement paratransit vans; purchase new fareboxes with magnetic card readers; operating assistance.	\$ 4,909,939	\$ 2,499,322	Federal Transit Administration (FTA) 5307 American Recovery and Reinvestment Act (ARRA) funds	Project funding from ARRA through FTA urbanized area formula program. Santa Cruz METRO has received and installed fareboxes; is installing ticket vending machines; will receive paratransit vans by 1/21/11 and expects to complete the Giro/Hastus roll-out by early 2012.
2	Smartcard Farebox	Purchase new fareboxes with magnetic card readers.	\$ 267,464	\$ 267,464	California Department of Transportation (Caltrans 5311) ARRA funds	Project funding through Caltrans (FTA 5311) rural operating assistance program contributes to Smartcard farebox procurement. Santa Cruz METRO awarded contract to GFI for new fareboxes on 6/15/10. Grant to be closed by 3/31/11.
3	UCSC Vans	Pass-through funding to UCSC for new paratransit vans	\$ 125,000	\$ 7,309	FTA 5307 ARRA funds passed from Santa Cruz METRO to UCSC	Project complete. Grant closed out 2/2/11 w/ FTA.
4	Smartcard Farebox	Purchase new fareboxes with magnetic card readers.	\$ 475,000	\$ 75,899	FTA 5309 Bus and Bus Facilities Program	Fareboxes installed, this grant will be closed-out with the final contract expenditure.
5	Bus Stop Improvements	Improve bus stops in Santa Cruz METRO service area	\$ 500,000	\$ 500,000	Caltrans from State Transportation Improvement Program (STIP)	Received CTC funding; project kick-off meetings commenced week of 2/7/11; official kick-off is 4/1/11.
6	CT Transit Planning-- Watsonville	18-month transit planning study of Watsonville service as subrecipient of MPO (AMBAG).	\$ 100,000	\$ 100,000	Caltrans (FTA 5304)	Moore and Associates selected as consultant for planning study to commence 2/15/11.
7	FY11 AB2766	For second CNG storage tank at Bus Fueling and Service facility.	\$ 200,000	\$ 200,000	AB2766 Monterey Bay Unified Air Pollution Control District (Air District) AB 2766 Motor Vehicle Emissions Reduction Program	<b>Project kicked-off 3/8/11.</b>
8	FFY10 Discretionary Bus/Facilities Program	Proposal for 12 new CNG buses from FTA discretionary grant program.	\$ 4,830,600	\$ 4,830,600	FTA 5309 Bus & Bus Facilities/State of Good Repair Program	Received Notice of Award on 10/4/11.
9	Prop 84 Challenge Grant	Discretionary grant proposals for planning/zoning of unincorporated areas (Live Oak, Soquel Dr. corridor) w/ County of Santa Cruz; and sustainable growth communities grant w/ AMBAG. All need METRO as a partner.	\$ 10,000	\$ 10,000	Funding from Proposition 84 Planning Grants from the State of California Strategic Growth Council.	County received \$500K for Prop. 84 Sustainable Communities Planning Grant Program for a project entitled "The Santa Cruz County Sustainable Community and Transit Corridors Plan" on December 6, 2010.
10	Dispatch, Surveillance, Radio	Replace dispatch console, install video surveillance and upgrade the fleet mobile radio system (LMR).	\$ 440,505	\$ 300,446	FY08 California Transit Security Grant Program (CTSGP) funds from California Emergency Management Agency (Cal EMA)	<b>Dispatch console purchased. Board approved \$164,000 contract award to Ojo for video surveillance project on 12/17/10 and \$530,000 contract with Day Wireless for fleet mobile radio upgrade on 1/28. \$ Grant Balance as of 3/8/11. Cal-EMA extended grant expiration from 3/31/11 until 6/30/11.</b>
11	Comprehensive Security & Surveillance	Continue video surveillance and LMR upgrade.	\$ 440,505	\$ 440,505	FY09 CTSGP funds from Cal EMA	Dispatch console purchased. Board approved \$164,000 contract award to Ojo for video surveillance project on 12/17/10 and \$530,000 contract with Day Wireless for fleet mobile radio upgrade on 1/28. \$ Grant Balance as of 2/8/11. Expires 3/31/12.
12	Comprehensive Security & Surveillance	Continue video surveillance, LMR upgrade and install emergency generator.	\$ 440,505	\$ -	FY10 CTSGP funds from Cal EMA	<b>Cal-EMA gave notice that they would pay \$440,505 grant advance payment by 6/7/11. \$ Grant Balance as of 3/8/11. Expires 3/31/13.</b>

# Attachment A

## Santa Cruz METRO Active Grants as of March 11, 2011

#	Grant	Description	\$ Grant Awarded	\$ Grant Balance	Funding Source	Grant Status
13	FY11 Operating Assistance	FY11 Transportation Development Act (TDA) revenue for public transit operations.	\$ 5,001,737	\$ 2,531,671	County Auditor-Controller through Santa Cruz County Regional Transportation Commission (SCCRTC)	SCCSCCRTC's FY11 Budget amendment shows TDA revenue collection approximately 5% above projections. SCCRTC will consider increasing the TDA reserve account or making additional distributions to recipients after 7/1/11. Santa Cruz METRO has received total FY11 allocations of \$5,001,737. Grant funds are paid quarterly.
14	FY10 Operating Assistance	Operating Assistance	\$ 4,898,314	\$ -	FTA 5307 urbanized area formula funds and Small Transit Intensive Cities (STIC) funds for Operating.	FY10 transit operations completed 6/30/10. On 3/3/11 FTA approved a budget revision and METRO drew down the funds. METRO will request grant close out with the next quarterly progress report in April
15	FY10 Rural Operating Assistance	Operating assistance for public transit service in rural areas of Santa Cruz County.	\$ 156,618	\$ -	Caltrans (FTA 5311)	Invoice for completed project submitted to Caltrans 2/2/11. Reimbursement anticipated by 4/9/11.
16	FY09 Operating/MetroBase const.	Operating Assistance and MetroBase construction funding.	\$ 4,753,504	\$ 1,108,062	FTA 5307 urbanized area formula (STIC) funds for MetroBase construction.	FY09 transit operations were completed 6/30/09. MetroBase construction funds to be drawn down after State funds expended. No expiration.
17	MetroBase Development	MetroBase design, and construction. As of 9/15/10, funding from multiple years is reported within this single project rather than separately.	\$ 6,884,929	\$ 490,352	FY08, 09 funds from Prop. 1B Public Transportation Modernization and Service Enhancement Account (PTMISEA) through Caltrans	FY08, FY09 PTMISEA funds are being spent on MetroBase development. November bond sales yielded only \$78M for FY 10 statewide obligations of \$339M. Santa Cruz METRO will likely not receive the FY10 allocation until the next bond sale. \$ Grant balance as of 1/31/11.
18	Pacific Station Land	Purchase land for Pacific Station (Metro Center) renovation.	\$ 884,000	\$ 0	California Department of Transportation (Caltrans) Traffic Congestion Relief Program.	Santa Cruz METRO purchased 425 Front Street 12/20/10 and submitted a reimbursement request for remaining grant funds on 1/26/11. \$ Grant balance as of 1/26/11. Reimbursement anticipated by 4/1/11.
19	Pacific Station Land	Purchase Greyhound property for Pacific Station (Metro Center) renovation	\$ 1,457,667	\$ 36,529	FY05 FTA 5309 Bus and Bus Facilities program - legislative earmark.	Environmental remediation and lot repaving at 425 Front Street is complete except for lot sealant. Renovation is nearly complete at Metro Center for the Greyhound Ticket Agent. \$ Grant balance as of 3/8/11.
20	Pacific Station Design Engineering	Contract architectural and engineering services for Pacific Station expansion and renovation	\$ 396,000	\$ 396,000	FY06 FTA 5309 Bus and Bus Facilities program - legislative earmark.	On hold pending Greyhound property decontamination and recovery of the real estate market. No expiration.
21	Pacific Station Design Engineering	Contract architectural and engineering services for Pacific Station expansion and renovation	\$ 490,000	\$ 490,000	FY08 FTA 5309 Bus and Bus Facilities program - legislative earmark.	On hold pending Greyhound property decontamination and recovery of the real estate market. No expiration.
<b>Total</b>			<b>\$ 37,662,287</b>	<b>\$ 14,284,159</b>		

**Santa Cruz METRO  
Grant Applications as of March 11, 2011**

#	Application Date	Grant	Description	\$ Grant	Funding Source	Status of Award
1	3/30/2011	Caltrans CBTP Grant	Discretionary grant.	\$ 94,750	State of California	Developing proposal with County for sustainability along major transit corridors which dovetails with their planning efforts for transit oriented development in unincorporated areas.
2	3/30/2011	Caltrans Small Urban Transit Planning Grant	Discretionary grant.	TBD	State of California	Developing proposal with SCCRTC for Small Urban Transit Planning study to inform the next RTP update.
3	1/31/2011	FY11 Rural Operating Assistance	Operating assistance for public transit service in rural areas of Santa Cruz County.	\$ 156,312	Caltrans (FTA 5311)	Application submitted 1/26/11.
4	3/15/2011	FY11 Transit Security Project	Santa Cruz METRO security fencing and video surveillance projects	\$ 440,505	FY11 CTSGP funds from Cal EMA	BOD adopted a resolution authorizing a grant application and designating an Authorized Agent at the 2/25/11 meeting. Application to be submitted 3/11/11. Funds will expire 3/31/14.
5	6/1/2011	FY11 PTMISEA	FY11 Public Transportation Modernization Improvement and Service Enhancement Activity (PTMISEA) funding for MetroBase Operations Building.	TBD	FY11 PTMISEA funds from Caltrans Division of Mass Transit	Due to suspension of the spring bond sale, Caltrans postponed submission of the FY11 allocation requests until 6/1/11. FY11 allocation to Santa Cruz METRO is estimated at \$11,010,047.
6	4/1/2011	FY12 TDA Operating Assistance	FY12 Transportation Development Act (TDA) revenue for public transit operations.	\$ 5,244,963	SCCRTC	On 3/31 SCCRTC adopted the estimate of FY12 TDA revenue to METRO in its FY12 Budget. The FY12 TDA allocation is \$243,226 above the FY11 allocation since revenue collection is trending upward.
7	4/1/2011	FY12 STA Funds	FY12 State Transit Assistance (STA) revenue for public transit.	\$ 2,311,643	SCCRTC	On 3/3/11 the SCCRTC adopted the State Controllers Office estimated allocation of \$2,311,643 in FY12 STA funds to Santa Cruz METRO. FY12 STA funding is \$489,907 less than FY11 due to reduced statewide appropriation in the Governor's proposed budget.
8	6/30/2011	FY11 FTA Operating Assistance	Operating Assistance	\$ 2,008,644	FTA FY11 5307 urbanized area formula funds including the Small Transit Intensive Cities (STIC) allocation.	FY11 transit operations 7/1/10- 6/30/11. STIC funds to be used for operations. Congress has appropriated only 5/12s (42.47%) of funding with continuing resolutions through 3/4/11. FY11 FTA operating assistance will be funded at the FY10 level for the entire year until the FY11 budget is enacted.
<b>Total</b>				<b>\$ 10,256,817</b>		

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** March 25, 2011  
**TO:** Board of Directors  
**FROM:** Angela Aitken, Finance Manager & Acting Assistant General Manager  
**SUBJECT: STATUS REPORTS OF PROPOSED FEDERAL AND STATE LEGISLATION AND CURRENT LEGISLATIVE ISSUES**

## I. RECOMMENDED ACTION

**That the Board of Directors accept and file the status reports of proposed Federal and State legislation and current legislative issues through March 21, 2011.**

## II. SUMMARY OF ISSUES

- Status reports on Federal House of Representatives' and Senate's proposed legislation and related issues are provided monthly to inform the Board of the status of legislation of interest to Santa Cruz METRO.
- This month's Federal report reflects pertinent legislative activities which occurred February 17, 2011 – March 21, 2011. During Congress' most recent session, the sixth continuing resolution (CR) was passed to extend government funding through April 8, 2011 and an extension of SAFETEA-LU (the seventh) was passed through 9/30/11.
- Status reports on the State Legislature's Assembly's and Senate's legislative issues are provided monthly to inform the Board of the status of State legislation of interest to Santa Cruz METRO.
- This month's reports include updates on relevant legislative issues and reports on pertinent legislation in the 112th Congress and California State Legislature, who returned to Sacramento in January and are now in the process of possibly approving the Governor's proposed budget.

## III. DISCUSSION

Santa Cruz METRO staff monitors and responds to Federal and State pending legislation on an ongoing basis. The purpose of this report is to inform the Board of Directors of the current status of pending legislation which may be of interest to or have an eventual impact on Santa Cruz METRO and/or the transit industry. The Federal and State Legislation Status Reports are updated monthly for this purpose.

Congressional Continuing Resolutions (CRs) were approved in the latest session and the sixth, passed on March 17, extended government funding to April 8, 2011, with SAFETEA-LU already extended through September 30, 2011. In the last week, budget discussions on the Hill continued

to heat up, with both the President and the GOP proposing significant, but different, cuts, seemingly at the rate of \$2 billion per week. There seem to be some rumblings of compromise in the Senate, as the GOP budget measures garnered more votes than the Democratic in some instances. While these discussions are underway and in order to avert a government shut-down, the continuing resolutions were passed in both houses and signed by the President on March 17.

At the time of this report, staff attended the American Public Transportation Association's (APTA) legislative conference in Washington D.C., where the new long-term surface transportation act was the main topic of discussion. Rep. John Mica (R-FL), chair and long-time member of the House Committee on Transportation and Infrastructure, is scheduled to report back from the national field hearing held on the long-term surface transportation funding bill. Secretary LaHood will present the Administration's priorities. Staff is scheduled to meet with both California Senators in conjunction with the California Transit Association (CTA), Representative Farr's office and various FTA officials to present Santa Cruz METRO's legislative agenda. A synopsis of the APTA legislative conference will be included in next month's report. Of note here is that there is a strong sense of urgency regarding the passage of the long-term act by August 2011, as the conventional wisdom is that if it not done now, it will not happen until 2013, or after the 2012 presidential election.

It is anticipated that, with the extension of SAFETEA-LU, the full formula funding for the current fiscal year will be made available. At the time of the last report, only five months of federal formula funding was available due to the end date of the last extension. Grants/Legislative staff is waiting for the announcement of full allocations for the 5307/5340 funding streams (Operations funding and STIC). Please see Attachment A for other relevant information regarding Federal legislative issues and activity.

After Governor Brown's budget was presented in January, there has been a flurry of activity in Sacramento, capped off for transit by the re-enactment of the "gas tax swap" by the passage of AB105 with a two-thirds vote as required by Proposition 26. Transit agencies were in the unique position of supporting the Governor's budget in regard to the re-enactment of the gas tax swap and the preservation of the STA program. On the flip side, the Governor's announcement that there would be no bond sales in 2011 (to avoid more bond service debt) means that there is no anticipated financing to complete the Operations Building capital project. There has been some discussion at the state level that, if all the budget measures on the ballot in the June election pass, there may be a summer bond sale. The CTA is continuing to monitor this recent development.

Because the state budget is the current priority of the CTA and Santa Cruz METRO, and state legislation has just been introduced at the beginning of the current two-year session, the budget is the focus of the report this month, with no bills presented for review in Attachment D. Much has yet to be determined and per CTA sources, many current bills on the docket are "place-holders" and subject to frequent change as they continue to be discussed and drafted.

#### **IV. FINANCIAL CONSIDERATIONS**

As most potential legislation carries a fiscal impact, staff will report on a monthly basis of newly implemented federal and/or State legislation which financially impacts Santa Cruz METRO.

Though the October 8, 2010 approved State budget appropriated approximately \$16 million in capital funding to Santa Cruz METRO through the PTMISEA program, if there are no bond sales in 2011, the agency will not receive this capital funding until such time that it is available.

#### **V. ATTACHMENTS**

**Attachment A:** Federal Legislative Issues and Status Report, March 21, 2011

**Attachment B:** Federal House and Senate Bills Status Report, March 21, 2011

**Attachment C:** State of California Legislative Issues and Status Report, March 21, 2011

**Attachment D:** State of California Assembly and Senate Bills Status Report, March 21, 2011

*Staff Report Prepared by: Tove Beatty, Grants/Legislative Analyst  
Date Prepared: March 21, 2011*

# ATTACHMENT A

## **Federal Legislative Issues and Status Report March 21, 2011**

### **Current Legislative Issues**

#### **House Resolution 5 (H.R. 5)**

**Update at 1/18/11:** In a secret caucus held on January 4<sup>th</sup>, prior to the swearing in of the 112<sup>th</sup> Congress, House GOP members held an unrecorded vote on a proposed Rules package. In this package (H.R. 5), a separation of the authorization and appropriations processes in regard to infrastructure (such as transit) funding was proposed and accepted by the GOP the next day. What this means to transit is that, for the first time in decades, the transparency of the authorization process driving the appropriations process is lost.

**Update at 3/21/11:** Transit advocates in Washington are still monitoring effects of HR5.

#### **Long Term Surface Transportation Act**

**Update at 3/21/11:** At the American Public Transportation Association's legislative conference in Washington DC last week, the talk was that though the President's budget looks good for transit in particular, it is probably not going to end up being the new long-term surface transportation act. Sources from both sides of the aisle agreed that compromise on budget issues and funding the bill were going to be required. A complete report from the APTA conference will be provided with next month's report.

#### **Alternative Fuel Tax Credits (i.e. CNG) or "Tax Extenders"**

**Update at 3/21/11:** According to the IRS code, the Alternative Fuel Tax Credit expires as of December 31, 2011, not September 30, 2012. Santa Cruz METRO staff is meeting with representatives from Clean Energy, our CNG supplier, in late February and inquired about advocacy to extend this credit beyond December 2011. Their group is monitoring the tax closely and it was a topic of interest at the APTA conference in DC, who will also take up advocacy for continuing this tax credit.

#### **Federal House and Senate Legislation Summary**

Congress is solely focused on passing some sort of budget, with the GOP demonstrating their deficit-reducing powers and the Democratic party pushing back with cuts of their own. It all seems to be happening at the rate of about \$2 billion per week. The only current legislation we are focusing on is the budget fight and the development of a new Long-Term Surface Transportation Act. Staff and Board members attended the American Public Transportation Association's annual Legislative Conference in Washington DC in March and will report back next month on this event.

**Santa Cruz METRO  
Federal House and Senate Bills  
Status Report  
March 21, 2011**

# Attachment B

Federal Bills House	Subject	Introduced	Status
<b>Long Term Surface Transportation Act (Mica-R-RL)</b>	<p>Currently, Chair Mica is holding field hearings across the country to get input for a new long-term act. Several proposals in the President's budget impact transportation funding concurrent with working on the act. What is known is that Mica is a strong supporter of transit, but is also looking for more creative financing of capital projects, including public-private partnerships, a National Infrastructure Bank and TIFIA loan programs.</p>	TBD	<p>Legislation not introduced yet, Mica says he is aiming for May, Boxer in Senate aiming for a bill by Memorial Day. Both want legislation passed by August recess.</p>

# ATTACHMENT C

## **State of California Legislative Issues and Status Report March 21, 2011**

### **The Governor's Proposed Budget:**

The Governor's January 10<sup>th</sup> proposed budget includes provisions that increase the State Transit Assistance program (STA) to a total of \$329.6 million, compared to \$200 million in fiscal year 2010-2011. On March 15, 2011, AB105, which included the re-enactment of the "gas tax swap" passed with the required (by Proposition 26) 2/3rds vote. This is good news, but many other votes remain, including those cast on the June general election ballot.

### **The California Legislature**

Please see the attached legislative spreadsheet (Attachment D) for bills of interest in the California Legislature. The last day to introduce bills for this session was February 18<sup>th</sup>. As a result, many bills are only "place-holders" at this point, according to the California Transit Association, and the main focus of the State Legislature is passing a budget fix, so any pertinent new bills will be reported on as they develop beginning with next month's report.

**Santa Cruz METRO**  
**State of California**  
**Assembly and Senate Bills Status Report**  
**March 21, 2011**

State Bills Assembly	Subject	Last Amended	Status
<b>AB105: Governor's Proposed Budget re: "gas tax swap"</b>	The Governor's proposed budget includes re-enactment of the "gas tax swap" by a 2/3rds vote as required by Proposition 26, which passed as AB105 on 3/15/11. Still waiting for full budget package to pass.	Passed 3/15/11.	Passed in Gov's budget; still waiting for rest of budget vote re: ballot measures in June general election.

# Attachment D

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** March 25, 2011

**TO:** Board of Directors

**FROM:** Angela Aitken, Finance Manager and Acting Assistant General Manager

**SUBJECT: CONSIDERATION OF AUTHORIZING A CLAIM FOR FY12  
TRANSPORTATION DEVELOPMENT ACT (TDA) AND SURFACE  
TRANSPORTATION ACT (STA) FUNDS**

## RECOMMENDED ACTION

**That the Board authorize staff to submit a claim to the Santa Cruz County Regional Transportation Commission for FY12 Transportation Development Act (TDA) and Surface Transportation Act (STA) funds for operating assistance in FY12 only.**

## II. SUMMARY OF ISSUES

- The California Legislature enacted the Transportation Development Act (TDA) of 1971 to provide funding for mass transportation, including public transit, from ¼ cent of the general sales tax collected statewide.
- The Santa Cruz County Transportation Commission (RTC) apportions TDA funds in Santa Cruz County and estimates a FY12 TDA apportionment of \$5,244,963 to Santa Cruz METRO.
- The actual amount of FY12 TDA revenue accruing to Santa Cruz METRO depends upon actual sales tax revenue in Santa Cruz County during FY12, and the RTC will adjust the allocation to Santa Cruz METRO accordingly if revenue varies from the projection.
- The State Controller's Office allocates STA funds by formula to regional transportation planning agencies and transit operators and estimates a FY12 apportionment of \$2,311,643 to Santa Cruz County.
- The actual allocation of STA funds to Santa Cruz METRO depends upon re-enactment by 2/3 majority vote of the March 2010 gas-tax swap and adoption of the Governor's proposed FY12 budget.
- The gas-tax swap of 2010 allowed FY11 and FY12 STA funds to be used for public transit operations, and Santa Cruz METRO will use the FY12 STA allocation in its operating budget. In previous years, Santa Cruz METRO used STA funds in its capital budget.
- Board authorization to submit a claim for TDA/STA funds will enable Santa Cruz METRO to include \$7,556,606 in combined TDA and STA revenue in its FY12 operating budget.

### III. DISCUSSION

The California Legislature enacted the Transportation Development Act (TDA) of 1971 to fund public transportation as an essential component of a balanced public transportation system. Funding for the TDA is derived from ¼ cent of the statewide sales tax and is returned to the counties in proportion to the sales tax revenue generated in that county. The California Public Utilities Code beginning with Section 92000 implements provisions of the Transportation Development Act and designates the regional transportation planning agency of each California County to administer TDA in that county. In Santa Cruz County, the Santa Cruz County Regional Transportation Commission (RTC) administers the TDA program.

Each year, the County Auditor Controller provides the RTC an estimate of the TDA revenue anticipated for Santa Cruz County in the coming fiscal year. In accordance with the *Santa Cruz County Regional Transportation Commission Rules & Regulations*, the RTC apportions to Santa Cruz METRO 85.5% of the TDA revenue remaining after funding its costs for planning and administering the TDA program. The remaining funds are allocated to the county jurisdictions and to specialized transportation providers such as Community Bridges, the Volunteer Center and Community Traffic Safety Coalition in accordance with 21 CCR §6644.

The County Auditor Controller provides TDA revenue forecast updates to the RTC throughout the year. If the actual amount of TDA funds generated in Santa Cruz County differs from the estimated apportionment, Santa Cruz METRO will receive its share of actual TDA revenue in accordance with the amended amount of TDA funds adopted by the RTC in FY12 Budget. The RTC will determine at the end of the year whether to use any additional revenue above the projected amount to replenish its reserve funds, which have been depleted over the last two years to maintain allocations as high as possible, or to distribute any surplus to County recipients.

In its FY12 Budget, the RTC allocated \$5,244,963 in TDA funds to Santa Cruz METRO. This is an increase of \$243,226 over last year's amount due to rising sales tax collections in the County during FY11. With the full FY11 sales tax revenue estimated to exceed the projected amount by approximately 5%, the RTC has increased the FY12 allocations to county recipients by 4.86%. In accordance with 21 CCR §6634, TDA funds may be used for operations, capital and planning in an amount not to exceed actual expenditures. As in past years, Santa Cruz METRO will include its entire TDA allocation of \$5,244,963 in its FY12 operating budget.

The State Controller's Office allocates State Transit Assistance (STA) funds to the RTC in accordance with Public Utilities Code (PUC) Section 99313 and to Santa Cruz METRO in accordance with PUC Section 99314. These two sections prescribe the distribution of STA funds appropriated in the state budget by a formula based upon the county population and the transit operator's service measures. The RTC typically passes its apportionment of STA funds to Santa Cruz METRO, and Santa Cruz METRO will submit a claim to the RTC for the full allocation of \$2,311,643 in STA funds to Santa Cruz County. The FY12 amount is \$489,907 lower than the FY11 amount due to a statewide reduction in the STA revenue appropriated in the proposed FY12 California Budget.

The statewide FY12 STA appropriation depends upon the State Legislature's re-enacting the gas-tax swap of March 2010 with a 2/3 majority vote due to the impact of Proposition 26, which repeals any new taxes adopted by a simple majority vote retroactive to January 2010. Re-enacting the gas-tax swap to generate the STA funds in the Governor's FY12 proposed budget would provide the State Controller's Office estimated \$2,311,643 in FY12 STA funds to Santa Cruz County.

For FY12, STA funds can be used in the operating budget. Prior to enactment of the gas-tax swap of 3/22/10, STA funds could not be used in the operating budget unless the transit operator met restrictive efficiency criteria. Santa Cruz METRO did not meet the operating efficiency criteria in the past and therefore designated its STA allocation for the capital budget. The gas tax swap as enacted, in part, by ABx8 9 of 3/22/10, suspended the efficiency criteria for FY11 and FY12 in order to assist public transit operations. Santa Cruz METRO will use the FY12 STA allocation of \$2,311,643 in its operating budget as it did in FY11 to help balance the operating budget deficit. This is a two-year, temporary suspension of the efficiency criteria, and Santa Cruz METRO will again designate the STA allocation for its capital budget in FY13 unless the re-enacted gas tax swap extends the suspension of efficiency criteria beyond FY12.

The RTC modified the TDA/STA Claim Form and no longer requires a Board resolution as in prior years.

#### **IV. FINANCIAL CONSIDERATIONS**

The Board's authorization for staff to submit a claim to the RTC for \$5,244,963 in FY12 TDA funds and \$2,311,643 in FY12 STA funds will provide a total of \$7,556,606 in revenue for Santa Cruz METRO's FY12 Operating Budget.

#### **V. ATTACHMENTS**

**None**

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** March 25, 2010

**TO:** Board of Directors

**FROM:** Angela Aitken, Acting Assistant General Manager and Finance Manager

**SUBJECT: EXTEND PROPERTY INSURANCE COVERAGE AND BOILER AND MACHINERY COVERAGE FROM FEBRUARY 14, 2011 TO SEPTEMBER 1, 2011 FOR 1200 B RIVER STREET AND 138 GOLF CLUB DRIVE**

## I. RECOMMENDED ACTION

**That the Board of Directors authorize the extension of property insurance coverage for 1200 B River Street, 138 Golf Club Drive, and Boiler & Machinery coverage for both properties from February 14, 2011 to September 1, 2011 with Travelers Insurance Company in the amount of \$31,071.**

## II. SUMMARY OF ISSUES

- Santa Cruz METRO carries property insurance on all its owned facilities and on leased facilities in accordance with lease agreements, as well as on building contents.
- The premium to extend commercial property coverage on 1200 B River Street, 138 Golf Club Drive, and Boiler & Machinery coverage for both buildings from February 14, 2011 to September 1, 2011 is \$31,071.

## III. DISCUSSION

Barney & Barney (formerly Saylor & Hill), Santa Cruz METRO's property insurance broker, has arranged for an extension of insurance coverage with Travelers through September 1, 2011. This extends coverage for commercial property, boiler and machinery, excludes earthquake and flood, and includes buildings and contents, theft, personal property including employee tools, telephone and other equipment, with a \$5,000 deductible.

Santa Cruz METRO carries flood insurance on two locations, 1200 River Street, and 1200 B River Street under two separate policies.

The Travelers Insurance Companies are rated A+, XV by A. M. Best.

These two (2) policies are being extended through September 1, 2011 rather than renewed for a year through February 14, 2012, in an effort to consolidate the renewal dates on all of the property insurance policies to renew on the same date. By doing so, we can achieve any potential economies of scale and obtain multiple options on all lines of coverage.

The stated coverage period for both Travelers policies ended on February 14, 2011, but the discussions to consolidate the renewal dates and final agreement to extend the policies, was not completed until the first week of March, therefore Santa Cruz METRO currently has coverage beginning February 14, 2011, and there has been no lapse in coverage. We are within our 30-day grace period and the invoicing for this period of coverage is not due until April.

The annualized cost to extend coverage increased by \$4,386.00 or 8.3% from last year's premium. This increase is due to increasing the building limit on 138 Golf Club Drive from \$15.5M to \$15.8M, and increasing the personal property limit from \$1M to \$2M.

#### **IV. FINANCIAL CONSIDERATIONS**

The insurance cost of \$31,071 is included in the FY11, and FY12 final budgets.

#### **V. ATTACHMENTS**

None.

Prepared by: Debbie Kinslow, Assistant Finance Manager

Date Prepared: March 8, 2011

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** March 25, 2011  
**TO:** Board of Directors  
**FROM:** April Warnock, Paratransit Superintendent  
Ciro Aguirre, Operations Manager

**SUBJECT: CONSIDERATION OF CONTRACT RENEWALS WITH SANTA CRUZ TRANSPORTATION, LLC AND WATSONVILLE TRANSPORTATION, INC. FOR SUPPLEMENTAL PARATRANSIT SERVICES**

## I. RECOMMENDED ACTION

**That the Board of Directors authorizes the General Manager to enter into a one-year contract extension with Santa Cruz Transportation, LLC and Watsonville Transportation, Inc. for supplemental paratransit services.**

## II. SUMMARY OF ISSUES

- Santa Cruz METRO has a contract with Santa Cruz Transportation, LLC and Watsonville Transportation, Inc. for supplemental paratransit services.
- This contract was established on May 1, 2007 for a three-year period with two optional one-year extensions.
- Santa Cruz Transportation, LLC and Watsonville Transportation, Inc. have requested a one-year renewal of the contract with separately negotiated rate changes for each contractor.

## III. DISCUSSION

Santa Cruz METRO has contracts with Santa Cruz Transportation, LLC and Watsonville Transportation, Inc. for supplemental paratransit services that are due to expire on April 30, 2011. Over the past three years, both firms have provided good service. Santa Cruz Transportation, LLC and Watsonville Transportation, Inc. have reviewed their contracts and have requested a one-year renewal of the contract with separately negotiated rate changes for each contractor.

Staff recommends that Santa Cruz METRO exercise the option for one-year contract extensions with Santa Cruz Transportation, LLC and Watsonville Transportation, Inc. Staff further recommends that the Board of Directors authorize the General Manager to sign a contract amendment for a one-year contract extension of each contract on behalf of Santa Cruz METRO.

#### **IV. FINANCIAL CONSIDERATIONS**

Funds to support this contract are included in the ParaCruz FY11 budget for contract transportation/Paratransit.

#### **V. ATTACHMENTS**

- Attachment A:** Letter received from Santa Cruz Transportation, LLC
- Attachment B:** Letter received from Watsonville Transportation, Inc.
- Attachment C:** Contract Amendment with Santa Cruz Transportation, LLC
- Attachment D:** Contract Amendment with Watsonville Transportation, Inc.

ATTACHMENT A



**Santa Cruz Transportation, LLC**

PHONE: 831.423.1234

Monday, February 28, 2011

Santa Cruz Metropolitan Transit District  
Metro ParaCruz Superintendant

2880 Research Park Drive  
Suite 160  
Soquel, CA 95073

Dear April Warnock and Mark Hickey:

Santa Cruz Transportation, LLC requests renewal and extension of Contract 06-08 for Supplemental Paratransit Services.

New contract continues Contract 06-08 for Supplemental Paratransit Services, Contract Purchase Order 11-0108, beginning 05/01/2011.

Quantity 1.000

Lot: For Supplemental Paratransit Services as per specification and conditions of District RFP No. 06-08 and supporting Contract. Effective 05/01/2011 through 04/30/2012.

It is always a pleasure working with Metro ParaCruz and Santa Cruz Metro. If you have any questions or need any additional information, do not hesitate to call me.

Yours truly,

A handwritten signature in black ink, appearing to be "J. Monroe". The signature is written in a cursive style with a large initial "J".

James C. Monroe  
Santa Cruz Transportation, LLC

P.O. Box 3328, Santa Cruz, CA 95063 • Fax: 831.465.6519

[www.santacruzyellowcab.org](http://www.santacruzyellowcab.org)

6-9.a1

# ATTACHMENT B

March 1, 2011

Dear Mr. Agurrie:

Please be advised that Watsonville Transportation Inc. d.b.a. Courtesy Cab would like to renew its agreement with Santa Cruz Metro Transit District for an additional one year term pursuant to Section 4.01 of the current agreement. Watsonville Transportation Inc. d.b.a. Courtesy Cab is willing to accept the following compensation:

1. For Metro provided vehicles: \$46.92 per hour.
2. For non Metro provided vehicles: \$48.00 per hour.
3. For non Metro provided vehicles single ride rate:

\$4.00 Drop

\$3.00 per Mile

5 min wait time included at no charge.

All other terms and conditions would remain the same .

Please let me know if Santa Cruz Metro Transit District is willing to amend the agreement in accordance with this proposal.

Sincerely,



Richard Camperud, CEO

Watsonville Transportation Inc.

Courtesy Cab Co

6-9.b1

# ATTACHMENT C

## **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT THIRD AMENDMENT TO CONTRACT NO. 06-08 FOR SUPPLEMENTAL PARATRANSIT SERVICES**

This Third Amendment to Contract No. 06-08 for supplemental paratransit services is made effective May 1, 2011 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California (“Santa Cruz METRO”) and SANTA CRUZ TRANSPORTATION, LLC (“Contractor”).

### I. RECITALS

- 1.1 Santa Cruz METRO and Contractor entered into a Contract for supplemental paratransit services (“Contract”) on May 1, 2007.
- 1.2 The Contract allows for the extension upon mutual written consent.
- 1.3 Santa Cruz METRO and Contractor have negotiated compensation rates for the new contract period.

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

### II. TERM

- 2.1 Article 4.01 is amended to include the following language:

This Contract shall continue through April 30, 2012. This Contract may be mutually extended by agreement of both parties.

### III. COMPENSATION

- 3.1 Effective May 1, 2010, Santa Cruz METRO agrees to compensate Contractor as follows:
  - 3.1.1 For Santa Cruz METRO provided vehicles: \$45.85 per hour, billed in four (4) hour minimum blocks with each additional hour prorated.
  - 3.1.2 For non Santa Cruz METRO provided vehicles: \$46.80 per hour, billed in four (4) hour minimum blocks with each additional hour prorated.
  - 3.1.3 For SCT-100 rides: Metered rate plus \$3.00 door to door.

### 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.

### V. AUTHORITY

# ATTACHMENT C

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

Signed on \_\_\_\_\_

Santa Cruz METRO  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

\_\_\_\_\_  
Leslie R. White  
General Manager

CONTRACTOR  
SANTA CRUZ TRANSPORTATION, LLC

By \_\_\_\_\_  
James C. Monroe  
Owner

Approved as to Form:

\_\_\_\_\_  
Margaret R. Gallagher  
District Counsel

# ATTACHMENT D

## **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT THIRD AMENDMENT TO CONTRACT NO. 06-08 FOR SUPPLEMENTAL PARATRANSIT SERVICES**

This Third Amendment to Contract No. 06-08 for supplemental paratransit services is made effective May 1, 2011 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California (“Santa Cruz METRO”) and WATSONVILLE TRANSPORTATION, INC. (“Contractor”).

### I. RECITALS

- 1.1 Santa Cruz METRO and Contractor entered into a Contract for supplemental paratransit services (“Contract”) on May 1, 2007.
- 1.2 The Contract allows for the extension upon mutual written consent.
- 1.3 Santa Cruz METRO and Contractor have negotiated compensation rates for the new contract period.

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

### II. TERM

- 2.1 Article 4.01 is amended to include the following language:

This Contract shall continue through April 30, 2012. This Contract may be mutually extended by agreement of both parties.

### III. COMPENSATION

- 3.1 Effective May 1, 2010, Santa Cruz METRO agrees to compensate Contractor as follows:
  - 3.1.1 For Santa Cruz METRO provided vehicles: \$46.92 per hour, billed in four (4) hour minimum blocks with each additional hour prorated.
  - 3.1.2 For non Santa Cruz METRO provided vehicles: \$48.00 per hour, billed in four (4) hour minimum blocks with each additional hour prorated.
  - 3.1.3 For non Santa Cruz METRO provided vehicles single ride rate: \$4.00 per drop, \$3.00 per mile, with a five minute wait included at no charge.

### 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 D

## V. AUTHORITY

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

Signed on \_\_\_\_\_

Santa Cruz METRO  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

\_\_\_\_\_  
Leslie R. White  
General Manager

CONTRACTOR  
WATSONVILLE TRANSPORTATION, INC.

By \_\_\_\_\_  
Richard Camperud  
CEO

Approved as to Form:

\_\_\_\_\_  
Margaret R. Gallagher  
District Counsel

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** March 25, 2011

**TO:** Board of Directors

**FROM:** Angela Aitken, Finance Manager and Acting Assistant General Manager

**SUBJECT: CONSIDERATION OF ADOPTING A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO SIGN THE NECESSARY CALTRANS MASTER AGREEMENT FOR CALTRANS-ADMINISTERED GRANTS PROGRAMS**

## I. RECOMMENDED ACTION

**That the Board of Directors consider adopting a Resolution authorizing the General Manager to sign the necessary Caltrans Master Agreement for Caltrans-administered grants programs.**

## II. SUMMARY OF ISSUES

- Throughout the year, the Department of Transportation (DOT) and/or the Federal Transportation Administration (FTA) release many opportunities to apply for grant funding which are administered through the California Department of Transportation (Caltrans).
- All Caltrans-administered grant programs require that a receiving agency have a Master Agreement in place.
- The Master Agreement is good for ten (10) years and when individual grants are awarded, Supplemental Agreements are signed for each grant project.
- The current Master Agreement expires on March 28, 2011. The new Master Agreement will expire in March 2021.
- Authorizing the attached Resolution will allow the General Manager to sign the necessary new Master Agreement with Caltrans for Caltrans grants programs.

## III. DISCUSSION

Throughout the year, the Department of Transportation (DOT) and/or the Federal Transportation Administration (FTA) release many opportunities to apply for grant funding which are administered through the California Department of Transportation (Caltrans). All Caltrans-administered grant programs require the receiving agency have a Master Agreement in place.

The Master Agreement is good for ten years and when individual grants are awarded for projects, Caltrans prepares a specific Supplemental Agreement to the Master Agreement for that grant. The current Master Agreement expires on March 28, 2011. A new Master Agreement with

Board of Directors

Board Meeting of March 25, 2011

Page 2

Caltrans must be executed in order to receive grants funds for current projects such as the Watsonville Transit Planning Study, FTA 5311 (rural operations) funding and the bus stop repair project. The new Master Agreement will expire in March 2021.

Staff recommends authorizing the attached resolution to allow the General Manager to execute a Master Agreement with Caltrans for Caltrans grants programs.

#### **IV. FINANCIAL CONSIDERATIONS**

Santa Cruz METRO must have a current Master Agreement on file with Caltrans in order to receive any Caltrans funding. Rom various sources, including the FTA and state transportation funding programs. Examples of current projects requiring a new Master Agreement are the Watsonville Transit Planning Study (\$100,000), the bus stop repair project (\$500,000) and annual rural operating assistance (approximately \$150,000).

#### **V. ATTACHMENTS**

**Attachment A:** Resolution Authorizing the General Manager to Sign the Caltrans Master Agreements for Caltrans-administered Grants Programs

**Attachment B:** 2011 Caltrans Master Agreement (New)

**Attachment C:** 2001 Caltrans Master Agreement (Existing)

# Attachment A

Resolution No. 11-03-03  
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 THE GENERAL MANAGER TO SIGN THE NECESSARY  
CALTRANS MASTER AGREEMENT FOR CALTRANS-ADMINISTERED  
GRANTS PROGRAMS**

**WHEREAS**, the Santa Cruz Metropolitan Transit District frequently applies for funding opportunities through various California Department of Transportation (Caltrans) administered grant programs; and

**WHEREAS**, all Caltrans-administered grant programs require that a receiving agency have a Master Agreement in place; and

**WHEREAS**, the Caltrans Master Agreement is good for ten (10) years and when individual grants are awarded, Supplemental Agreements will be signed for each grant project; and

**WHEREAS**, the current Master Agreement expires March 28, 2011 and the new Master Agreement will expire in March 2021; and

**WHEREAS**, the Board of Directors of the Santa Cruz Metropolitan Transit District agrees to comply with all conditions and requirements set forth in this agreement and applicable statutes, regulations and guidelines for all state-funded transit projects.

**NOW, THEREFORE, BE IT RESOLVED**, that the General Manager of Santa Cruz Metropolitan Transit District is authorized to sign the necessary new Master Agreement with Caltrans for Caltrans grants programs.

**PASSED AND ADOPTED** this 25<sup>th</sup> Day of March, 2011 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

# Attachment A

**ABSENT:** Directors -

**APPROVED** \_\_\_\_\_

ELLEN PIRIE  
Board Chair

**ATTEST** \_\_\_\_\_

LESLIE R. WHITE  
General Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
MARGARET GALLAGHER  
District Counsel

# Attachment B

Recipient Name  
Master Agreement No. 64A0XXX

## Master Agreement State Funded Transit Projects



### California Department of Transportation

DIVISION OF MASS TRANSPORTATION  
1120 N STREET, ROOM 3300  
P. O. BOX 942874, MS-39  
SACRAMENTO, CA 94274-0001  
PHONE (916) 654-9842

# Attachment B

Recipient Name  
Master Agreement No. 64A0XXX  
Page i of ii

## STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION DIVISION OF MASS TRANSPORTATION

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# Attachment B

Recipient Name  
Master Agreement No. 64A0XXX  
Page 1 of 24

**STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION  
DIVISION OF MASS TRANSPORTATION**

**MASTER AGREEMENT  
STATE FUNDED TRANSIT PROJECTS**

**Effective Date of this Agreement:** Month Date, Year

**Termination Date of this Agreement:** Month Date, Year

**Recipient:** Recipient Name

**APPLICABLE FUNDING SOURCES COVERED BY THIS AGREEMENT WILL BE  
IDENTIFIED IN EACH SPECIFIC PROGRAM SUPPLEMENT  
ADOPTING THE TERMS OF THIS AGREEMENT**

- ◆ **General Fund**
- ◆ **State Highway Account**
- ◆ **Public Transportation Account**
- ◆ **Transportation Investment Fund**
- ◆ **Traffic Congestion Relief Fund (TCR), GC 14556.40**
- ◆ **Clean Air and Transportation Improvement Act of 1990 (PROP. 116) Bond Fund**
- ◆ **Other State Funding Sources**

This AGREEMENT, entered into effective as of the date set forth above, is between the signatory public entity identified hereinabove, hereinafter referred to as **RECIPIENT**, and the STATE OF CALIFORNIA, acting by and through its Department of Transportation, hereinafter referred to as **STATE**.

## **ARTICLE I - PROJECT ADMINISTRATION**

### **Section 1. Program Supplement**

#### *A. General*

- (1) This AGREEMENT shall have no force and effect with respect to any PROJECT unless and until a separate PROJECT specific “PROGRAM SUPPLEMENT – STATE FUNDED TRANSIT PROJECT(S),” hereinafter referred to as “PROGRAM SUPPLEMENT,” adopting all of the terms and conditions of this AGREEMENT has been fully executed by both **STATE** and **RECIPIENT**.
- (2) **RECIPIENT** agrees to complete each defined PROJECT, or the identified PROJECT Phase/Component thereof, described in the PROGRAM SUPPLEMENT adopting all of the terms and conditions of this AGREEMENT.

# Attachment B

Recipient Name  
Master Agreement No. 64A0XXX  
Page 2 of 24

- (3) A financial commitment of actual PROJECT funds will only occur in each detailed and separate PROGRAM SUPPLEMENT. No funds are obligated by the prior execution of this AGREEMENT alone.
- (4) **RECIPIENT** further agrees, as a condition to the release and payment of the funds encumbered for the PROJECT described in each PROGRAM SUPPLEMENT, to comply with the terms and conditions of this AGREEMENT and all the agreed-upon Special Covenants and Conditions attached to or made a part of the PROGRAM SUPPLEMENT identifying and defining the nature of that specific PROJECT.
- (5) The PROGRAM SUPPLEMENT shall include: a detailed Scope of Work conforming to the included Project Description, a Project Schedule, an Overall Funding Plan, and a Project Financial Plan as required by the applicable Guidelines.
  - a. The Scope of Work shall include a detailed description of the PROJECT and will itemize the major tasks and their estimated costs.
  - b. The Project Schedule shall include major tasks and/or milestones and their associated beginning and ending dates and duration.
  - c. The Overall Funding Plan shall itemize the various PROJECT Components, the committed funding program(s) or source(s), and the matching funds to be provided by **RECIPIENT** and/or other funding sources, if any [these Components include Environmental and Permits; Plans, Specifications and Estimates (PS&E); Right-of-Way (ROW); and Construction (including transit vehicle acquisition)].
  - d. The Project Financial Plan shall identify estimated expenditures for each PROJECT Component by funding source.
- (6) Adoption and execution of the PROGRAM SUPPLEMENT by **RECIPIENT** and **STATE**, incorporating the terms and conditions of this AGREEMENT into the PROGRAM SUPPLEMENT as though fully set forth therein, shall be sufficient to bind **RECIPIENT** to these terms and conditions when performing the PROJECT. Unless otherwise expressly delegated to a third-party in a resolution by **RECIPIENT**'s governing body, which delegation must be expressly assented to and concurred in by **STATE**, the PROGRAM SUPPLEMENT shall be managed by **RECIPIENT**.
- (7) The estimated cost and scope of each PROJECT will be as described in the applicable PROGRAM SUPPLEMENT. **STATE** funding participation for each PROJECT is limited to those amounts actually encumbered by **STATE** as evidenced in that applicable PROGRAM SUPPLEMENT. A contract awarded by **RECIPIENT** for PROJECT work in an amount in excess of said approved estimate or the PROGRAM SUPPLEMENT funding limit may exceed any said PROGRAM SUPPLEMENT cost estimate and the limits of **STATE**'s participation provided:
  - a. **RECIPIENT** provides the necessary additional funding, or
  - b. A cost increase in **STATE**'s share of PROJECT funding is first requested by **RECIPIENT** (before the cost overrun occurs) and that increase is approved by

# Attachment B

Recipient Name  
Master Agreement No. 64A0XXX  
Page 3 of 24

**STATE** in the form of an Allocation Letter comprising the encumbrance document for that increased **STATE** funding level.

- (8) State programmed fund amounts may be increased to cover **PROJECT** cost increases only if:
  - a. Such funds are available;
  - b. **STATE** concurs with that proposed increase; and
  - c. **STATE** issues an approved Allocation Letter, Fund Shift Letter, or a Time Extension Letter with additional funding as stated in an executed amendment to that **PROGRAM SUPPLEMENT**.
- (9) When additional State programmed funds are not available, **RECIPIENT** agrees that reimbursements of invoiced **PROJECT** costs paid to **RECIPIENT** will be limited to, and shall not exceed, the amounts already approved in the **PROGRAM SUPPLEMENT** containing the **STATE** approved encumbrance documents and that any increases in **PROJECT** costs above that **STATE** supported funding level must be defrayed by **RECIPIENT** with non-State funds.
- (10) For each approved **PROGRAM SUPPLEMENT**, **RECIPIENT** agrees to contribute at least the statutorily or other required local contribution of appropriate matching funds (other than State funds) if any matching funds are specified within the **PROGRAM SUPPLEMENT**, or any attachment thereto, toward the actual cost of the **PROJECT** or the amount, if any, specified in an executed SB 2800 (Streets and Highways Code section 164.53) Agreement for local match fund credit, whichever is greater. **RECIPIENT** shall contribute not less than the required match amount toward the cost of the **PROJECT** in accordance with a schedule of payments as shown in a Project Financial Plan prepared by **RECIPIENT** as part of a **PROGRAM SUPPLEMENT**.
- (11) Upon the stated expiration date of this **AGREEMENT**, any **PROGRAM SUPPLEMENTS** executed under this **AGREEMENT** for a **PROJECT** with work yet to be completed pursuant to the approved Project Schedule shall be deemed to extend the term of this **AGREEMENT** only to conform to the specific **PROJECT** termination or completion date contemplated by the applicable **PROGRAM SUPPLEMENT** to allow that uncompleted **PROJECT** to be administered under the extended terms and conditions of this **AGREEMENT**.

## B. *Project Overrun*

- (1) If **RECIPIENT** and **STATE** determine, at any time during the performance of a **PROJECT**, that the **PROJECT** budget may be exceeded, **RECIPIENT** shall take the following steps:
  - a. Notify the designated **STATE** representative of the nature and projected extent of the overrun and, within a reasonable period thereafter, identify and quantify

# Attachment B

Recipient Name  
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potential cost savings or other measures which **RECIPIENT** will institute to bring the Project Budget into balance; and

- b. Schedule the projected overrun for discussion at the next Quarterly Review meeting; and
- c. Identify the source of additional **RECIPIENT** or other third party funds that can be made available to complete PROJECT.

## C. *Scope of Work*

- (1) **RECIPIENT** shall be responsible for complete performance of the work described in the approved PROGRAM SUPPLEMENT for the PROJECT related to the commitment of encumbered funds. All work shall be accomplished in accordance with the applicable provisions of the Public Utilities Code, the Streets and Highways Code, the Government Code, and other applicable statutes and regulations.
- (2) **RECIPIENT** acknowledges and agrees that **RECIPIENT** is the sole control and manager of each PROJECT and its subsequent employment, operation, repair and maintenance for the benefit of the public. **RECIPIENT** shall be solely responsible for complying with the funding and use restrictions established by (a) the statutes from which these funds are derived, (b) the California Transportation Commission (CTC), (c) the State Treasurer, (d) the Internal Revenue Service, (e) the applicable PROGRAM SUPPLEMENT, and (f) this AGREEMENT.

## D. *Program Supplement Amendments*

PROGRAM SUPPLEMENT amendments will be required whenever there are CTC-approved changes to the cost, scope of work, or delivery schedule of a PROJECT from those specified in the original PROJECT Application and the original PROGRAM SUPPLEMENT. Those changes shall be mutually binding upon the Parties only following the execution of a PROGRAM SUPPLEMENT amendment.

## Section 2. Allowable Costs and Payments

### A. *Allowable Costs and Progress Payment Vouchers*

- (1) Not more frequently than once a month, but at least quarterly, **RECIPIENT** will prepare and submit to **STATE** (directed to the attention of the appropriate State District Transit Representative) signed Progress Payment Vouchers for actual PROJECT costs incurred and paid for by **RECIPIENT** consistent with the Scope of Work document in the PROGRAM SUPPLEMENT and **STATE** shall pay those uncontested allowable costs once the voucher is approved. If no costs were incurred during any given quarter, **RECIPIENT** is exempt from submitting a signed Progress Payment Voucher; but is still required to present a progress report at each Quarterly Review.

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- (2) **STATE** shall not be required to reimburse more funds, cumulatively, per quarter of any fiscal year greater than the sums identified and included in the PROJECT Financial Plan. However, accelerated reimbursement of PROJECT funds in excess of the amounts indicated in the Project Financial Plan, cumulatively by fiscal year, may be allowed at the sole discretion of **STATE** if such funds are available for encumbrance to fulfill that need.
- (3) Each such voucher will report the total of PROJECT expenditures from all sources (including those of **RECIPIENT** and third parties) and will specify the percent of State reimbursement requested and the fund source. The voucher should also summarize State money requested by PROJECT component (environmental and permits, plans specifications, and estimates (PS&E); right of way; construction; rolling stock; or--if bond funded--private activity usage) and phase, and shall be accompanied by a report describing the overall work status and progress on PROJECT tasks. If applicable, the first voucher shall also be accompanied by a report describing any tasks specified in the PROGRAM SUPPLEMENT which were accomplished prior to the Effective Date of this AGREEMENT or the PROGRAM SUPPLEMENT with costs to be credited toward any required local contribution described in Article II, Section 1 of this Agreement (but only if expended pursuant to any applicable prior executed Agreement for Local Match Fund Credit between **RECIPIENT** and **STATE**).
- (4) An Indirect Cost Rate Proposal and / or Central Service Cost Allocation plan and related documentation are to be provided to STATE (Caltrans Audits & Investigations) annually for review and approval prior to ADMINISTERING AGENCY seeking reimbursement of indirect costs incurred within each fiscal year being claimed for reimbursement.

## B. Advance Payments (TCR Projects Only)

- (1) Advance reimbursements or payments by **STATE** are not allowed except in the case of TCR funded Projects, and only then when expressly authorized by the CTC.
- (2) In order to receive a CTC approved TCR payment advance, **RECIPIENT** must provide duplicate signed invoices to **STATE** requesting payment of that authorized advance.
- (3) For TCR Projects approved for advanced payment allocation by the CTC, said advance payment shall be deposited by **RECIPIENT** in an interest bearing account held by institutions with long-term credit ratings of “AA” or better from at least two nationally recognized credit rating agencies, or in instruments issued by and secured by the full faith and credit of the U.S. Government or by an agency of the U.S. Government. No TCR interest earnings may be spent on the PROJECT. Interest earned shall be recorded and documented from the time the TCR funds are first deposited in **RECIPIENT**'s account until all the approved TCR advance funds have been expended or returned to **STATE** together with all accrued interest. Interest earned shall be reported to **STATE**'s Project Coordinator on an annual basis and upon the final PROJECT payment when interest earnings, overpayments, and unexpended advanced TCR funds

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shall be returned to **STATE** no later than thirty (30) days after PROJECT completion or termination of the PROGRAM SUPPLEMENT, whichever is first in time.

- (4) Advanced funds are to be expended only as indicated in the approved TCR Application. **RECIPIENT** must be able to document the expenditures/disbursement of funds advanced to only pay for actual allowable PROJECT costs incurred.
- (5) Except as expressly allowed hereinbelow, non-TCR funds and TCR project funds not authorized for advance payment can only be released by **STATE** as reimbursement of actual allowable PROJECT costs already incurred and paid for by **RECIPIENT** no earlier than the effective date of this AGREEMENT and not incurred beyond the AGREEMENT/PROGRAM SUPPLEMENT Termination Date.
- (6) Where advance payments are authorized in a PROGRAM SUPPLEMENT, **RECIPIENT** must report and document the expenditure/disbursement of funds advanced to pay for actual eligible PROJECT costs incurred, at least quarterly, using a Progress Payment Voucher to be approved by **STATE**'s District Project Administrator.

## C. Expedited Payments

Should **RECIPIENT** have a valid Memorandum of Understanding (MOU) for "Expedited Payment" on file with **STATE**'s Accounting Service Center, **RECIPIENT** will, not more frequently than as authorized by that MOU, prepare and submit to **STATE** an Expedited Payment Invoice for reimbursements that are consistent with that MOU, this AGREEMENT, and the applicable PROGRAM SUPPLEMENT. Expedited Payments are subject to policies established in the Caltrans Accounting Manual. One time payments and final payments eligible for expedited pay pursuant to this Section will have ten percent (10%) of each invoice amount withheld until PROJECT completion and **STATE** has evaluated **RECIPIENT**'s performance and made a determination that all requirements assumed under this AGREEMENT and the relevant PROGRAM SUPPLEMENT have been satisfactorily fulfilled by **RECIPIENT**.

## D. Advance Expenditure of Local Funds

Government Code section 14529.17 (AB 872) allows public agencies to expend their own funds on certain programmed projects prior to the CTC's allocation of funds, and, upon receipt of CTC approval, to then seek reimbursement for those allowable prior expenditures following execution of a PROGRAM SUPPLEMENT wherein **STATE** acknowledges and accepts those statutorily authorized prior expenditures as a credit towards a required **RECIPIENT** match, (if any) or as eligible PROJECT expenditures for reimbursement.

## E. Travel Reimbursement

Payments to **RECIPIENT** for PROJECT related travel and subsistence expenses of **RECIPIENT** forces and its subcontractors claimed for reimbursement or applied as local match credit shall not exceed rates authorized to be paid rank and file State employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced by

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**RECIPIENT** are in excess of those authorized DPA rates, then **RECIPIENT** is responsible for the cost difference, and any overpayments inadvertently paid by **STATE** shall be reimbursed to **STATE** by **RECIPIENT** on demand.

## F. *Final Invoice*

The PROGRAM SUPPLEMENT Termination Date refers to the last date for **RECIPIENT** to incur valid PROJECT costs or credits and is the date that the PROGRAM SUPPLEMENT expires. **RECIPIENT** has one hundred and eighty (180) days after that Termination Date to make already incurred final allowable payments to PROJECT contractors or vendors, prepare the PROJECT Closeout Report, and submit the final invoice to **STATE** for reimbursement of allowable PROJECT costs before those remaining State funds are unencumbered and those funds are reverted as no longer available to pay any PROJECT costs. **RECIPIENT** expressly waives any right to allowable reimbursements from STATE pursuant to this AGREEMENT for costs incurred after that termination date and for costs invoiced to RECIPIENT for payment after that one hundred and eightieth (180<sup>th</sup>) day following the PROJECT Termination Date.

## ARTICLE II – GENERAL PROVISIONS

### Section 1. Funding

#### A. *Local Match Funds*

Subparagraphs “(1) and (2)” within this Section 1.A. apply only to those PROJECTS where the PROJECT funding is programmed to require a local match. (See individual Program Guidelines for specific funding requirements).

- (1) Except where specifically allowed by the applicable PROGRAM SUPPLEMENT, reimbursement of and credits for local matching funds will be made or allowed only for work performed after the Effective Date of a PROGRAM SUPPLEMENT and prior to the Termination Date unless permitted as local match PROJECT expenditures made prior to the effective date of the PROGRAM SUPPLEMENT pursuant to Government Code section 14529.17 or by an executed SB 2800 Agreement for Local Match Fund Credit.
- (2) **RECIPIENT** agrees to contribute at least the statutorily or other required local contribution of matching funds (other than State or federal funds), if any is specified within the PROGRAM SUPPLEMENT or any attachment thereto, toward the actual cost of the PROJECT or the amount, if any, specified in any executed SB 2800 (Streets and Highways Code Section 164.53) Agreement for local match fund credit, whichever is greater. **RECIPIENT** shall contribute not less than its required match amount toward the PROJECT cost in accordance with a schedule of payments as shown in the Project Financial Plan prepared by **RECIPIENT** and approved by **STATE** as part of a PROGRAM SUPPLEMENT.

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## B. *Funding Contingencies*

Delivery by **STATE** of all funds encumbered to reimburse allowable PROJECT costs pursuant to this AGREEMENT is contingent upon prior budget action by the Legislature, fund allocation by the CTC or the United States Department of Transportation, and submittal by **RECIPIENT** and approval by **STATE** of all PROJECT documentation, including, without limitation, that required by Government Code section 14085. In the event of the imposition of additional conditions, delays, or a cancellation or reduction in funding, as approved by the Legislature, the CTC or the United States Department of Transportation, **RECIPIENT** shall be excused from meeting the time and expenditure constraints set forth in the Project Financial Plan and the Project Schedule to the extent of such delay, cancellation or reduction and the PROGRAM SUPPLEMENT will be amended to reflect the resultant necessary changes in PROJECT funding, scope, or scheduling.

## C. *Funds Movement*

**RECIPIENT** shall not make any proposed changes in any of the four PROJECT expenditure Components (Environmental and Permits, PS&E, Right-of-Way and Construction (including major equipment acquisitions) without prior written **STATE** approval. **STATE** will also determine whether those proposed changes are significant enough to warrant CTC review. Specific rules and guidelines regarding this process may be detailed in the applicable CTC Resolutions, including, but not limited to, numbers G-06-04 and G-06-20 or their successors.

## Section 2. Audits and Reports

### A. *Cost Principles*

- (1) **RECIPIENT** agrees to comply with Title 2 Code of Federal Regulations 225 (2 CFR 225) Cost Principles for State and Local Government, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (2) **RECIPIENT** agrees, and will assure that its contractors and subcontractors will be obligated to agree, that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual Project cost items and (b) those parties shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving PROJECT funds as a contractor or sub-contractor under this AGREEMENT shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (3) Any PROJECT costs for which **RECIPIENT** has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR 225, Chapter 1, Part 31 or 49 CFR, Part 18, are subject to repayment by **RECIPIENT** to **STATE**. Should

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**RECIPIENT** fail to reimburse moneys due **STATE** within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, **STATE** is authorized to intercept and withhold future payments due **RECIPIENT** from **STATE** or any third-party source, including but not limited to, the State Treasurer, the State Controller and the CTC.

## B. *Record Retention*

- (1) **RECIPIENT** agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred PROJECT costs and matching funds by line item for the PROJECT. The accounting system of **RECIPIENT**, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of **RECIPIENT**, its contractors and subcontractors connected with PROJECT performance under this AGREEMENT and each PROGRAM SUPPLEMENT shall be maintained for a minimum of three (3) years from the date of final payment to **RECIPIENT** under a PROGRAM SUPPLEMENT and shall be held open to inspection, copying, and audit by representatives of **STATE**, the California State Auditor, and auditors representing the federal government. Copies thereof will be furnished by **RECIPIENT**, its contractors, and subcontractors upon receipt of any request made by **STATE** or its agents. In conducting an audit of the costs and match credits claimed under this AGREEMENT, **STATE** will rely to the maximum extent possible on any prior audit of **RECIPIENT** pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by **RECIPIENT**'s external and internal auditors may be relied upon and used by **STATE** when planning and conducting additional audits.
- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of **RECIPIENT**'s contracts with third parties pursuant to Government Code section 8546.7, **RECIPIENT**, **RECIPIENT**'s contractors and subcontractors and **STATE** shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such AGREEMENT and PROGRAM SUPPLEMENT materials available at their respective offices at all reasonable times during the entire PROJECT period and for three (3) years from the date of final payment to **RECIPIENT** under any PROGRAM SUPPLEMENT. **STATE**, the California State Auditor, or any duly authorized representative of **STATE** or the United States Department of Transportation, shall each have access to any books, records, and documents that are pertinent to a PROJECT for audits, examinations, excerpts, and transactions, and **RECIPIENT** shall furnish copies thereof if requested.

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- (3) **RECIPIENT**, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by **STATE**, for the purpose of any investigation to ascertain compliance with this AGREEMENT.

## C. *Quarterly Review*

- (1) Subject to the discretion of **STATE**, **RECIPIENT** and **STATE** agree to conduct, on a quarterly basis, on-site reviews of all aspects of the progress of each PROJECT. **RECIPIENT** agrees, during each quarterly progress review, to inform **STATE** regarding:
  - a. Whether the PROJECT is proceeding on schedule and within budget;
  - b. Any requested changes to the Project Description, Scope of Work, Project Schedule, Overall Funding Plan, or Project Financial Plan contained in a PROGRAM SUPPLEMENT;
  - c. Major construction accomplishments during the quarter;
  - d. Any actual or anticipated problems which could lead to delays in schedule, increased costs or other difficulties;
  - e. The status of the PROJECT budget; and
  - f. The status of critical elements of PROJECT.
- (2) Quarterly reviews of **RECIPIENT** progress will include consideration of whether reported implementation activities are within the scope of the PROJECT PROGRAM SUPPLEMENT and in compliance with State laws, regulations, and administrative requirements.

## Section 3. Special Requirements

### A. *California Transportation Commission (CTC) Resolutions*

- (1) **RECIPIENT** shall adhere to applicable CTC policies on “Timely Use of Funds” as stated in Resolution G-06-04, adopted April 26, 2006, addressing the expenditure and reimbursement of TCR funds; and Resolution G-06-20, adopted December 13, 2006, to provide guidance for the use of Proposition 116 and STIP funds. These resolutions, and/or successor resolutions in place at the time a PROGRAM SUPPLEMENT is executed, shall be applicable to all Prop 116, STIP and TCR funds, respectively.
- (2) **RECIPIENT** shall be bound to the terms and conditions of this AGREEMENT; the PROJECT application contained in the PROGRAM SUPPLEMENT (as applicable); and CTC Resolutions G-06-04, G-06-20 and/or their respective successors in place at the time the PROGRAM SUPPLEMENT is signed (as applicable) and all restrictions, rights, duties and obligations established therein on behalf of **STATE** and CTC shall accrue to the benefit of the CTC and shall thereafter be subject to any necessary

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enforcement action by CTC or **STATE**. All terms and conditions stated in the aforesaid CTC Resolutions and CTC-approved Guidelines in place at the time the PROGRAM SUPPLEMENT is signed (if applicable) shall also be considered to be binding provisions of this AGREEMENT.

- (3) **RECIPIENT** shall conform to any and all permit and mitigation duties associated with PROJECT as well as all environmental obligations established in CTC Resolution G-91-2 and/or its successors in place at the time a PROGRAM SUPPLEMENT is signed, as applicable, at the expense of **RECIPIENT** and/or the responsible party and without any further financial contributions or obligations on the part of **STATE** unless a separate PROGRAM SUPPLEMENT expressly provides funding for the specific purpose of hazardous materials remediation.

## B. *RECIPIENT Resolution*

- (1) **RECIPIENT** has executed this AGREEMENT pursuant to the authorizing **RECIPIENT** resolution, attached as Attachment II to this AGREEMENT, which empowers **RECIPIENT** to enter into this AGREEMENT and which may also empower **RECIPIENT** to enter into all subsequent PROGRAM SUPPLEMENTS adopting the provisions of this AGREEMENT.
- (2) If **RECIPIENT** or **STATE** determines that a separate Resolution is needed for each PROGRAM SUPPLEMENT, **RECIPIENT** will provide information as to who the authorized designee is to act on behalf of the **RECIPIENT** to bind **RECIPIENT** with regard to the terms and conditions of any said PROGRAM SUPPLEMENT or amendment and will provide a copy of that additional Resolution to **STATE** with the PROGRAM SUPPLEMENT or any amendment to that document.

## C. *Termination*

- (1) **STATE** reserves the right to terminate funding for any PROGRAM SUPPLEMENT upon written notice to **RECIPIENT** in the event that **RECIPIENT** fails to proceed with PROJECT work in accordance with the PROGRAM SUPPLEMENT, the bonding requirements, if applicable, or otherwise violates the conditions of this AGREEMENT and/or the PROGRAM SUPPLEMENT or the funding allocation such that substantial performance is significantly endangered.
- (2) No such termination shall become effective if, within thirty (30) days after receipt of a Notice of Termination, **RECIPIENT** either cures the default involved or, if not reasonably susceptible of cure within said thirty (30)-day period, **RECIPIENT** proceeds thereafter to complete the cure in a manner and time line acceptable to **STATE**. Any such termination shall be accomplished by delivery to **RECIPIENT** of a Notice of Termination, which notice shall become effective not less than thirty (30) days after receipt, specifying the reason for the termination, the extent to which funding of work under this AGREEMENT is terminated and the date upon which such termination becomes effective, if beyond thirty (30) days after receipt. During the

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period before the effective termination date, **RECIPIENT** and **STATE** shall meet to attempt to resolve any dispute.

- (3) Following a fund encumbrance made pursuant to a PROGRAM SUPPLEMENT, if **RECIPIENT** fails to expend TCR/GENERAL FUND monies by June 30 of any applicable Fiscal Year that those funds would revert, those funds will be deemed withdrawn and will no longer be available to reimburse PROJECT work unless those funds are specifically made available beyond the end of that Fiscal Year through re-appropriation or other equivalent action of the Legislature and written notice of that action is provided to **RECIPIENT** by **STATE**.
- (4) In the event **STATE** terminates a PROGRAM SUPPLEMENT for convenience and not for a default on the part of **RECIPIENT** as is contemplated in C (1) and (2) above of this Section 3, **RECIPIENT** shall be reimbursed its authorized costs up to **STATE**'s proportionate and maximum share of allowable PROJECT costs incurred to the date of **RECIPIENT**'s receipt of that notice of termination, including any unavoidable costs reasonably and necessarily incurred up to and following that termination date by **RECIPIENT** to effect such termination following receipt of that termination notice.

## D. *Third Party Contracting*

- (1) **RECIPIENT** shall not award a construction contract over \$10,000 or other contracts over \$25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code Sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of **STATE**. Contracts awarded by **RECIPIENT**, if intended as local match credit, must meet the requirements set forth in this AGREEMENT regarding local match funds.
- (2) Any subcontract entered into by **RECIPIENT** as a result of this AGREEMENT shall contain the provisions of ARTICLE II – GENERAL PROVISIONS, Section 2. Audits and Reports and shall mandate that travel and per diem reimbursements and third-party contract reimbursements to subcontractors will be allowable as PROJECT costs only after those costs are incurred and paid for by the subcontractors.
- (3) To be eligible for local match credit, **RECIPIENT** must ensure that local match funds used for the PROJECT meet the General Provisions requirements outlined in this ARTICLE II in the same manner as required of all other PROJECT expenditures.
- (4) In addition to the above, the preaward requirements of third party contractor/consultants with local transit agencies should be consistent with Local Program Procedures (LPP-00-05).

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## E. *Change in Funds and Terms/Amendments*

This AGREEMENT and the resultant PROGRAM SUPPLEMENTS may be modified, altered, or revised only with the joint written consent of **RECIPIENT** and **STATE**.

## F. *Project Ownership*

- (1) Unless expressly provided to the contrary in a PROGRAM SUPPLEMENT, subject to the terms and provisions of this AGREEMENT, **RECIPIENT**, or a designated subrecipient acceptable to **STATE**, as applicable, shall be the sole owner of all improvements and property included in the PROJECT constructed, installed or acquired by **RECIPIENT** or subrecipient with funding provided to **RECIPIENT** under this AGREEMENT. **RECIPIENT**, or subrecipient, as applicable, is obligated to continue operation and maintenance of the physical aspects of the PROJECT dedicated to the public transportation purposes for which PROJECT was initially approved unless **RECIPIENT**, or subrecipient, as applicable, ceases ownership of such PROJECT property; ceases to utilize the PROJECT property for the intended public transportation purposes; or sells or transfers title to or control over PROJECT and **STATE** is refunded the Credits due **STATE** as provided in paragraph (4) herein below.
- (2) Should State bond funds be encumbered to fund any part of a PROJECT under this AGREEMENT, then, at **STATE**'s option, before **RECIPIENT** will be permitted to make any proposed change in use, **RECIPIENT** shall be required to first obtain a determination by Bond Counsel acceptable to the State Treasurer's Office and **STATE** that a change in the operation, proportion, or scope of PROJECT as originally proposed by **RECIPIENT** will not adversely affect the tax exempt status of those bonds.
- (3) PROJECT right-of-way, PROJECT facilities constructed or reconstructed on a PROJECT site and/or PROJECT property (including vehicles and vessels) purchased by **RECIPIENT** (excluding temporary construction easements and excess property whose proportionate resale proceeds are distributed pursuant to this AGREEMENT) shall remain permanently dedicated to the described public transit use in the same proportion and scope, and to the same extent as mandated in the PROGRAM SUPPLEMENT and related Bond Fund Certification documents, if applicable, unless **STATE** agrees otherwise in writing. Vehicles acquired as part of PROJECT, including, but not limited to, buses, vans, rail passenger equipment and ferry vessels, shall be dedicated to that public transportation use for their full economic life cycle, which, for the purpose of this AGREEMENT, will be determined in accordance with standard national transit practices and applicable rules and guidelines, including any extensions of that life cycle achievable by reconstruction, rehabilitation or enhancements.
- (4) (a) Except as otherwise set forth in this Section 4, **STATE**, or any other **STATE**-assignee public body acting on behalf of the CTC, shall be entitled to a refund or credit (collectively the Credit), at **STATE**'s sole option, equivalent to the proportionate PROJECT funding participation received by **RECIPIENT** from

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**STATE** if **RECIPIENT**, or a sub-recipient, as applicable, (i) ceases to utilize **PROJECT** for the original intended public transportation purposes or (ii) sells or transfers title to or control over **PROJECT**. If federal funds (meaning only those federal funds received directly by **RECIPIENT** and not federal funds derived through or from the State) have contributed to the **PROJECT**, **RECIPIENT** shall notify both **STATE** and the original federal source of those funds of the disposition of the **PROJECT** assets or the intended use of those sale or transfer receipts.

- (b) **STATE** shall also be entitled to an acquisition Credit for any future purchase or condemnation of all or portions of **PROJECT** by **STATE** or a designated representative or agent of **STATE**.
- (c) The Credit due **STATE** will be determined by the ratio of **STATE**'s funding when measured against the **RECIPIENT**'s funding participation (the Ratio). For purposes of this Section 4, the State's funding participation includes federal funds derived through or from **STATE**. That Ratio is to be applied to the then present fair market value of **PROJECT** property acquired or constructed as provided in (d) and (e) below.
- (d) For Mass Transit vehicles, this Credit [to be deducted from the then remaining equipment value] shall be equivalent to the percentage of the full extendable vehicle economic life cycle remaining, multiplied by the Ratio of funds provided for that equipment acquisition. For real property, this same funding Ratio shall be applied to the then present fair market value, as determined by **STATE**, of the **PROJECT** property acquired or improved under this AGREEMENT.
- (e) Such Credit due **STATE** as a refund shall not be required if **RECIPIENT** dedicates the proceeds of such sale or transfer exclusively to a new or replacement **STATE** approved public transit purpose, which replacement facility or vehicles will then also be subject to the identical use restrictions for that new public purpose and the Credit ratio due **STATE** should that replacement project or those replacement vehicles cease to be used for that intended described pre-approved public transit purpose.
  - (1) In determining the present fair market value of property for purposes of calculating **STATE**'s Credit under this AGREEMENT, any real property portions of a **PROJECT** site contributed by **RECIPIENT** shall not be included. In determining **STATE**'s proportionate funding participation, **STATE**'s contributions to third parties (other than **RECIPIENT**) shall be included if those contributions are incorporated into the **PROJECT**.
  - (2) Once **STATE** has received the Credit as provided for above because **RECIPIENT**, or a sub-recipient, as applicable, has (a) ceased to utilize the **PROJECT** for the described intended public transportation purpose(s) for which **STATE** funding was provided and **STATE** has not consented to that cessation of services or (b) sold or transferred title to or control over **PROJECT** to another

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party (absent **STATE** approval for the continued transit operation of the PROJECT by that successor party under an assignment of **RECIPIENT**'s duties and obligations), neither **RECIPIENT**, subrecipient, nor any party to whom **RECIPIENT** or subrecipient, as applicable, has transferred said title or control shall have any further obligation under this AGREEMENT to continue operation of PROJECT and/or PROJECT facilities for those described public transportation purposes, but may then use PROJECT and/or any of its facilities for any lawful purpose.

- (3) To the extent that **RECIPIENT** operates and maintains Intermodal Transfer Stations as any integral part of PROJECT, **RECIPIENT** shall maintain each station and all its appurtenances, including, but not limited to, restroom facilities, in good condition and repair in accordance with high standards of cleanliness (Public Utilities Code section 99317.8). Upon request of **STATE**, **RECIPIENT** shall also authorize State-funded bus services to use those stations and appurtenances without any charge to **STATE** or the bus operator. This permitted use will include the placement of signs and informational material designed to alert the public to the availability of the State-funded bus service (for the purpose of this paragraph, "State-funded bus service" means any bus service funded pursuant to Public Utilities Code section 99316).
- (4) Special conditions apply to any proposed sale or transfer or change of use as respects PROJECT property, facilities or equipment acquired with tax free State bond funds and **RECIPIENT** shall conform to those restrictions as set forth herein and in said bonds.

## G. Disputes

**STATE** and **RECIPIENT** shall deal in good faith and attempt to resolve potential disputes informally. If the dispute persists, **RECIPIENT** shall submit to the **STATE**'s District Contract Manager or designee a written demand for a decision regarding the disposition of any dispute arising under this agreement. The District Contract Manager shall make a written decision regarding the dispute and will provide it to the fund **RECIPIENT**. The fund **RECIPIENT** shall have an opportunity to challenge the District Contract Manager's determination but must make that challenge in writing within ten (10) working days to the Mass Transportation Program Manager or his/her designee. [If the fund **RECIPIENT** challenge is not made within the ten (10) day period, the District Contract Manager's decision shall become the final decision of the **STATE**.] **STATE** and **RECIPIENT** shall submit written, factual information and supporting data in support their respective positions. The decision of the Mass Transportation Program Manager or his/her designee shall be final, conclusive and binding regarding the dispute, unless **RECIPIENT** commences an action in court of competent jurisdiction to contest the decision in accordance with Division 3.6 of the California Government Code.

## H. Hold Harmless and Indemnification

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- (1) Neither **STATE** nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by **RECIPIENT**, its agents and contractors under or in connection with any work, authority, or jurisdiction delegated to **RECIPIENT** under this AGREEMENT or any PROGRAM SUPPLEMENT or as respects environmental clean up obligations or duties of **RECIPIENT** relative to PROJECT. It is also understood and agreed that, **RECIPIENT** shall fully defend, indemnify and hold the CTC and **STATE** and their officers and employees harmless from any liability imposed for injury and damages or environmental obligations or duties arising or created by reason of anything done or imposed by operation of law or assumed by, or omitted to be done by **RECIPIENT** under or in connection with any work, authority, or jurisdiction delegated to **RECIPIENT** under this AGREEMENT and all PROGRAM SUPPLEMENTS.
- (2) **RECIPIENT** shall indemnify, defend and hold harmless **STATE**, the CTC and the State Treasurer relative to any misuse by **RECIPIENT** of State funds, PROJECT property, PROJECT generated income or other fiscal acts or omissions of **RECIPIENT**.

## I. *Labor Code Compliance*

**RECIPIENT** shall include in all subcontracts awarded using PROJECT funds, when applicable, a clause that requires each subcontractor to comply with California Labor Code requirements that all workers employed on public works aspects of any project (as defined in California Labor Code §§ 1720-1815) be paid not less than the general prevailing wage rates predetermined by the Department of Industrial Relations as effective the date of Contract award by the **RECIPIENT**.

## J. *Non-Discrimination*

- (1) In the performance of work under this AGREEMENT, **RECIPIENT**, its contractor(s) and all subcontractors, shall not unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age, marital status, family and medical care leave, pregnancy leave, and disability leave. **RECIPIENT**, its contractor(s) and all subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. **RECIPIENT**, its contractor(s) and all subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900 et seq.), and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full. Each of **RECIPIENT**'s contractors and all subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreements, as appropriate.

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- (2) Should federal funds be constituted as part of PROJECT funding or compensation received by **RECIPIENT** under a separate Contract during the performance of this AGREEMENT, **RECIPIENT** shall comply with this AGREEMENT and with all federal mandated contract provisions as set forth in that applicable federal funding agreement.
- (3) **RECIPIENT** shall include the non-discrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under this AGREEMENT.

## K. *State Fire Marshal Building Standards Code*

The State Fire Marshall adopts building standards for fire safety and panic prevention. Such regulations pertain to fire protection design and construction, means of egress and adequacy of exits, installation of fire alarms, and fire extinguishment systems for any State-owned or State-occupied buildings per section 13108 of the Health and Safety Code. When applicable, **RECIPIENT** shall request that the State Fire Marshal review PROJECT PS&E to ensure PROJECT consistency with State fire protection standards.

## L. *Americans with Disabilities Act*

By signing this Master Agreement, **RECIPIENT** assures **STATE** that **RECIPIENT** shall comply with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA (42 U.S.C. 12101 et seq.).

## M. *Access for Persons with Disabilities*

Disabled access review by the Department of General Services (Division of the State Architect) is required for all publicly funded construction of buildings, structures, sidewalks, curbs and related facilities. **RECIPIENT** will award no construction contract unless **RECIPIENT**'s plans and specifications for such facilities conform to the provisions of sections 4450 and 4454 of the California Government Code, if applicable. Further requirements and guidance are provided in Title 24 of the California Code of Regulations.

## N. *Disabled Veterans Program Requirements*

- (1) Should Military and Veterans Code sections 999 et seq. be applicable to **RECIPIENT**, **RECIPIENT** will meet, or make good faith efforts to meet, the 3% Disabled Veterans Business Enterprises goals (or **RECIPIENT**'s applicable higher goals) in the award of every contract for PROJECT work to be performed under these this AGREEMENT.
- (2) **RECIPIENT** shall have the sole duty and authority under this AGREEMENT and each PROGRAM SUPPLEMENT to determine whether these referenced code sections are applicable to **RECIPIENT** and, if so, whether good faith efforts asserted by those

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contractors of **RECIPIENT** were sufficient as outlined in Military and Veterans Code sections 999 et seq.

## O. *Environmental Process*

Completion of the PROJECT environmental process (“clearance”) by **RECIPIENT** (and/or **STATE** if it affects a State facility within the meaning of the applicable statutes) is required prior to requesting PROJECT funds for right-of-way purchase or construction. No State agency may request funds nor shall any State agency, board or commission authorize expenditures of funds for any PROJECT effort, except for feasibility or planning studies, which may have a significant effect on the environment unless such a request is accompanied with all appropriate documentation of compliance with or exemption from the California Environmental Quality Act (CEQA) (including, if appropriate, an environmental impact report). California Public Resources Code section 21080(b)(10) provides an exemption for a passenger rail project that institutes or increases passenger or commuter services on rail or highway rights-of-way already in use.

## ARTICLE III – SPECIAL PROVISIONS

**Section 1. Bond Provisions** (Applicable only to State Bond Funding encumbered against a specific Program Supplement).

### A. *General Bond Provisions*

- (1) If **RECIPIENT** enters into a management contract with a private party (including AMTRAK) for operation of rail, ferry or other transportation services in connection with PROJECT, **RECIPIENT** will obtain prior approval from Bond Counsel acceptable to **STATE** that the terms of that management contract meet the requirements of Internal Revenue Service Revenue Procedure 97-13 (as supplemented or amended) or any successor thereto (dealing generally with guidelines for when management contracts may be deemed not to create a "private use" of bond-financed property) or are otherwise acceptable. **RECIPIENT** must also be prepared to certify, upon request of **STATE**, that the revenues which **RECIPIENT** (or its manager) will receive directly from the operation of transportation services in connection with PROJECT (but not including any subsidy of the transportation operation from taxes or other outside fund sources) are, for any fiscal year, less than the ordinary and necessary expenses directly attributable to the operation and maintenance of the transportation system (excluding any overhead or administrative costs of **RECIPIENT**).
- (2) Except as provided in this Article III, A (1), **STATE** and **RECIPIENT** agree that any costs of PROJECT acquired or constructed by **RECIPIENT** allocable to portions of PROJECT which are subject to any property interests held by a non-governmental person(s) in connection with business activities, such as easements, leases, or fee interests, not generally enjoyed by the public (hereinafter referred to as “Non-Governmentally Used Property” or “NUP”) shall require the prior approval of **STATE** and the State Treasurer, as applicable. If **RECIPIENT** receives any revenues or profits

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from any NUP activities allowed pursuant to this Article (whether approved at this time or hereafter approved by **STATE**), **RECIPIENT** agrees that such revenues or profits shall be used exclusively for the public transportation services for which **PROJECT** was initially approved, either for capital improvements or operating costs. If **RECIPIENT** does not so dedicate those revenues or profits, a proportionate share shall (unless disapproved by Bond Counsel) be paid to **STATE** equivalent to the Ratio of **STATE**'s percentage of participation in **PROJECT**.

- (3) Notwithstanding the foregoing, **RECIPIENT** may be authorized a NUP activity allocation of bond proceeds, not to exceed the amount specified in the **PROGRAM SUPPLEMENT**, once **RECIPIENT** submits to **STATE** a completed bond certification questionnaire and the State Treasurer and **STATE** both approve that private activity as described therein.
- (4) **RECIPIENT** shall not loan any portion of bond proceeds funding **PROJECT** to any private (including nonprofit) person or business. For this purpose, a "loan" includes any arrangement that is the economic equivalent of a loan, regardless of how it is named.
- (5) Delivery by **STATE** of any bond funds is contingent on the sale of bonds by the State Treasurer. **STATE** shall not be held liable for any resulting damage or penalty to **RECIPIENT** in the event bond sales are delayed, canceled, or downsized or other **AGREEMENT** funds are restricted, limited or otherwise conditioned by acts of Congress, the Internal Revenue Service, the United States Department of Transportation, the Legislature, or the CTC.
- (6) **RECIPIENT** shall, for the purposes of any State bond funded right of way acquisition which will become a permanent part of **PROJECT** (such acquisitions exclude temporary construction easements, property allocated to matching funds, and excess property purchased with State funds whose resale proceeds are returned or credited to **STATE**), maintain ownership of such **PROJECT** property for a minimum of twenty years or until the bonds have matured, whichever occurs first, before transferring or selling such property (subject to all refunds or Credits due **STATE** as provided hereinabove).
- (7) Where **RECIPIENT**'s **PROJECT** includes a commuter rail **PROJECT** within the meaning of Proposition 116, **RECIPIENT** shall coordinate and share with other public transit operators any rail rights-of-way, common maintenance services and station facilities used for intercity and commuter rail. Intercity and commuter rail services shall be coordinated with each other, with other providers and with freight traffic to provide integrated rail passenger and freight services with minimal conflict.
- (8) **RECIPIENT** agrees that all passenger vehicles, rail, and water borne ferry equipment, and all facilities acquired or constructed with Proposition 116 bond funds shall be accessible to persons with physical disabilities, including wheelchair users, at all stops, stations and terminals, whether or not staffed.

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- (9) NUP shall, for accounting and bookkeeping purposes, first be allocated to funding sources other than the State bond funds. For purposes of making such allocations, the costs attributable to NUP involving a sale, easement, lease or similar arrangement shall be determined on the basis of a fair allocation of value, which may include determinations based upon square meters/feet of the area encumbered by the NUP lease or easement relative to the total area acquired or constructed if all such area is of approximately equal value.
- (10) NUP will include, but is not limited to, property which is sold (including sales of air and subsurface rights), and property subject to easements, leases or similar rights. A rail right of way will not be treated as NUP solely as a result of a Freight Use Easement retained by the seller of the right of way to **RECIPIENT**, provided that the sales agreement appropriately excludes the Freight Use Easement from the property or rights being acquired. Further, notwithstanding anything in this Article III to the contrary, **RECIPIENT** may allocate grant funds to the cost of any NUP if (a) neither **RECIPIENT** nor any other governmental entity will receive, directly or indirectly, any payments from or on behalf of the non-governmental user of the NUP, or (b) the payment from such user does not exceed the operation and maintenance costs fairly attributable or allocable to the non-governmental use of the NUP.
- (11) **RECIPIENT** shall request, in writing, **STATE**'s advance approval if PROJECT funds are to be allocated to any NUP except "incidental use" property described below. If property, the costs of which have previously been allocated to PROJECT funds, is to become NUP before the State bond funds are fully paid or redeemed, then **RECIPIENT** may allocate the costs of such property to another funding source as provided or obtain **STATE**'s approval that the allocation of the costs of such property to the bond funds may remain. It is anticipated that **STATE**'s approval will be granted if, taking into account the existing and expected uses of the proceeds of the State bonds, **STATE** determines that the continued tax-exempt status of the State bonds will not be adversely affected and that the use of the property is consistent with PROJECT and its described purpose.
- (12) For purposes of these fund source allocations, **RECIPIENT** does not have to consider NUP as including those "incidental uses" of PROJECT (for example, advertising billboards, vending machines, telephones, etc.) which meet the applicable requirements of federal tax regulations (IRS Notice 87-69 or any successor thereto). In general, such Notice requires that the incidental use not be physically separated from the rest of PROJECT and not comprise, in the aggregate, more than 2-1/2% of the total costs of PROJECT.

## Section 2. TCRP PROJECTS

The TRAFFIC CONGESTION RELIEF (TCR) ACT OF 2000 (the "ACT"), was added (in Chapter 4.5, commencing with section 14556) to part 5.3 of Division 3 of Title 2 of the Government Code by AB 2928 and SB 406, as amended by SB 1662 and AB 1705. As directed by the ACT and the CTC established Guidelines (as set out in CTC Resolution G-06-04), and as

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those Guidelines may be amended prior to the execution of a future PROGRAM SUPPLEMENT, said Guidelines shall apply to each TCRP funded PROJECT. By this reference, those Guidelines are made an express part of this AGREEMENT and shall apply to each TCRP funded PROJECT. **RECIPIENT** will cause its specific TCRP mandated Resolution to be attached as part of any TCRP funded PROGRAM SUPPLEMENT as a condition precedent to the acceptance of TCR ACT funds for that PROJECT.

### Section 3. PROJECT MANAGEMENT

- (1) **STATE's** PROJECT administrator for this AGREEMENT shall be the chief of the State Transit Grants Branch of the Division of Mass Transportation. **RECIPIENT's** General Manager, Executive Director or a Designee as named in writing to **STATE** following execution of this AGREEMENT shall be the administrator acting for **RECIPIENT**.
- (2) PROGRAM SUPPLEMENT administrators for **STATE** shall be the applicable District Division Chief for Planning and for **RECIPIENT**, the designee named in the applicable PROGRAM SUPPLEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT by their duly authorized officers.

**STATE OF CALIFORNIA**  
**DEPARTMENT OF TRANSPORTATION**  
**DIVISION OF MASS TRANSPORTATION**

**RECIPIENT NAME**

**BY:** \_\_\_\_\_  
BRIAN TRAVIS, Chief  
State Transit Grants Branch

**BY:** \_\_\_\_\_  
EXECUTIVE OFFICER  
Title

APPROVED AS TO FORM AND PROCEDURE

**STATE OF CALIFORNIA**  
**DEPARTMENT OF TRANSPORTATION**

**BY:** \_\_\_\_\_  
DANIEL A. NEAR  
Attorney

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## ATTACHMENT I

### CTC RESOLUTION G-91-2

Passed by the CTC on February 21, 1991

### CALIFORNIA TRANSPORTATION COMMISSION RESOLUTION G-91-2 Commission Policy Resolution for Hazardous Waste Identification and Cleanup for Rail Right-of-Way

WHEREAS, the Commission has programmed funding for rail right-of-way acquisition in the 1990 State Transportation Improvement Program and may allocate funds for rail right-of-way acquisition from the Clean Air and Transportation Improvement Act; and

WHEREAS, hazardous wastes, based upon federal and state statutes and regulations, include but are not limited to such categories as heavy metals, (e.g., lead), inorganic (e.g., excessive mineral levels) and organic compounds (e.g., petroleum products), and can occur on a property's surface and subsurface; and

WHEREAS, rail properties often have hazardous wastes exceeding State of California and federal hazardous waste standards; and

WHEREAS, such properties contaminated with hazardous wastes require mitigation prior to using them for rail purposes; and

WHEREAS, hazardous wastes discovered on rail property may significantly impact property value, project scheduling and future liability for the grant applicant; and

WHEREAS, the Commission must be assured that acquisition of rail properties have been fully reviewed by the grant applicant, and if warranted, the grant applicant has tested for hazardous wastes; and

WHEREAS, if hazardous wastes exist, the Commission must be assured that the hazardous wastes identified has either been cleaned up, or financial responsibility for the cleanup has been determined prior to title transfer to the grant applicant, or easement has been secured in lieu of purchasing the property, and the subsurface rights and liability for hazardous wastes remain with the property seller; and

WHEREAS, hazardous wastes identified subsequent to title transfer to the grant applicant will be cleaned up by the seller or a mechanism to recover clean-up-costs is established and executed as a condition prior to title transfer; and

WHEREAS, full due diligence is necessary in discovering hazardous waste and is an essential element in acquiring rail right-of-way properties by the grant applicant; and

NOW THEREFORE BE IT RESOLVED, that acquisition of all rail right-of-way properties will be fully investigated by the grant applicant to determine the absence/presence of hazardous wastes. Investigations shall be conducted in accordance to the standards and practices of the local, state and/or federal regulatory agencies having jurisdiction and by personnel adequately trained in hazardous waste investigation; and

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BE IT FURTHER RESOLVED, that all properties, discovered with hazardous wastes, which exceed the federal/state standards, will be cleaned up to the satisfaction of the responsible local, state and/or federal regulatory agency. The appropriate regulatory agency shall certify to grant applicant that the cleanup has been completed; and

BE IT FURTHER RESOLVED, that the grant applicant will certify by formal resolution to the Commission that all reasonable steps have been completed to assure full due diligence in the discovery of hazardous waste has been achieved during the acquisition of rail right-of-way and the state is held harmless from cleanup liability or damages, both present and future; and

BE IT FURTHER RESOLVED, that the grant applicant will certify by formal resolution that it will not seek further state funding, for cleanup, damages, or liability cost associated with hazardous wastes on or below acquired property's surface; and

BE IT FURTHER RESOLVED, that the grant applicant will certify to the Commission:

- that all rail right-of-way acquisition properties have been investigated and have been found clean;
- or that the cleanup of discovered hazardous waste has been completed prior to acquisition of the property;
- or that the grant applicant has obtained permanent easement and the subsurface rights and liability and full responsibility to pay for and remove such hazardous waste remains with the seller in conformance with applicable State and Federal law;
- or if hazardous wastes are known to exist prior to acquisition and if the applicant determines that time is of the essence for acquisition, then and in that event, an enforceable agreement will be entered into requiring the responsible party(ies) to clean all hazardous wastes by a date certain, with the option of funds sufficient for the clean-up costs deposited in escrow by the seller.

In the event of failure to clean up by the date determined, the recipient of the grant will make full restitution to the **STATE** for its participation. This resolve does not preclude the recipient from requesting re-allocation not to exceed the refunded amount after the hazardous waste(s) have been fully removed from the subject site; and

BE IT FURTHER RESOLVED, that the grant applicant will certify to the Commission that the seller from whom properties have been acquired retain liability for any hazardous waste investigation and/or cleanup, and damages discovered subsequent to the transfer of title; and

BE IT FURTHER RESOLVED, the Commission declares all future liability resulting from hazardous wastes remain with the seller or the grant applicant, not the state, and the grant applicant has been indemnified by the seller for any costs resulting from failure to eliminate hazardous wastes; and

BE IT FURTHER RESOLVED, no state funds will be made available for any future costs associated with cleanup; damages, or liability costs associated with hazardous wastes on or below the acquired property's surface.

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## ATTACHMENT II

**(INSERT AGENCY BOARD RESOLUTION)**

See Sample at

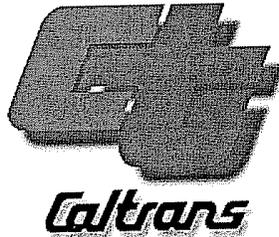
[http://www.dot.ca.gov/hq/MassTrans/state\\_grants.html](http://www.dot.ca.gov/hq/MassTrans/state_grants.html)

under Transit Forms

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DOP

## Master Agreement State Funded Transit Projects



**California Department Of Transportation**

DIVISION OF MASS TRANSPORTATION  
1120 N STREET, ROOM 3300  
P. O. BOX 942874, MS-39  
SACRAMENTO, CA 94274-0001  
PHONE (916) 654-8811

*Revised 04/24/01*

**6-10.c1**

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## STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION DIVISION OF MASS TRANSPORTATION

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**STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION  
DIVISION OF MASS TRANSPORTATION**

**MASTER AGREEMENT  
STATE FUNDED TRANSIT PROJECTS**

**EFFECTIVE DATE OF THIS AGREEMENT:** March 28, 2001

**TERMINATION DATE OF THIS AGREEMENT:** March 28, 2011

**RECIPIENT:** Santa Cruz Metropolitan Transit District

**FUNDING SOURCES COVERED BY THIS AGREEMENT AS IDENTIFIED IN EACH  
PROGRAM SUPPLEMENT**

- ◆ PASSENGER RAIL AND CLEAN AIR BOND ACT OF 1990 (PROP. 108),
- ◆ CLEAN AIR AND TRANSPORTATION IMPROVEMENT ACT OF 1990 (PROP. 116) BOND FUNDS
- ◆ PUBLIC TRANSPORTATION ACCOUNT FUNDS
- ◆ STATE HIGHWAY ACCOUNT
- ◆ TRAFFIC CONGESTION RELIEF FUND (TCR), GC 14556.40
- ◆ GENERAL FUND
- ◆ OTHER STATE FUNDING SOURCES

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This AGREEMENT, entered into effective as of the date set forth above, is between the public entity identified above, hereinafter referred to as **RECIPIENT**, and the STATE OF CALIFORNIA, acting by and through its Department of Transportation, hereinafter referred to as **STATE**.

**ARTICLE I - PROJECT ADMINISTRATION**

**SECTION 1. PROGRAM SUPPLEMENT**

*A. General*

- (1) This AGREEMENT shall have no force and effect with respect to any PROJECT unless and until a separate PROJECT- specific PROGRAM SUPPLEMENT – STATE FUNDED TRANSIT PROJECT(S), hereinafter referred to as “PROGRAM SUPPLEMENT,” adopting all the terms and conditions of this AGREEMENT, has been fully executed by both **STATE** and the **RECIPIENT**.
- (2) **RECIPIENT** agrees to complete each defined PROJECT, or the identified PROJECT Phase/Component thereof, as described in the PROGRAM SUPPLEMENT, adopting all of the terms and conditions of this AGREEMENT.

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- (3) A financial commitment of **STATE** funds will occur only following the prior execution of this **AGREEMENT** together with the subsequent execution of a detailed and separate **PROGRAM SUPPLEMENT** applicable to each described **PROJECT** being funded.
- (4) **RECIPIENT** further agrees, as a condition to the release and payment of **STATE** funds encumbered for the **PROJECT** described in the **PROGRAM SUPPLEMENT**, to comply with the terms and conditions of this **AGREEMENT** and all the agreed-upon Special Covenants and Conditions attached to, or made a part of, the **PROGRAM SUPPLEMENT**, identifying and defining the nature of that specific **PROJECT**.
- (5) The **PROGRAM SUPPLEMENT** shall generally include: a detailed Scope of Work, including Project Description, Project Schedule, Overall Funding Plan and Project Financial Plan as required by the applicable program guidelines.
  - a. The Scope of Work shall include a detailed description of the **PROJECT** and itemize the major tasks and their estimated costs.
  - b. The Project Schedule shall include major tasks and/or milestones and their associated beginning and ending dates and duration.
  - c. The Overall Funding Plan shall itemize the various **PROJECT** Components, the **STATE** funding program(s) or source(s), the matching funds to be provided by **RECIPIENT** and/or other funding sources, if any. (Project Components include Environmental and Permits; Plans, Specifications and Estimates (PS&E); Right-of-Way (ROW); and Construction (including transit vehicle acquisition).
  - d. The Project Financial Plan shall provide estimated expenditures for each component by funding source.
- (6) Adoption and execution of the **PROGRAM SUPPLEMENT** by **RECIPIENT** and **STATE**, incorporating the terms and conditions of this **AGREEMENT** into the **PROGRAM SUPPLEMENT**, as fully set forth therein, shall be sufficient to bind the **RECIPIENT** to these terms and conditions when performing the **PROJECT**. Unless otherwise expressly delegated in a resolution by the **RECIPIENT'S** governing body, which delegation is expressly assented to and concurred in by **STATE**, the **PROGRAM SUPPLEMENT** shall be managed by the **RECIPIENT'S** governing body.
- (7) The estimated cost and scope of each **PROJECT** will be as described in the applicable **PROGRAM SUPPLEMENT**. **STATE** funding participation for each **PROJECT** is limited to the amounts actually encumbered by **STATE** as evidenced in that applicable **PROGRAM SUPPLEMENT**. A contract awarded by **RECIPIENT** for **PROJECT** work in an amount in excess of said approved estimate may exceed any said **PROGRAM SUPPLEMENT** cost estimate and the limits of **STATE** participation provided:
  - a. **RECIPIENT** provides the necessary additional funding, or

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- b. A cost increase in **STATE**'s share of PROJECT funding is first requested by **RECIPIENT** and that increase is approved by **STATE** in the form of an Allocation Letter comprising the fund encumbrance document.
- (8) **STATE** programmed fund amounts may be increased to cover PROJECT cost increases only if:
- a. Such funds are available,
  - b. **STATE** concurs with that proposed increase, and
  - c. **STATE** issues an approved Allocation Letter, Fund Shift Letter, or Time Extension Letter as stated in the executed amended PROGRAM SUPPLEMENT.
- (9) When additional funds are not available, the **RECIPIENT** agrees that the payment to **STATE** of PROJECT invoiced costs will be limited to, and shall not exceed, the amounts already approved in the PROGRAM SUPPLEMENT containing **STATE** approved encumbrance documents and that any increases in PROJECT costs must be defrayed with non-**STATE** funds.
- (10) For each approved PROGRAM SUPPLEMENT, **RECIPIENT** agrees to contribute at least the statutorily or other required local contribution of matching funds (other than **STATE** funds), if any matching funds are specified within the PROGRAM SUPPLEMENT, or any attachment thereto, toward the actual cost of the PROJECT or the amount, if any, specified in an executed SB 2800 (Streets and Highways Code Section 164.53) Agreement for local match fund credit, whichever is greater. **RECIPIENT** shall contribute not less than the required match amount toward the cost of the PROJECT in accordance with a schedule of payments as shown in a Project Financial Plan prepared by **RECIPIENT** as part of a PROGRAM SUPPLEMENT.
- (11) Upon the stated expiration of this AGREEMENT, any PROGRAM SUPPLEMENTS executed under this AGREEMENT for a PROJECT with work yet to be completed shall be deemed to extend the term of this Agreement only to the specific Project termination or completion date contemplated by the applicable PROGRAM SUPPLEMENT in force at the time the PROGRAM SUPPLEMENT was first executed to allow that uncompleted PROJECT to be administered under the terms and conditions of this AGREEMENT.

## B. *Project Overrun*

- (1) If **RECIPIENT** and **STATE** determine at any time during the performance of a PROJECT that the PROJECT budget may be exceeded, **RECIPIENT** shall take the following steps:
- a. Notify the designated **STATE** representative of the nature and projected extent of the overrun and, within a reasonable period thereafter, identify and quantify potential cost savings or other measures which will bring the Project Budget into balance;

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- b. Schedule the projected overrun for discussion at the next Quarterly Review meeting; *and*
- c. Identify the source of additional **RECIPIENT** or other funds, which can be made available to complete PROJECT.

## C. *Scope of Work*

- (1) **RECIPIENT** shall be responsible for complete performance of the work described in the approved PROGRAM SUPPLEMENT for the PROJECT related to the commitment of STATE funds. All work shall be accomplished in accordance with the applicable provisions of the Public Utilities Code, the Streets and Highways Code, the Government Code, and other applicable statutes and regulations.
- (2) **RECIPIENT** acknowledges and agrees that **RECIPIENT** is the sole control and manager of each PROJECT and its subsequent employment, operation, and repair and maintenance for the benefit of the public. **RECIPIENT** shall be solely responsible for complying with the funding and use restrictions established by statutes from which these funds are derived, the California Transportation Commission (CTC), the State Treasurer, the Internal Revenue Service, the applicable PROGRAM SUPPLEMENT, and this AGREEMENT.

## D. *Program Supplement Amendments*

PROGRAM SUPPLEMENT amendments will be required when there are CTC-approved changes to the cost, scope of work, or delivery schedule of a PROJECT from that specified in the original PROJECT Application and shall be mutually binding upon the Parties only following the execution of a PROGRAM SUPPLEMENT amendment.

## SECTION 2. ALLOWABLE COSTS AND PAYMENTS

### A. *Allowable Costs and Progress Payment Vouchers*

- (1) Not more frequently than once a month, but at least quarterly, **RECIPIENT** will prepare and submit to STATE (directed to the attention of the appropriate State District Transit Representative) signed Progress Payment Vouchers for actual PROJECT costs incurred and paid for by **RECIPIENT** consistent with the Scope of Work document in the PROGRAM SUPPLEMENT. If no costs were incurred during any given quarter, **RECIPIENT** is exempt from submitting a signed Progress Payment Voucher; but is still required to present a progress report at each Quarterly Review.
- (2) STATE shall not be required to reimburse more funds, cumulatively, per quarter of any fiscal year, greater than the sums identified and included in the PROJECT Financial Plan. However, accelerated reimbursement of STATE funds for PROJECT in excess of the amounts indicated in the Project Financial Plan, cumulatively by fiscal year, may

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be allowed at the sole discretion of **STATE** if such funds are available for encumbrance to fulfill that need.

- (3) Each such voucher will report the total of **PROJECT** expenditures from all sources (including those of **RECIPIENT** and third parties) and will specify the percent of State reimbursement requested and the fund source. The voucher should also summarize State money requested by **PROJECT** component or phase (environmental and permits, PS&E, right of way, construction, rolling stock, or--if bond funded--private activity usage) and be accompanied by a report describing the overall work status and progress on **PROJECT** tasks. If applicable, the first voucher shall also be accompanied by a report describing any tasks specified in the **PROGRAM SUPPLEMENT** which were accomplished prior to the Effective Date of this **AGREEMENT** or the **PROGRAM SUPPLEMENT**, and which costs are to be credited toward any required local contribution described in Article II, Section 1 of this Agreement pursuant to any applicable prior executed agreement for Local Match Fund Credit between **RECIPIENT** and **STATE**.

## B. Advance Payments (TCR Projects Only)

- (1) Advance reimbursement or payments by **STATE** are not allowed except in the case of TCR funded Projects when expressly authorized by CTC.
- (2) For TCR Projects approved for advanced payment allocation by CTC, said advance payment shall be deposited in a prevailing interest rate bearing trust account held by a **STATE** approved FICA insured financial institution. No interest earned shall be spent on the **PROJECT**. Interest earned shall be recorded and documented from the time the TCR funds are first deposited in **RECIPIENT'S** account until all the approved TCR advance funds have been expended or returned together with accrued interest to **STATE**. Interest earned shall be reported to **STATE'S** Project Coordinator on an annual basis and upon final **PROJECT** payment. All interest earned and all unexpended advanced TCR funds shall be returned to **STATE** within 30 days of **PROJECT** completion.
- (3) Advanced payment funds are to be expended only as indicated in the approved TCR Application. **RECIPIENT** must be able to document the expenditures/disbursement of funds advanced to only pay for actual **PROJECT** costs incurred and paid.
- (4) Payments of non-TCR funds and TCR project funds not authorized for advance payment must be based upon reimbursement for actual allowable **PROJECT** costs already incurred and paid for by **RECIPIENT**. Where advance payments are authorized in a **PROGRAM SUPPLEMENT**, **RECIPIENT** must report and document the expenditure/disbursement of funds advanced to pay for actual eligible **PROJECT** costs incurred, at least quarterly, using a Progress Payment Voucher to be approved by the District Project Administrator.

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## C. Expedited Payments (Excludes TCR Projects)

- (1) Should **RECIPIENT** have a valid Memorandum of Understanding (MOU) for "Expedited Payment" on file with **STATE**'s Accounting Service Center, the **RECIPIENT** will, not more frequently than as authorized by that MOU, prepare and submit to **STATE** an Expedited Payment Invoice for reimbursements that are consistent with that MOU and the applicable PROGRAM SUPPLEMENT. Expedited Payments are subject to policies established in the Caltrans Accounting Manual (Expedited Payment is not available for TCR funding). One time payments and final payments eligible for expedited pay pursuant to this Section will have ten percent (10%) of each invoice amount withheld pending approval from **STATE** until **STATE** has evaluated **RECIPIENT**'s performance and made a determination that all requirements assumed under this AGREEMENT and the relevant PROGRAM SUPPLEMENT have been satisfactorily fulfilled by **RECIPIENT**.

## D. Advance Expenditure of Local Funds

Government Code section 14529.17 (AB 872) allows public agencies to expend their own funds on certain programmed projects prior to the CTC's allocation of funds, and, upon CTC approval, to then seek reimbursement for those expenditures following execution of a PROGRAM SUPPLEMENT. **STATE** acknowledges and accepts these statutorily authorized prior expenditures as a credit towards a required **RECIPIENT** match, (if any) or as eligible PROJECT expenditures for reimbursement.

## E. Travel Reimbursement

Payments to **RECIPIENT** for PROJECT related travel and subsistence expenses of **RECIPIENT** forces and its subcontractors claimed for reimbursement or applied as local match credit shall not exceed rates authorized to be paid State employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced by **RECIPIENT** are in excess of those authorized DPA rates, then **RECIPIENT** is responsible for the cost difference and any overpayments inadvertently paid by **STATE** shall be reimbursed to **STATE** by **RECIPIENT** on demand.

## F. Final Invoice

The PROGRAM SUPPLEMENT Termination Date refers to the last date for **RECIPIENT** to incur valid PROJECT costs or credits and is the date a PROGRAM SUPPLEMENT expires. **RECIPIENT** has 180 days after that Termination Date to make final payment to PROJECT contractors or vendors, prepare the PROJECT Closeout Report, and submit the final invoice to **STATE** for reimbursement for allowable PROJECT costs.

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## ARTICLE II – GENERAL PROVISIONS

### SECTION 1. FUNDING

#### A. *Local Match Funds*

Paragraphs “A (1) and A (2)” within this Section 1 apply only to those PROJECTS where the PROJECT funding is programmed to require a local match. (See individual Program Guidelines for specific funding requirements.)

- (1) Except where allowed by the applicable PROGRAM SUPPLEMENT, reimbursement of and credits for local matching funds will be made or allowed only for work performed after the Effective Date of a PROGRAM SUPPLEMENT and prior to the Termination Date, unless permitted as local match PROJECT expenditures made prior to the effective date of the PROGRAM SUPPLEMENT pursuant to Government Code section 14529.17 or by an executed SB 2800 Agreement for Local Match Fund Credit.
- (2) **RECIPIENT** agrees to contribute at least the statutorily or other required local contribution of matching funds (other than State or federal funds), if any is specified within the PROGRAM SUPPLEMENT or any attachment thereto, toward the actual cost of the PROJECT or the amount, if any, specified in any executed SB 2800 (Streets and Highways Code Section 164.53) Agreement for local match fund credit, whichever is greater. **RECIPIENT** shall contribute not less than its required match amount toward the PROJECT cost in accordance with a schedule of payments as shown in the Project Financial Plan prepared by **RECIPIENT** as part of a PROGRAM SUPPLEMENT.

#### B. *Funding Contingencies*

Delivery by **STATE** of all funds provided pursuant to this AGREEMENT is contingent upon prior budget action by the Legislature, fund allocation by the CTC or the Department of Transportation, and submittal by **RECIPIENT** and approval by **STATE** of all PROJECT documentation, including, without limitation, that required by Government Code Section 14085. In the event of the imposition of additional conditions, delays, or a cancellation or reduction in **STATE** funding, as approved by the CTC or the Department of Transportation, **RECIPIENT** shall be excused from meeting the time and expenditure constraints set forth in the Project Financial Plan, and the PROJECT Schedule to the extent of such delay, cancellation or reduction and the PROGRAM SUPPLEMENT will be amended to reflect the necessary changes in PROJECT funding, scope, or scheduling.

#### C. *Funds Movement*

**RECIPIENT** shall notify **STATE** of any proposed changes in any of the four PROJECT phase expenditure components -- Environmental and Permits, PS&E, Right-of-Way and Construction (including major equipment acquisitions). **STATE** approval must be obtained in writing and **STATE** will also determine whether the proposed change is significant enough to warrant CTC review. Specific rules and guidelines regarding this process may be detailed in the applicable

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CTC Resolution, including, but not limited to, numbers G-00-20, and G-00-23 or their successors.

## SECTION 2. AUDITS AND REPORTS

### A. *Cost Principles*

- (1) **RECIPIENT** agrees to comply with Office of Management and Budget Circular A-87, Cost Principles for State and Local Government, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (2) **RECIPIENT**'s contractors and subcontractors agree that (a) the Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual Project cost items and (b) they shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving PROJECT funds as a contractor or sub-contractor under this AGREEMENT, shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (3) Any PROJECT costs for which **RECIPIENT** has received payment or credit that are determined by subsequent audit to be unallowable under Office of Management and Budget Circular A-87, 48 CFR, Chapter 1, Part 31 or 49 CFR, Part 18, are subject to repayment by **RECIPIENT** to **STATE**. Should **RECIPIENT** fail to reimburse moneys due **STATE** within 30 days of demand, or within such other period as may be agreed between the Parties hereto, **STATE** is authorized to intercept and withhold future payments due **RECIPIENT** from **STATE** or any third-party source, including but not limited to, the State Treasurer, the State Controller and the CTC.
- (4) **RECIPIENT** agrees to include all PROGRAM SUPPLEMENT(s) adopting the terms of this AGREEMENT in the schedule of projects to be examined in **RECIPIENT**'s annual audit and in the schedule of projects to be examined under its single audit prepared in accordance with Office of Management and Budget Circular A-133.

### B. *Record Retention*

- (1) **RECIPIENT**, its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred PROJECT costs and matching funds by line item of the accounting system of **RECIPIENT**, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of **RECIPIENT**, its contractors and subcontractors connected with PROJECT performance under this

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AGREEMENT and each PROGRAM SUPPLEMENT shall be maintained for a minimum of three years from the date of final payment to **RECIPIENT** under a PROGRAM SUPPLEMENT and shall be held open to inspection and audit by representatives of **STATE**, the California State Auditor, and the auditors of the Federal government. Copies thereof will be furnished by **RECIPIENT**, its contractors, and subcontractors upon receipt of any request made by **STATE** or its agents. In conducting an audit of the costs and match credits claimed under this Agreement, **STATE** will rely to the maximum extent possible on any prior audit of **RECIPIENT** pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by **RECIPIENT**'s external and internal auditors will be relied upon and used by **STATE** when planning and conducting additional audits.

- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of **RECIPIENT**'s contracts with third parties pursuant to Government Code section 8546.7, **RECIPIENT**, **RECIPIENT**'s contractors and subcontractors and **STATE** shall each maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such AGREEMENT and PROGRAM SUPPLEMENT materials available at their respective offices at all reasonable times during a PROJECT period and for three years from the date of final payment to **RECIPIENT** under any PROGRAM SUPPLEMENT. **STATE**, the California State Auditor, the Federal Highway Administration, or any duly authorized representative of the Federal Government, shall each have access to any books, records, and documents that are pertinent to a PROJECT for audits, examinations, excerpts, and transactions, and **RECIPIENT** shall furnish copies thereof if requested.
- (3) **RECIPIENT**, its contractors and subcontractors, will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by **STATE**, for the purpose of any investigation to ascertain compliance with Section 1 of this ARTICLE II.

## C. *Quarterly Review*

- (1) Subject to the discretion of **STATE**, **RECIPIENT** and **STATE** agree to conduct, on a quarterly basis, on-site reviews of all aspects of the progress of each PROJECT. **RECIPIENT** agrees, during each quarterly progress review, to inform **STATE** regarding:
  - a. Whether the PROJECT is proceeding on schedule and within budget;
  - b. Any requested changes to the Project Description, Scope of Work, Project Schedule, Overall Funding Plan, or Project Financial Plan contained in a PROGRAM SUPPLEMENT;

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- c. Major construction accomplishments during the quarter;
  - d. Any actual or anticipated problems which could lead to delays in schedule, increased costs or other difficulties;
  - e. The status of the PROJECT budget; and
  - f. The status of critical elements of PROJECT.
- (2) Quarterly reviews of **RECIPIENT** progress will include consideration of whether activities are within the scope of the PROJECT and in compliance with State laws, regulations, administrative requirements, and implementation of the PROJECT under a PROGRAM SUPPLEMENT.

## SECTION 3. SPECIAL REQUIREMENTS

### A. *California Transportation Commission (CTC) Resolutions*

- (1) **RECIPIENT** shall adhere to applicable CTC policies on “Timely Use of Funds” as stated in Resolutions G-99-25, adopted August 18, 1999, and G-00-20, adopted July 19, 2000, to provide guidance for the use of Proposition 116 and STIP funds, respectively; and Resolution G-00-23 to provide direction on “Timely Use of Funds” addressing the expenditure and reimbursement of TCR funds. These resolutions, and/or successor resolutions in place at the time a PROGRAM SUPPLEMENT is executed, shall be applicable to all Prop 116, STIP and TCR funds (these resolutions do not apply to General Fund money [see Section 3.C.(3)].
- (2) **RECIPIENT** shall be bound to the terms and conditions of this AGREEMENT, the PROJECT application contained in the PROGRAM SUPPLEMENT (as applicable), and CTC Resolutions G-99-25, G-00-20, G-00-23 and/or their respective successors in place at the time the PROGRAM SUPPLEMENT is signed (as applicable); and all restrictions, rights, duties and obligations established therein on behalf of **STATE** and CTC shall accrue to the benefit of the CTC and shall thereafter be subject to any necessary enforcement action by CTC or **STATE**. All terms and conditions stated in aforesaid CTC Resolutions and CTC-approved Guidelines in place at the time the PROGRAM SUPPLEMENT is signed (if applicable) shall also be considered to be binding provisions of this AGREEMENT.
- (3) **RECIPIENT** shall conform to any and all environmental obligations established in CTC Resolution G-91-2 and/or its successors in place at the time a PROGRAM SUPPLEMENT is signed, as applicable, at the expense of **RECIPIENT** and/or the responsible party and without further financial contribution or obligation of **STATE** unless a separate PROGRAM SUPPLEMENT expressly provides funding for the specific purpose of hazardous materials remediation.

### B. *RECIPIENT Resolution*

- (1) **RECIPIENT** has executed this AGREEMENT pursuant to the authorizing blanket **RECIPIENT** resolution, attached as Attachment I to this Master Agreement, which

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empowers **RECIPIENT** to enter into this AGREEMENT and may also empower **RECIPIENT** to enter into all subsequent PROGRAM SUPPLEMENTS adopting the provisions of this AGREEMENT.

- (2) If **RECIPIENT** determines that a Resolution is needed for each PROGRAM SUPPLEMENT, **RECIPIENT** will provide information as to who the authorized designee is to act on behalf of the **RECIPIENT** to bind **RECIPIENT** with regard to the terms and conditions of any said PROGRAM SUPPLEMENT.

## C. Termination

- (1) **STATE** reserves the right to terminate funding for any PROGRAM SUPPLEMENT upon written notice to **RECIPIENT** in the event that **RECIPIENT** fails to proceed with PROJECT work in accordance with the PROGRAM SUPPLEMENT, the bonding requirements, if applicable, or otherwise violates the conditions of this AGREEMENT and/or the PROGRAM SUPPLEMENT or the funding allocation such that substantial performance is significantly endangered.
- (2) No such termination shall become effective if, within 30 days after receipt of a Notice of Termination, **RECIPIENT** either cures the default involved or, if not reasonably susceptible of cure within said 30-day period, **RECIPIENT** proceeds thereafter to complete the cure in a manner and time line acceptable to **STATE**. Any such termination shall be accomplished by delivery to **RECIPIENT** of a Notice of Termination, which notice shall become effective not less than 30 days after receipt, specifying the reason for the termination, the extent to which funding of work under this AGREEMENT is terminated and the date upon which such termination becomes effective, if beyond 30 days after receipt. During the period before the effective termination date, **RECIPIENT** and **STATE** shall meet to attempt to resolve any dispute.
- (3) Following fund encumbrance pursuant to a Program Supplement, if **RECIPIENT** fails to expend TCR/GENERAL FUND monies by June 30 of any applicable Fiscal Year that those funds would revert, those funds will be deemed withdrawn unless specifically made available beyond the end of that Fiscal Year through reappropriation or other equivalent action of the Legislature.
- (4) In the event **STATE** terminates a PROGRAM SUPPLEMENT for convenience and not for a default on the part of **RECIPIENT** as is contemplated in (1) and (2) above of this Part C of ARTICLE III, **RECIPIENT** shall be reimbursed its authorized costs up to STATE's proportionate and maximum share of allowable PROJECT costs incurred prior to the date of termination.

## D. Third Party Contracting

- (1) **RECIPIENT** shall not award a construction contract over \$10,000 or other contracts over \$25,000 [excluding professional service contracts of the type which are required to

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be procured in accordance with Government Code Sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this Agreement without the prior written approval of **STATE**. Contracts awarded by **RECIPIENT**, if intended as local match credit, must meet the requirements set forth in this SECTION 3, D (1) of ARTICLE II and Section 1, A (1) and A (2) of ARTICLE I regarding local match funds.

- (2) Any subcontract entered by **RECIPIENT** as a result of this AGREEMENT shall contain all of the provisions of ARTICLE II – GENERAL PROVISIONS and the travel reimbursement provision under ARTICLE I, Section 2, E and state the reimbursement shall be based on actual allowable PROJECT costs already incurred and paid for by the subcontractor.

## E. *Change in Funds and Terms/Amendments*

This AGREEMENT and funding for Program Supplements may be modified, altered, or revised only with the joint written consent of **RECIPIENT** and **STATE**.

## F. *Project Ownership*

- (1) Unless expressly provided to the contrary in the PROGRAM SUPPLEMENT, subject to the terms and provisions of this AGREEMENT, **RECIPIENT** shall be the sole owner of all improvements and property included in the PROJECT constructed, installed or acquired by **RECIPIENT** with funding provided to **RECIPIENT** under this AGREEMENT. **RECIPIENT** is obligated to continue operation and maintenance of PROJECT dedicated to the public transportation purposes for which PROJECT was initially approved, unless **RECIPIENT** ceases ownership of such PROJECT property; or ceases to utilize PROJECT for the intended public transportation purposes; or sells or transfers title to or control over PROJECT, and **STATE** is refunded the Credits due as provided in this paragraph (4) below.
- (2) Should **State** bond funds be encumbered to fund PROJECT under this AGREEMENT, then at **STATE**'s option, **RECIPIENT** shall be required to first obtain a determination by Bond Counsel acceptable to the State Treasurer's Office that a change in operation, proportion, or scope of PROJECT as proposed by **RECIPIENT** will not adversely affect the tax-exempt status of those bonds before **RECIPIENT** will be permitted to make that change.
- (3) PROJECT right-of-way, PROJECT facilities constructed or reconstructed on a PROJECT site and/or PROJECT property purchased by **RECIPIENT** (excluding temporary construction easements and excess property whose proportionate resale proceeds are distributed pursuant to this AGREEMENT) shall remain permanently dedicated to public transit use in the same proportion and scope, and to the same extent as described in the PROGRAM SUPPLEMENT and related Bond Fund Certification documents, if applicable, unless **STATE** agrees otherwise in writing. Vehicles acquired as part of PROJECT, including rail passenger equipment and ferry vessels, shall be

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dedicated to that public transportation use for their full economic life cycle, which, for the purpose of this AGREEMENT, will be determined in accordance with standard national transit practices and applicable rules and guidelines, including any extensions of that life cycle achieved by reconstruction, rehabilitation or enhancements.

- (4) Except as otherwise set forth in this Section 3, **STATE**, or any other assignee public body acting on behalf of the CTC, shall be entitled to a refund or credit (Credit), at **STATE**'s sole option, equivalent to the proportionate PROJECT funding participation offered **RECIPIENT** by **STATE** and third parties in the event that **RECIPIENT** ceases to utilize PROJECT for the intended public transportation purposes or sells or transfers title to or control over PROJECT. **STATE** shall also be entitled to an equivalent acquisition credit for any future purchases or condemnation of all or portions of PROJECT by **STATE** or a designated agent of **STATE**. The refund or Credit due **STATE** will be measured by the funding ratio of **STATE** and other third party funding [unless that 3<sup>rd</sup> Party contributing PROJECT funding is also contractually entitled to a similar refund (Credit)] to **RECIPIENT**'s funding participation applied to the then present fair market value of PROJECT property acquired or constructed. For vehicles, this refund shall be equivalent to the proportion of the full economic life cycle remaining, multiplied by the non-**RECIPIENT** funds provided for the equipment acquisition. For real property, this credit shall be measured by the funding ratio of **STATE** and other third party funding [unless that 3<sup>rd</sup> Party is also contractually entitled to a similar refund (Credit)] to **RECIPIENT**'s funding participation applied to the then present fair market value, as determined by **STATE**, of the PROJECT property acquired under this AGREEMENT. "Such refund or Credit due **STATE** shall not be required, subject to **STATE** and CTC approval of that intended use, if **RECIPIENT** dedicates the proceeds of such sale or transfer exclusively to **STATE** approved public transportation purposes which are also then converted to being subject to this Credit due **STATE**...".
- (5) In determining the present fair market value of the property for purposes of calculating **STATE**'s Credit under this AGREEMENT, any portions of PROJECT site contributed by **RECIPIENT** shall not be included. In determining **STATE**'s proportionate funding participation, **STATE**'s contributions to parties other than **RECIPIENT** shall be included, if made a part of the PROJECT.
- (6) Once **STATE** receives the Credit as provided for above because **RECIPIENT** has ceased to utilize PROJECT for the described intended public transportation purpose(s), or sold or transferred title to, or control over PROJECT to another party, neither **RECIPIENT**, nor any party to whom **RECIPIENT** has transferred said title or control, shall have any further obligation under this AGREEMENT to continue operation of PROJECT and/or PROJECT facilities for those described public transportation purposes, but may then use PROJECT and/or any of its facilities for any lawful purpose.
- (7) To the extent that **RECIPIENT** operates and maintains Intermodal Transfer Stations as any integral part of PROJECT, **RECIPIENT** shall maintain each station and all its

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appurtenances, including, but not limited to, restroom facilities, in good condition and repair in accordance with high standards of cleanliness (Public Utilities Code, Section 99317.8). Upon request of **STATE**, **RECIPIENT** shall also authorize State-funded bus services to use the station and its appurtenances without any charge to **STATE** or the bus operator. This permitted use will include the placement of signs and informational material designed to alert the public to the availability of the State-funded bus service (for the purpose of this paragraph, "State-funded bus service" means any bus service funded pursuant to Public Utilities Code, Section 99316).

- (8) Special conditions apply to any proposed sale or transfer or change of use as respects **PROJECT** property, facilities or equipment acquired with State bond funds and **RECIPIENT** shall conform to those restrictions as set forth in **ARTICLE III, A (1) and B (1)** hereinbelow.

## G. *Disputes*

The remedy for the resolution of any claims brought by **RECIPIENT** against **STATE** under this **AGREEMENT** shall be by arbitration. Unless otherwise agreed by **STATE** and **RECIPIENT**, an arbitration shall be conducted by a single arbitrator selected by the parties from the certified list created by the Public Works Contract Arbitration Committee per Public Contract Code Section 10240.

## H. *Hold Harmless and Indemnification*

- (1) Neither **STATE** nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by **RECIPIENT**, its agents and contractors under or in connection with any work, authority, or jurisdiction delegated to **RECIPIENT** under this **AGREEMENT** or any **PROGRAM SUPPLEMENT** or as respects environmental clean up obligations or duties of **RECIPIENT** relative to **PROJECT**. It is also understood and agreed that, pursuant to Government Code Section 895.4, **RECIPIENT** shall fully defend, indemnify and hold the **CTC** and **STATE** and their officers and employees harmless from any liability imposed for injury and damages (as defined by Government Code Section 810.8) or environmental obligations or duties arising or created by reason of anything done or imposed by operation of law or assumed by, or omitted to be done by **RECIPIENT** under or in connection with any work, authority, or jurisdiction delegated to **RECIPIENT** under this **AGREEMENT** and all **PROGRAM SUPPLEMENTS**.
- (2) **RECIPIENT** shall indemnify, defend and hold harmless **STATE**, the **CTC** and the State Treasurer relative to any misuse by **RECIPIENT** of State funds, **PROJECT** property, **PROJECT** generated income or other fiscal acts or omissions of **RECIPIENT**.

## I. *Labor Code Compliance*

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**RECIPIENT** shall include in all subcontracts awarded using PROJECT funds, a clause that requires each subcontractor to comply with California Labor Code requirements that all workers employed on public works aspects of any project (as defined in California Labor Code § 1720-1815) be paid not less than the general prevailing wage rates predetermined by the Department of Industrial Relations as effective at the date of Contract award by the **RECIPIENT**.

## J. *Non-Discrimination*

In the performance of work under this AGREEMENT, **RECIPIENT**, its contractor(s) and all subcontractors shall not unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age, marital status, family and medical care leave, or denial of pregnancy disability leave. **RECIPIENT**, its contractor(s) and all subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. **RECIPIENT**, its contractor(s) and all subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12900 et seq.), and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full. Each of the **RECIPIENT**'s contractors and all subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreements. During performance of this AGREEMENT, **RECIPIENT** shall comply with the nondiscrimination program requirements of Title VI of the Civil Rights Act of 1964. Accordingly, 49 CFR Part 21, and 23 CFR Part 200 are applicable to this AGREEMENT by reference. **RECIPIENT** shall include the non-discrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under this AGREEMENT.

## K. *STATE Fire Marshal Building Standards*

The State Fire Marshal adopts building standards for fire safety and panic prevention. Such regulations pertain to fire protection design and construction, means of egress and adequacy of exits, installation of fire alarms, and fire extinguishment systems for any State owned or State occupied buildings per Section 13108 of the Health and Safety Code. When applicable, the State Fire Marshal shall ensure consistency with State fire protection standards.

## L. *Americans with Disabilities Act*

By signing this Master Agreement, **RECIPIENT** assures **STATE** that **RECIPIENT** shall comply with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA (42 U.S.C. 12101 et seq.)

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## M. *Access for Persons with Disabilities*

Disabled access review by the Department of General Services (Division of the State Architect) is required for all publicly funded construction of buildings, structures, sidewalks, curbs and related facilities. No construction contract will be awarded by **RECIPIENT** unless **RECIPIENT**'s plans and specifications for such facilities conform to the provisions of Sections 4450 and 4454 of the California Government Code, if applicable. Further requirements and guidance are provided in Title 24 of the California Code of Regulations.

## N. *Disabled Veterans Program Requirements*

- (1) Should Military and Veterans Code Sections 999 et seq. be applicable to **RECIPIENT**, **RECIPIENT** will meet, or make good faith efforts to meet, the 3% Disabled Veterans Business Enterprises goals (or **RECIPIENT**'S applicable higher goals) in the award of every contract for PROJECT work to be performed under these this AGREEMENT.
- (2) **RECIPIENT** shall have the sole duty and authority under this AGREEMENT to determine whether these referenced code sections are applicable to **RECIPIENT** and, if so, whether good faith efforts asserted by those contractors were sufficient as outlined in the Military and Veterans Code Sections 999 et seq.

## O. *Environmental Process*

Completion of the environmental process ("clearance") for PROJECT by **RECIPIENT** (and/or **STATE** if it affects a State facility within the meaning of the applicable statutes) is required prior to requesting PROJECT funds for right-of-way purchase or construction. No **State** agency shall request funds nor shall any State agency, board or commission authorize expenditures of funds for any PROJECT effort, except for feasibility or planning studies, which may have a significant effect on the environment unless such a request is accompanied by an environmental impact report as mandated by the California Environmental Quality Act (CEQA). California Public Resources Code Section 21080(b)(10), does provide an exemption for a passenger rail PROJECT which institutes or increases passenger or commuter services on rail or highway rights-of-way already in use.

## ARTICLE III – SPECIAL PROVISIONS

### SECTION 1. BOND PROVISIONS

#### A. *General Bond Provisions*

- (1) If **RECIPIENT** enters into a management contract with a private party (including AMTRAK) for operation of rail, ferry or other transportation services in connection with PROJECT, **RECIPIENT** will obtain prior approval from Bond Counsel acceptable to **STATE** that the terms of that management contract meet the requirements of Internal Revenue Service Revenue Procedure 82-14 (as supplemented or amended) or any successor thereto (dealing generally with guidelines for when

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management contracts may be deemed not to create a "private use" of bond-financed property) or are otherwise acceptable. **RECIPIENT** must also be prepared to certify, upon request of **STATE**, that the revenues which **RECIPIENT** (or its manager) will receive directly from the operation of transportation services in connection with **PROJECT** (but not including any subsidy of the transportation operation from taxes or other outside fund sources) are, for any fiscal year, less than the ordinary and necessary expenses directly attributable to the operation and maintenance of the transportation system (excluding any overhead or administrative costs of **RECIPIENT**).

- (2) Except as provided in this Article III, A (1), **STATE** and **RECIPIENT** agree that any costs of **PROJECT** acquired or constructed by **RECIPIENT** allocable to portions of **PROJECT** which are subject to any property interests held by a non-governmental person(s) in connection with business activities, such as easements, leases, or fee interests, not generally enjoyed by the public (hereinafter referred to as "Non-Governmentally Used Property" or "NUP", if **RECIPIENT** receives any revenues or profits from any NUP allowed pursuant to this Article (whether approved at this time or hereafter approved by **STATE**), **RECIPIENT** agrees that such revenues or profits shall be used exclusively for the public transportation services for which **PROJECT** was initially approved, either for capital improvements or operating costs. If **RECIPIENT** does not so dedicate those revenues or profits, a proportionate share shall (unless disapproved by Bond Counsel) be paid to **STATE** equivalent to **STATE**'s non-**RECIPIENT** percentage of participation in **PROJECT**.
- (3) Notwithstanding the foregoing, **RECIPIENT** may be authorized a private activity allocation of bond proceeds, not to exceed the amount specified in the **PROGRAM SUPPLEMENT**, once **RECIPIENT** submits to **STATE** a completed bond certification questionnaire and the State Treasurer and **STATE** approve that private activity as described therein.
- (4) **RECIPIENT** shall not loan any portion of bond proceeds funding **PROJECT** to any private (including nonprofit) person or business. For this purpose, a "loan" includes any arrangement, which is the economic equivalent of a loan, regardless of how it is named.
- (5) Delivery by **STATE** of any bond funds is contingent on the sale of bonds by the State Treasurer. In the event bond sales are delayed, canceled, or downsized or other **AGREEMENT** funds are restricted, limited or otherwise conditioned by acts of Congress, the CTC, the Legislature, the Internal Revenue Service or the Federal Transit Administration, **STATE** shall not be held liable for any resulting damage or penalty to **RECIPIENT**.
- (6) **RECIPIENT** shall, for the purposes of any State bond funded right of way acquisition which will become a permanent part of **PROJECT** (such acquisitions exclude temporary construction easements, property allocated to matching funds, and excess property purchased with State funds whose resale proceeds are returned or credited to **STATE**), maintain ownership of such **PROJECT** property for a minimum of twenty

# Attachment C

years or until the bonds have matured, whichever occurs first, before transferring or selling such property, subject to the Credits due **STATE** as provided in Article III, Section A (2) above.

- (7) Where **RECIPIENT'S PROJECT** includes a commuter rail **PROJECT** within the meaning of Proposition 116, **RECIPIENT** shall coordinate and share with other public transit operators any rail rights-of-way, common maintenance services and station facilities used for intercity and commuter rail. Intercity and commuter rail services shall be coordinated with each other, with other providers and with freight traffic to provide integrated rail passenger and freight services with minimal conflict.
- (8) **RECIPIENT** agrees that all passenger rail and water borne ferry equipment and all facilities acquired or constructed pursuant to this **AGREEMENT** shall be accessible to persons with physical disabilities, including wheelchair users. All passenger vehicles and vessels acquired pursuant to this **AGREEMENT** shall be accessible to wheelchair users at all stops, stations and terminals, whether or not staffed.
- (9) **RECIPIENT** (other than the transit operator identified in Sections 99633 and 99634 of the Public Utilities Code) shall require that all intercity and commuter rail cars purchased with **PROJECT** funding conform to the California Rail car specifications developed by **STATE** as specified in the Clean Air and Transportation Improvement Act.
- (10) NUP shall, for accounting and bookkeeping purposes, be allocated to funding sources other than the State bond funds. For purposes of making such allocations, the costs attributable to NUP involving a sale, easement, lease or similar arrangement shall be determined on the basis of a fair allocation of value, which may include determinations based upon square or cubic footage/acreage of the area encumbered by the lease or easement relative to the total area acquired or constructed if all such area is of approximately equal value.
- (11) NUP will include, but is not limited to, property which is sold (including sales of air and subsurface rights), and property subject to easements, leases or similar rights. A rail right of way will not be treated as NUP solely as a result of a Freight Use Easement retained by the seller of the right of way to **RECIPIENT**, provided that the sales agreement appropriately excludes the Freight Use Easement from the property or rights being acquired. Further, notwithstanding anything in this Article III to the contrary, **RECIPIENT** may allocate grant funds to the cost of any NUP if (i) neither **RECIPIENT** nor any other governmental entity will receive, directly or indirectly, any payments from or on behalf of the non-governmental user of the NUP, or (ii) the payment from such user does not exceed the operation and maintenance costs fairly attributable or allocable to the non-governmental use of the NUP.
- (12) **RECIPIENT** shall request, in writing, **STATE's** advance approval if **PROJECT** funds are to be allocated to any NUP, except "incidental use" property described below. If property, the costs of which have previously been allocated to **PROJECT** funds, is to

# Attachment C

become NUP before the State bond funds are fully paid or redeemed, then **RECIPIENT** may allocate the costs of such property to another funding source as provided, or obtain **STATE**'s approval that the allocation of the costs of such property to the bond funds may remain. It is anticipated that **STATE**'s approval will be granted if, taking into account the existing and expected uses of the proceeds of the State bonds, the **STATE** determines that the continued tax-exempt status of the State bonds will not be adversely affected and that the use of the property is consistent with **PROJECT** and its described purpose.

- (13) For purposes of these fund source allocations **RECIPIENT** does not have to take into account as NUP those "incidental uses" of **PROJECT** (for example, advertising billboards, vending machines, telephones, etc.) which meet requirements of federal tax regulations (IRS Notice 87-69 or any successor thereto). In general, such Notice requires that the incidental use not be physically separated from the rest of **PROJECT** and not comprise in the aggregate more than 2-1/2% of the total costs of **PROJECT**.

[Prop. 116 Bond Section was combined into the General Bond Section as the various provisions apply to all bond funds.]

## SECTION 2. TCRP PROJECTS

### A. California Transportation Commission (CTC) Resolutions

The TRAFFIC CONGESTION RELIEF (TCR) ACT OF 2000 (the "ACT"), in Chapter 4.5, was added (commencing with Section 14556) to part 5.3 of Division 3 of Title 2 of the Government Code by AB 2928 and SB 406, as amended by SB 1662. As directed by the ACT and the CTC established Guidelines, **RECIPIENT** will cause its Resolution to be attached as part of any TCRP funded PROGRAM SUPPLEMENT as a condition precedent to the acceptance of TCR ACT funds.

## SECTION 3. PROJECT MANAGEMENT

- (1) The **PROJECT** administrators for this AGREEMENT for the **STATE** shall be the Chief, Office of State Transit Program Management of the Mass Transportation Program for TCR projects, and the Chief, Office of State Transit Project Delivery for all other projects, and for **RECIPIENT**, its General Manager, Executive Director or a Designee as named in writing to **STATE** following execution of this AGREEMENT.
- (2) PROGRAM SUPPLEMENT administrators for **STATE** shall be the District Division Chief for Planning and for **RECIPIENT**, the designee named in the applicable PROGRAM SUPPLEMENT.

# Attachment C

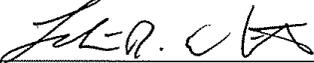
Santa Cruz Metropolitan Transit District  
Master Agreement No. 64A0048  
Page 20 of 24

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT by their duly authorized officers.

**STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION  
DIVISION OF MASS TRANSPORTATION**

**RECIPIENT**

BY:   
PETER J. STEINERT, Chief  
Office of State Transit Program Management  
6/11/01  
(Please type or print the date here)

BY:   
LES WHITE, General Manager  
Santa Cruz Metropolitan Transit District  
5/18/01  
(Please type or print the date here)

APPROVED AS TO FORM AND PROCEDURE

**STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION**

BY:   
(Enter the signee's name here), ATTORNEY  
06/13/01  
(Please type or print the date here)

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** March 25, 2011  
**TO:** Board of Directors  
**FROM:** Robyn Slater, Human Resources Manager  
**SUBJECT: PRESENTATION OF EMPLOYEE LONGEVITY AWARDS**

## **I. RECOMMENDED ACTION**

**Staff recommends that the Board of Directors recognize the anniversaries of those District employees named on the attached list and that the Board Chair present them with awards.**

## **II. SUMMARY OF ISSUES**

- None.

## **III. DISCUSSION**

Many employees have provided dedicated and valuable years to the Santa Cruz Metropolitan Transit District. In order to recognize these employees, anniversary awards are presented at five-year increments beginning with the tenth year. In an effort to accommodate those employees that are to be recognized, they will be invited to attend the Board meetings to receive their awards.

## **IV. FINANCIAL CONSIDERATIONS**

None.

## **V. ATTACHMENTS**

**Attachment A:** Employee Recognition List

Prepared by: Tony Tapiz, Administrative Services Coordinator  
Date Prepared: March 18, 2011

# **Attachment A**

## **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

### **EMPLOYEE RECOGNITION**

#### **TEN YEARS**

**Jason Logiudice, Mechanic II**

#### **TWENTY-FIVE YEARS**

**George Cawaling, Receiving Parts Clerk**

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

Resolution No. 11-03-02

On the Motion of Director: \_\_\_\_\_

Duly Seconded by Director: \_\_\_\_\_

The Following Resolution is Adopted:

**A RESOLUTION OF APPRECIATION FOR THE SERVICES OF  
MANNY GARBEZ AS BUS OPERATOR  
FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

**WHEREAS**, the Santa Cruz Metropolitan Transit District 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**, the Santa Cruz Metropolitan Transit District, requiring an employee with expertise and dedication appointed Manny Garbez to serve in the position of Bus Operator, and

**WHEREAS**, Manny Garbez served as a member of the Operations Department of the Santa Cruz Metropolitan Transit District for the time period of November 9, 1999 to February 15, 2011, and

**WHEREAS**, Manny Garbez provided the Santa Cruz Metropolitan Transit District with dedicated service and commitment during the time of employment, and

**WHEREAS**, Manny Garbez served the Santa Cruz Metropolitan Transit District with distinction, and

**WHEREAS**, the service provided to the residents of Santa Cruz County by Manny Garbez resulted in reliable, quality public transportation being available in the most difficult of times, and

**WHEREAS**, during the time of Manny Garbez' service, METRO expanded service, developed new operating facilities, purchased new equipment, developed accessible bus stops, opened new transit centers, 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 Manny Garbez.

**NOW, THEREFORE, BE IT RESOLVED**, that upon his retirement as Bus Operator, the Board of Directors of the Santa Cruz Metropolitan Transit District does hereby commend Manny Garbez for efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, Santa Cruz Metropolitan Transit District staff and all of the residents of Santa Cruz County.

**BE IT FURTHER RESOLVED**, that a copy of this resolution will be presented to Manny Garbez, and that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

**PASSED AND ADOPTED** this 25th day of March 2011 by the following vote:

**AYES: Directors -**

**NOES: Directors -**

**ABSTAIN: Directors -**

**ABSENT: Directors -**

**APPROVED** \_\_\_\_\_  
ELLEN PIRIE  
Board Chair

**ATTEST** \_\_\_\_\_  
LESLIE R. WHITE  
General Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
MARGARET GALLAGHER  
District Counsel

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** March 25, 2011  
**TO:** Board of Directors  
**FROM:** Ciro F. Aguirre, Operations Manager  
**SUBJECT: DISCUSSION OF SERVICE REDUCTION OPTIONS IN AN EFFORT TO BALANCE THE FY12 AND FY13 BUDGETS**

## I. RECOMMENDED ACTION

**That Santa Cruz METRO staff provide the Board of Directors with a presentation for discussion of different service reduction options in an effort to balance the FY12 and FY13 budgets. The Board of Directors is requested to provide staff with feedback and direction regarding the service reduction options.**

## II. SUMMARY OF ISSUES

- Due to budgetary short falls related to the Federal, State and Local economic conditions, current levels of service are unsustainable.
- Staff was directed to develop different service reduction options as one part of the effort to balance the FY12 and FY13 budget.
- A Power Point presentation was designed as a point of discussion for the Board of Directors to consider different service reduction options and provide staff with direction and feedback pertaining to the service reduction options.

## III. DISCUSSION

Due to a lagging economic recovery from the last recession, revenues from Federal, State, and Local sources have not been able to keep pace with the expenses incurred by Santa Cruz METRO. With these short falls in revenues and continuing increases in expenses, a budget deficit is projected through the FY12 and FY13 budget years.

In order to balance these budget deficits, Santa Cruz METRO staff presented a 30% service reduction option at the March 11<sup>th</sup> Board Meeting. At that meeting, staff was directed to develop a smaller service reduction option of around 15%. This was requested so that the Board of Directors could have more information to better guide staff in developing service reductions.

**Attachment A** is a Power Point presentation developed by staff to provide guidance in discussing different service reduction options with the Board of Directors. The presentation uses maps to show the current route network, a route network at a 12% reduction in service, and a route network at a 30% reduction in service.

Several service reduction options as well as a list of outstanding transit service issues have been included to encourage discussion. This information is provided to assist the Board in deciding upon a service reduction goal and to guide staff in developing a service model to meet that goal. Please see Attachment A for the full presentation.

#### **IV. FINANCIAL CONSIDERATIONS**

Savings in operating expenses will be determined during further development of a specific proposal. Estimates of losses in passenger fare revenue will also be determined during development of a specific proposal.

#### **V. ATTACHMENTS**

**Attachment A:** Service Reduction Options

Prepared By: Carolyn Derwing, Schedule Analyst  
Erich Friedrich, Jr. Transportation Planner

Date Prepared: March 18, 2011

# Service Reduction Options

Attachment A  
Santa Cruz METRO Board of  
Directors Meeting  
March 25, 2011



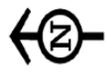
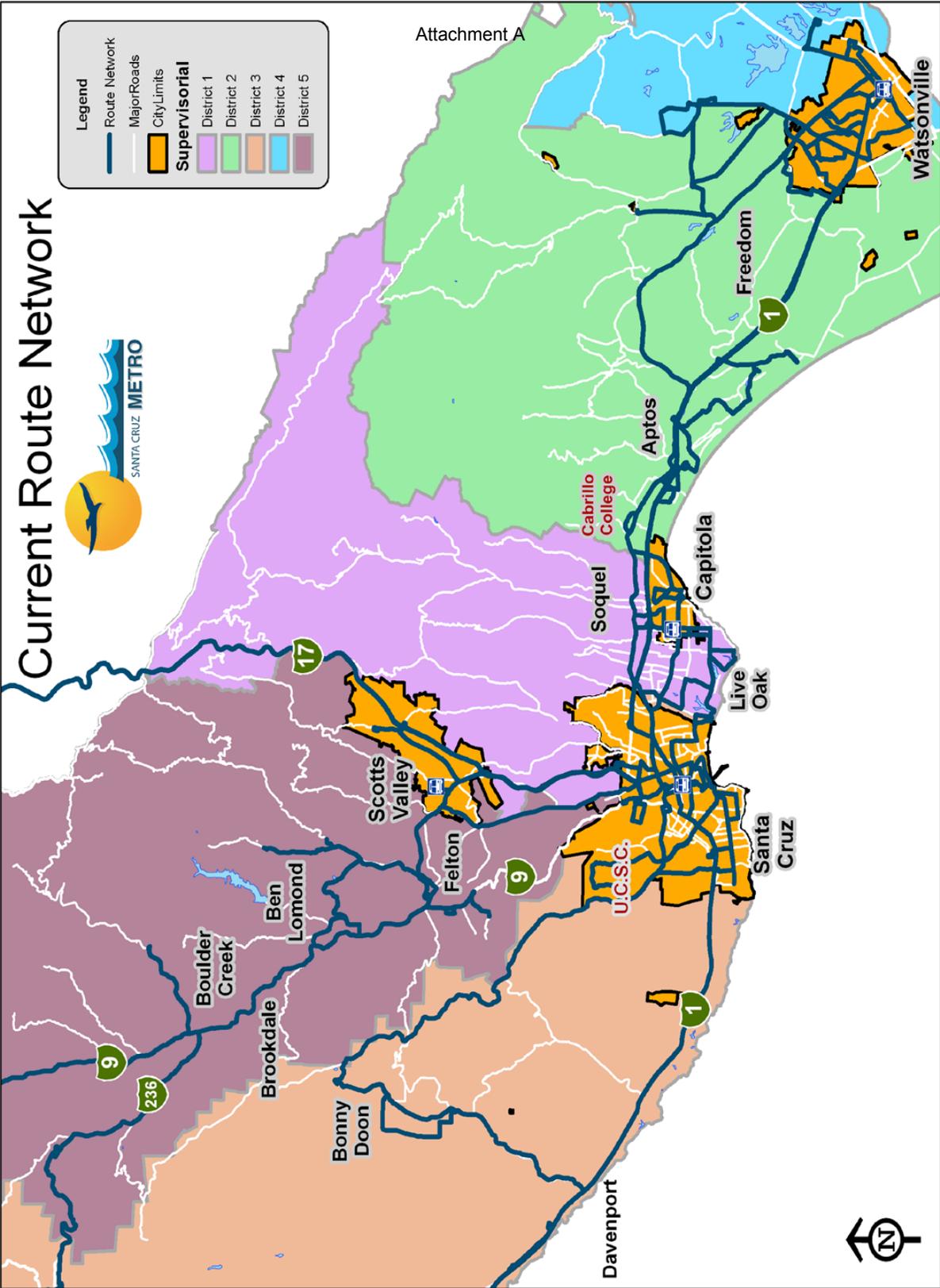
# Current Route Network

**Legend**

- Route Network
- Major Roads
- City Limits

**Supervisorial**

- District 1
- District 2
- District 3
- District 4
- District 5



# Current Route List

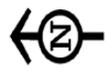
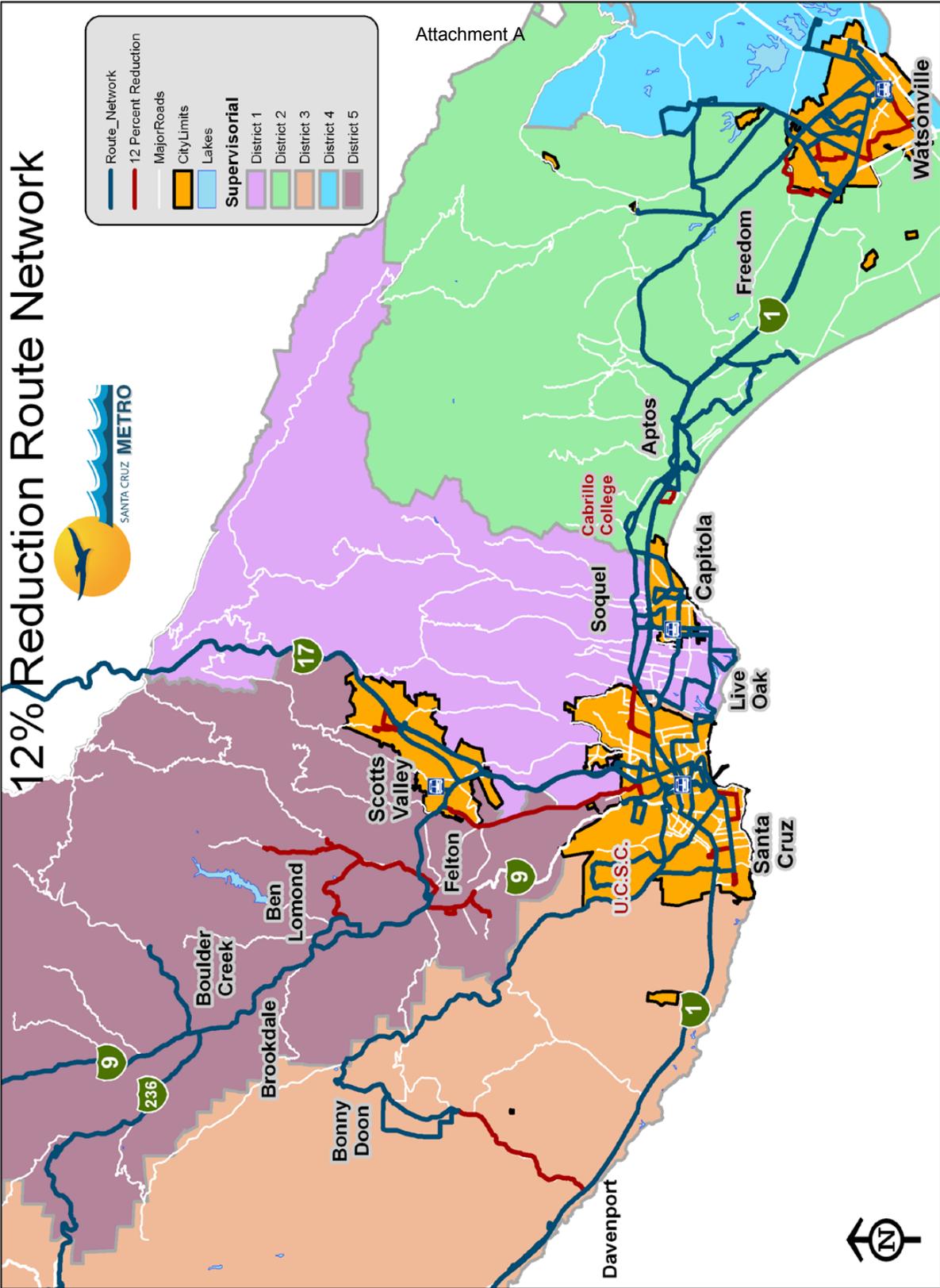
<u>Local Santa Cruz</u> Route 3 Route 4 Route 8	<u>Mid-County</u> Route 54 Route 55 Route 56
<u>UCSC</u> Route 10    Route 16N Route 12    Route 19 Route 13    Route 19N Route 15    Route 20 Route 16    Route 20D	<u>Live Oak</u> Route 66 Route 68 Route 69
<u>Scotts Valley &amp; San Lorenzo Valley</u> Route 30 Route 33 Route 34 Route 35/35A	<u>Cabrillo/South County</u> Route 69A Route 69N Route 69W Route 71 Route 91X
<u>North Coast</u> Route 40 Route 41 Route 42	<u>Local Watsonville</u> Route 72 Route 74 Route 75 Route 79

# 12% Reduction Route Network



Attachment A

	Route_Network
	12 Percent Reduction
	MajorRoads
	CityLimits
	Lakes
<b>Supervisory</b>	
	District 1
	District 2
	District 3
	District 4
	District 5

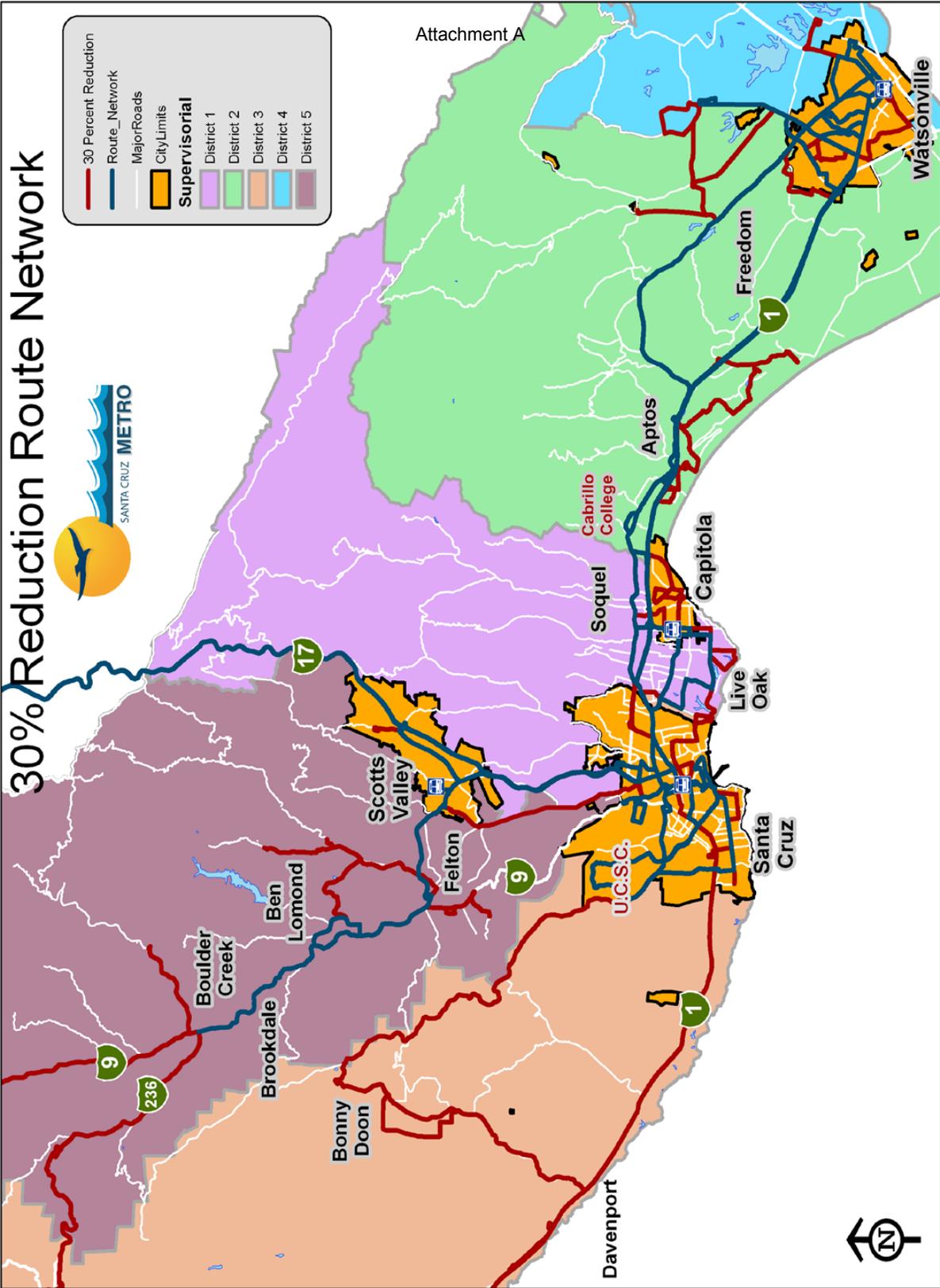


# 12 % Reduction Route List

<p><u>Local Santa Cruz</u>  <del>Route-3</del>                  Route 4                  Route 8</p>	<p><u>Mid-County</u>                  Route 54                  Route 55                  Route 56</p>
<p><u>UCSC</u>                  Route 10                  Route 12  <del>Route-13</del>                  Route 15                  Route 16</p>	<p><u>Live Oak</u>                  Route 66                  Route 68  <del>Route-69</del></p>
<p><u>Scotts Valley &amp; San Lorenzo Valley</u>  <del>Route-30</del>  <del>Route-33</del>  <del>Route-34</del>                  Route 35/35A</p>	<p><u>Cabrillo/South County</u>                  Route 69A  <del>Route-69N</del>                  Route 69W                  Route 71  <del>Route-91X</del></p>
<p><u>North Coast</u>                  Route 40                  Route 41  <del>Route-42</del></p>	<p><u>Local Watsonville</u>                  Route 72  <del>Route-74</del>                  Route 75                  Route 79</p>

# 30% Reduction Route Network

**30 Percent Reduction**  
 Route\_Network  
 MajorRoads  
 CityLimits  
**Supervisorial**  
 District 1  
 District 2  
 District 3  
 District 4  
 District 5



Attachment A

# 30% Service Reduction

<p><u>Local Santa Cruz</u></p> <p><del>Route 3</del> Route 4 Route 8</p>	<p><u>Mid-County</u></p> <p><del>Route 54</del> <del>Route 55</del> <del>Route 56</del></p>
<p><u>UCSC</u></p> <p>Route 10     <del>Route 16N</del> <del>Route 12</del>     Route 19 <del>Route 13</del>     <del>Route 19N</del> Route 15     Route 20 Route 16     Route 20D</p>	<p><u>Live Oak</u></p> <p>Route 66 <del>Route 68</del> <del>Route 69</del></p>
<p><u>Scotts Valley &amp; San Lorenzo Valley</u></p> <p><del>Route 30</del> <del>Route 33</del> <del>Route 34</del> Route 35/35A</p>	<p><u>Cabrillo/South County</u></p> <p>Route 69A <del>Route 69N</del> Route 69W Route 71 <del>Route 91X</del></p>
<p><u>North Coast</u></p> <p><del>Route 40</del> <del>Route 41</del> <del>Route 42</del></p>	<p><u>Local Watsonville</u></p> <p><del>Route 72</del>     Route 77A <del>Route 74</del>     Route 77B <del>Route 75</del> <del>Route 79</del></p>

# 12% - 30% Outstanding Issues - How do we get there?

Attachment A

Percent Reduction	Shifts/Bids/FTEs Down
12%	18
15%	22
20%	29
25%	37
30%	44

## 12% - 30% Outstanding Issues - How do we get there?

---

- Ideas above and beyond 12%
  - Substitute Routes 72, 75, and 79 for new Routes 77A and 77B (**1%** savings)
  - Delete all service past 8:00pm except Highway 17 Express (**5%** savings)
  - Delete service in areas with lower ridership – Routes 40, 41, 54, 56 (**1%** savings)

## 12% - 30% Outstanding Issues - How do we get there?

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- Ideas above and beyond 12%
  - Reroute Route 35 to end at Boulder Creek and lower frequency to 45 minutes (**3%** savings)
  - Minimize weekend service – lower frequency, main routes only (**4%** savings)
  - Delete Routes 55 and 68 (**2%** savings)

# Outstanding Issues of Transit Service

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Attachment A

- **Maintaining Geographic Coverage?**
  - Low frequency, “Life-line” service
  - Generally low ridership, low cost recovery
- **Supporting Utilization?**
  - High frequency, main corridor urban areas
  - High ridership, high cost recovery

# Outstanding Issues of Transit Service

---

Attachment A

- ◉ **Span of Service?**
  - Late night service is well utilized but expensive
- ◉ **Weekday vs. Weekends?**
  - Support Monday to Friday commuters or
  - Support weekend workers plus passengers running errands