CITIZENS OVERSIGHT COMMITTEE
MEETING AGENDA
April 5, 2018 – 7:30 AM

5401 Old Redwood Highway, 1st Floor
Petaluma, CA 94954

1. Call to Order
2. Approval of the December 7, 2017 Meeting Minutes
3. Comment on Non-agenda Items
5. SMART's 2017 Annual Report
6. Next Meeting
7. Adjournment

DISABLED ACCOMMODATION: if you have a disability that requires the agenda materials to be in an alternate format or that requires an interpreter or other person to assist you while attending this meeting, please contact SMART at least 72 hours prior to the meeting to ensure arrangements for accommodation. Please contact the Clerk of the Board at (707) 794-3072 or dial CRS 711 for more information.

DOCUMENTS: Documents distributed by SMART for its monthly Board meeting or committee meetings, and which are not otherwise privileged, may be inspected at SMART’s office located at 5401 Old Redwood Hwy. Suite 200, Petaluma, CA 94954 during regular business hours. Documents may also be viewed on SMART’s website at: www.sonomamarintrain.org. Materials related to an item on this Agenda submitted to SMART after distribution of the agenda packet are available for public inspection at the SMART Office.

For information about accessing SMART meetings by public transit, use the trip planner at www.511.org
1. Call to Order

Chair Colombo called the meeting to order at 7:30AM. Committee members Tanya Narath, Steve Rabinowitsh, Dennis Harter, David Oster and Steve Birdlebough were in attendance.

SMART Staff: Chief Financial Officer Erin McGrath, Chief Engineer Bill Gamlen, and Clerk of the Board Leticia Rosas-Mendoza

2. Approval of June 1, 2017 Meeting Minutes

Motion: Minutes approved as presented.

3. Comment on Non-agenda Items

Dennis Harter suggested reviewing the Strategic Plan mission.

4. Project Update

Chief Engineer Bill Gamlen gave a PowerPoint project update. The highlights included:

**Larkspur Extension Project Elements**
- Larkspur Station
- Cal Park Tunnel
- Anderson Drive
- West Francisco “Flip”
- Transit Center Improvements
- Two new bridges
- One bridge rehabilitation

Comments:
Mr. Harter asked projection date of completion for the Larkspur Extension Project. Mr. Gamlen responded passenger service projection is 3rd quarter of 2019.
Mr. Birdlebough asked for clarification on completion of track construction. Mr. Gamlen responded that it should be completed by end of 2018. Mr. Birdlebough asked if the current contractor will be completing the Jenning Avenue Crossing and what is the timeframe to get the Cities involved. Mr. Gamlen responded that is a possibility and that SMART and the City are coordinating the work and the timeframe.

Pathway Segments

- **Constructed FY 2016-2017:** 1) Guerneville Rd to College Ave (Santa Rosa); 2) 8th to 6th Street (Santa Rosa); 3) 4th to 3rd Street (Santa Rosa); 4) Hearn Ave to Bellevue Ave (Santa Rosa); 5) Golf course Drive to Rohnert Park Expressway; and 6) Rohnert Park Expressway to East Cotati Avenue
- **Up Next FY 2017-2018:** 1) San Pedro Road to Civic Center Station (San Rafael); 2) Franklin to Grant (Novato); 3) Rush Creek Road to San Marin Station (Novato); 4) Cotati Station to South East Railroad; and 5) Southpoint Blvd to Payran Street (Petaluma)
- **Future:** 1) Construction of Southpoint Blvd to Payran Street (*fully funded, FY 2019-20*); and 2) Todd Road to Golf Course Drive (*application pending*)

Also, the General Manager Mansourian gave a presentation to the Board of Directors at their November 1st meeting stating that SMART was included in the Draft 2018 California State Rail Plan. The highlights included:

- **Passenger Rail Extension**
  - Sonoma County Airport to Cloverdale
    - Windsor Station
    - Healdsburg Station
    - Cloverdale Station
  - Novato to Solano Hub
    - Conceptual Study: 1) evaluate right-of-way; 2) develop operations model; 3) identify potential stations; and 3) prepare implementation strategy
    - Feasibility Study: Solano Hub to Sonoma/Marin Project

5. **Presentation on the Comprehensive Annual Financial Report**

Ms. McGrath gave an overview of the 2017 Comprehensive Annual Financial Report and Memorandum on Internal Controls documents by Maze & Associates. Maze & Associates is a new auditor this year as the result of a new procurement process completed earlier this year. The Comprehensive Annual Financial Report highlights include:

- SMART’s net position at the close of Fiscal Year was $410 million
- Unrestricted Assets were $57 million
- Operating Revenue were $588,402
- Non-Operating Revenue (Sales Tax Revenue) of $36.1 million (3.7% higher than the prior year and higher than anticipated during the budget)
- Operating Expenses were $24.8 million
- Capital Grants and other Related Revenue were $12.4 million
- Capital Assets were $511.7 million
  - Construction in progress: $417.5 million
o Infrastructure in service: $75.5 million
o Land, other assets: $48.2 million
  o Depreciation: ($29.5 million)
  ▪ Debt was $176 million in bonds outstanding
  ▪ Net Pension Liability was $742,146

The Memorandum of Internal Control is also prepared by our auditors outlining their review of SMART’s internal controls in accordance with auditing standards. We are pleased to report there were not findings of material weaknesses in SMART’s financial statements.

Questions
Mr. Rabinotwith thanked staff for the First/Last Mile Connection information.

Ms. McGrath stated that Swiftly and SMART’s Fare collection app’s provide transit connectivity from SMART’s station. Also, the public is encouraged to subscribe to Nixel for SMART’s Service Alerts.

Mr. Birdlebough mentioned that a Zipcar (car rental) are located at the Downtown Santa Rosa Station and how does one know if there is car available.

Mr. Harter asked how SMART is addressing staffing issues. Ms. McGrath responded that SMART has been negotiation with three (3) union employee groups and they have negotiated salary rates, however, housing cost is still an issue. Mr. Harter asked about the status of Railroad Square. Ms McGrath responded that SMART is currently negotiating with the Developer and working with the City of Santa Rosa.

Next meeting tentatively scheduled: April 5, 2018 at 7:30am.

6. Adjournment - Meeting adjourned at 8:45am.

Respectfully Submitted,

Leticia Rosas-Mendoza
Clerk of the Board

Approved: _________________________
Sonoma-Marin Area Rail Transit District
Annual Report 2017

5401 Old Redwood Highway, Suite 200
Petaluma, CA 94954
About Sonoma-Marin Area Rail Transit (SMART)

SMART is a transit district created by the State of California in 2002 to oversee the development, implementation and operation of a passenger rail system in Marin and Sonoma counties.

SMART is currently implementing a passenger rail and bicycle-pedestrian pathway project funded by Measure Q, a one-quarter cent sales tax approved by Sonoma and Marin voters in 2008. It will ultimately serve a 70-mile corridor from Larkspur to Cloverdale, with a first phase from Downtown San Rafael to Sonoma County Airport Boulevard starting in 2017.

For more information about SMART and its projects and programs, please visit www.sonomamarintrain.org.

2017 Board of Directors

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*Marin County Board of Supervisors*

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*Marin County Board of Supervisors*

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*Sonoma County Board of Supervisors*

District Management

Farhad Mansourian  
*General Manager*

Erin McGrath  
*Chief Financial Officer*
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Message From The Chair, Board of Directors

On behalf of the SMART Board of Directors, I am pleased to present the 2017 Annual Report, providing the public information about the voter-funded Sonoma-Marin Area Rail Transit District and our activities in the past year. Although SMART provides numerous reports to the public such as an audited Comprehensive Annual Financial Report, monthly management and budget reports as part of our regular Board meetings, this Annual Report is designed to encompass information from each of those reports.

The year 2017 was a major benchmark year for the District and the voters who approved the SMART transit system, as we celebrated the opening day of regular passenger rail service in our area for the first time since 1958. The year contained incredible celebration as well as challenging floods, the tragedy of the wildfires, and the promise of a stronger future for the region. Through it all we are proud that our dedicated staff worked tirelessly to provide the best possible service to our new customers.

On behalf of SMART, I’d like to welcome the people of Sonoma and Marin to join us for a train ride on our new, modern reliable transit system. SMART is now providing a 21st century transportation system that will only continue to grow and improve. We look forward to continued progress on the SMART rail and pathway project and the continued excellent service provided to the riding public.

Sincerely,

Debora Fudge, Chair
Board of Directors
Passenger Rail Service

In 2017, SMART began regular passenger service on its 43-mile Initial Operating Segment, between the Sonoma County Airport in Santa Rosa and Downtown San Rafael. The first public Preview Ride kicked off in June, opening with capacity crowds for all rides from morning to evening. The excitement continued, with high ridership for the July 1 and July 4 rides in conjunction with the Marin County Fair, and for preview rides through July.

Finally, on August 25, 2017 SMART’s grand opening celebration kicked off regular commute service for our customers between Sonoma and Marin Counties.

More than 500 guests attended the event held in historic Railroad Square at SMART’s downtown Santa Rosa station, including federal, state, and local officials. With free and discounted rides to kick off the effort, SMART’s first-class rail system was launched, complete with the latest advances in train protection technology designed to keep SMART passengers safe, all while enjoying a comfortable ride with Wi-Fi and other amenities along the 43-mile system.

Shortly after launching, however, beginning on October 9, 2017, Sonoma County, along with our neighbors in Napa and Mendocino Counties, experienced a collection of the most devastating wildfires in recent history. In spite of fire along our tracks in the Coffey Park area, no access to our Rail Operations Center, and no electricity at maintenance facilities, two stations, and multiple grade crossings, SMART was able resume limited passenger service that afternoon. SMART continued to offer the community free service for the next two weeks in order to provide vital transportation to areas that were not easily assessable by car and to provide a transportation option for evacuees. We are grateful that we were able to offer a community resource at a time when all of the North Bay’s resources were overwhelmed by need.

RIDERSHIP AND FARE PROGRAMS

SMART launched its service in August with a 50% discount on all fares through Labor Day, with full fare passenger service beginning on September 5, 2017 with customers able to use either the Clipper system or...
SMART’s own e-ticket mobile application.

During the early preview rides and in our beginning months of service, our train crews and part-time Ambassadors staff assisted the public in their use of SMART’s Clipper vending machines, familiarity with the station platforms, and learning how to tag on and off on the Clipper card readers when boarding and exiting the train. Assisting riders with bicycles and those with wheelchairs was also a main focus of our staff.

In 2017, SMART carried a total of 252,295 passengers, with a daily average of 2,191 on weekdays and 1,393 on weekends. This was a strong start for the new system and ridership will continue to grow and develop. Staff will continue to review ridership trends into 2018 and study changes that could be made to the schedule to grow our customer base, including adding a third train car to popular morning and afternoon routes, which began at the end of 2017. Within limited resources, SMART staff will also continue to investigate ways to minimize the schedule gaps in the afternoon and adding trips on the weekend.

SMART offered several beneficial features to the public through the Clipper fare collection system. First, the Clipper card can be used on any of the region’s 22 transit systems and accounts can be set up to automatically reload value onto the card so a passenger will always have sufficient funds for their trip. Second, SMART offers substantial transfer credit discounts to riders connecting between SMART and any of the five bus/ferry transit operators in the service area when using a Clipper card. Finally, SMART offers three different Clipper fare products in 2017, in addition to regular and discount fares for Seniors, Youth and Passengers with Disabilities, passengers can also purchase an all-access 31-Day Pass, and an employer-based Eco-Pass with additional discounts. In addition, SMART offered a new mobile ticketing option to allow passengers who may not have Clipper cards, including tourists and infrequent users, to purchase one-way and round-trip tickets on their mobile devices.

In its first four months of revenue service, SMART sold 2,371 of the 31-Day Pass, 450 Eco-Passes, and earned $1.38 million in fare revenue. The most popular fare option among SMART passengers is the single trip using Clipper Card eCash, at 62% of all revenue earned. This is followed by the 31-Day Pass, at 17%, the Mobile App, at 16%, and the Eco-Pass, at 5%. The chart below illustrates amounts received for each.

<table>
<thead>
<tr>
<th>Fare Revenue</th>
<th>Regular Fares</th>
<th>31-Day Pass</th>
<th>Mobile App</th>
<th>Eco-Pass</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$859,291</td>
<td>$234,713</td>
<td>$222,963</td>
<td>$66,780</td>
<td>$1,383,748</td>
<td></td>
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This year SMART enjoyed continued support from the business community in Marin and Sonoma counties. Over 70 employers reached out to SMART for information on how to obtain discounted passes and provide commuter benefits to their employees. Many businesses started their own commuter benefit programs to
allow employees to use pre-tax dollars to purchase SMART fares, some employers subsidized fare costs and provided free shuttles, and others managed Eco-Pass programs for their employees and associates.

FIRE RELIEF EFFORTS

In the weeks following the fires, SMART developed two special relief programs to further assist businesses and individuals impacted by the wildfires. The first was the SMART Business Relief Pass, in which SMART partnered with the Santa Rosa Metro Chamber of Commerce to offer free one-way train passes for every $25 spent at businesses in the greater Santa Rosa area during the weekends of November 25th and 26th and December 2nd and 3rd. SMART distributed 5,000 free one-way passes, which were good through December 31, 2017.

The second program was the Individual Relief pass, which was offered to individuals who lost their home, rental unit, or place of employment due to the Sonoma County wildfires. SMART distributed roughly 3,000 of these passes, which provided free, unlimited service on SMART through December 31, 2017.

PASSENGER INFORMATION

In 2017 SMART launched a new customer-focused website that is user-friendly for riders. Passengers can easily click to find fare, station, or other useful information for riding the train. In just a few short months, SMART’s new website has established itself as the main source for accurate and timely SMART-related information. In its first six months, the website received 243,714 unique hits and 504,891 user sessions.

At our headquarters in Petaluma, we opened a fully-functional customer service counter, where passengers could come to purchase all types of Clipper cards as well as apply for discounted cards not available at our platforms.

SMART also partnered with the Golden Gate Bridge, Highway and Transportation District to provide fully functional customer service through its facility next to the Downtown San Rafael Station. This provides a full slate of customer service needs including: responding to customer service calls, providing information fares, schedules, and connections to other public transit providers, fielding email and voicemail customer service inquiries, lost and found services, and selling and issuing Clipper Cards, including discount cards for seniors, youth, and passengers with disabilities. The customer service center operates Monday through Friday from 7 a.m. to 6 p.m. and is staffed by a customer service supervisor.
Shortly after beginning service, SMART launched its train arrival information in a mobile Application known as Swiftly. Swiftly produces a smart phone application or “app” that SMART riders can download in order to obtain real-time arrival information. Swiftly will also provide schedule information to the regional information network 511.org, as well as Google and other transit app developers who may provide other ways to use this information. This gives riders the ability to access this information through multiple media depending on user preference.

SMART also has been working with our local transit operators and local jurisdictions to gather information regarding locations of transit routes, transit stops, schedule and fare information, bicycle infrastructure, and points of interest in proximity to each station. This information will be utilized to develop wayfinding signage for display at each station. Funding in not currently identified to implement this project and staff is currently working to develop cost estimates for signage and will partner with the Metropolitan Transportation Commission to fund a portion of the wayfinding project.

Operations

STATION, RAIL AND SIGNAL READINESS

With the start of service approaching in mid-2017, significant efforts were made to put the finishing touches on SMART Facilities used by the public. SMART’s maintenance employees installed over 150 signs at our stations and parking lots in preparation for the start of Revenue Service. Parking signs and stall numbering for the Park Mobile program was procured and managed along with additional pavement and curb markings for traffic control. SMART staff installed 24 recycling receptacles at all stations. SMART operations staff managed the procurement and installation of anti-graffiti/etching film on all shelter glass at the stations. SMART’s facilities staff designed and fabricated custom mounting brackets for the Emergency Telephones and installed them at each station platform. In addition, our staff began first line maintenance and troubleshooting of the new Clipper card vending machines, card validators, and electronic bike lockers. Station preparation, cleanliness, and attention to detail is an ongoing a number-one priority for SMART’s maintenance staff.
Similarly, maintaining the condition of the rails and signals is critical to keeping trains on schedule. SMART performed required tests with two types of specialized rail vehicles prior to start of Revenue Service in 2017. The first involved a rail flaw detector vehicle which performed a test for internal rail defects. That vehicle uses ultrasound at various angles in the rail head to search for anomalies in the rail steel. The second specialized vehicle checks various geometry conditions of the track and compares them to FRA minimum criteria based on allowable train speeds. The major geometry conditions measured are gage, cross-level, rail profile, rail cant, alignment, and curve elevation.

With the amount of highly sophisticated systems and equipment used in today’s railroads, training in a variety of disciplines is necessary and ongoing. This includes signal training school in Missouri, trainings in Roadway Worker Protection, Track Inspection and Maintenance, Control Line Plan reading, Crossing Approach Plan analysis, and FRA Hours of Service. SMART staff attended training sessions in each of these critical knowledge areas during 2017.

There are also parts of SMART’s new 43-mile commute corridor that now require constant monitoring and attention to keep clean and safe from trespassing. With the cooperation and participation of local jurisdictions, law enforcement and social services along the right-of-way, SMART staff removed and cleaned up major homeless camps at three locations in Petaluma, and at other locations in Santa Rosa and San Rafael. One example of that would be SMART facilitating and funding the removal of two semi-truck trailers in Novato that had been abandoned on railroad property for decades.

After four years of drought, heavy rains in late 2016 and early 2017 saturated the soils, causing landslides and localized erosion. SMART engineering staff oversaw emergency clean-up and additional preventative maintenance work addressing the resulting loose and unstable soil near the Puerto Suello Tunnel in Marin. Completion of the work in Spring of 2017 meant system testing could resume and improved safety and reliability of that section of track going forward.

Finally, the importance of managing permitted access to SMART tracks becomes a vital function now that trains are operating daily. In 2017, staff worked with and oversaw access across the tracks for a number of special events, including the Windsor Day Parade, the Ironman tournament in Santa Rosa and the Kaiser Wellness Run in Novato. Close coordination allowing access to SMART right-of-way by PG&E, Comcast, local Cities and Counties whose infrastructure cross our property was also a major focus.
RAIL VEHICLE MAINTENANCE

In order to provide the riding public a safe and pleasurable commuting experience, SMART employees worked alongside the vehicle manufacturer and parts suppliers following the launch of passenger service to replace warranty items and to become experts at our brand-new vehicle systems and equipment. Because on-time performance for the rail system relies so heavily on having vehicles in good working order, maintenance is not just important, it is a critical link for the system. Ongoing preventative maintenance is aided by the implementation of an industry gold-standard Maintenance Management Information System that schedules inspections cycles, tracks parts usage, labor costs, vehicle service hours and mileage, and allows for better fleet management in accordance with transit industry State of Good Repair best practices.

As with the normal wear and tear of any equipment, SMART’s rail wheels are no exception. At different intervals, all 56 train axles were removed and sent to Utah to be reshaped to specification through an agreement made with the Utah Transit Authority (UTA). Using their Wheel Truing Machine, our wheels were conditioned to provide a smooth, quality ride.

As promised, a significant investment in Wi-Fi was completed in 2017 so riders can stay connected and conduct business on their way to and from work. Restrooms, a first for commuter trains in the area, are a popular amenity in the trains. Sanitary hand dryers were installed for convenience and to help reduce waste. To allow for better visibility, the “bathroom occupied” light was relocated to a lower position near the unlock button. Other modifications were made inside the cars to include relocating the ADA areas to provide a more comfortable space with easier access. Several modifications were made to the service bar to accommodate the service vendor. Our riders may now enjoy a hot cup of coffee on those cold early mornings and relax with a cocktail after a long day at the office. Several signs were applied to both the interior and exterior of the trains to provide riders with information and instructions related to SMART service.
MOVEMENT OF TRAINS AND PASSENGERS

In advance of the start of passenger service, one of the new responsibilities of the District was managing higher levels of multiple train movements through a newly signalized system. This involved dispatching up to 4 trainsets per day testing SMART’s Enhanced Automatic Train Control/Centralized Traffic Control (E-ATC/CTC) system. Crew training was required to meet federal certification standards and to ensure crews were properly trained on train handling, route familiarization, and emergency procedures. After extensive work developing proposed service schedules, SMART implemented time-trial testing for the proposed weekday and weekend schedules. This period of simulated service allowed staff sufficient time to train all train crews and supervisors on train operation, schedule adherence, service disruptions, and service recovery techniques. Emergency drills, both internally and with other agencies, were conducted to allow SMART staff and first responders opportunity develop strategies and practice techniques unique to rail service.

STAFFING CHALLENGES

One of the greatest challenges the District faces is attracting and retaining experienced rail staff to a new, growing agency in one of the most expensive housing markets in the county. Several efforts during the year to address this problem included Board approval of pay rate increase for disciplines that were the most difficult positions to fill as well as approval of SMART’s first-ever union contracts which included increases and other issues important to our staff. This allowed the District to fill a sufficient number of Engineer/Conductor positions for service start up and most of the open positions in Maintenance of Way and Vehicle Maintenance. With positions filled, Operations was able to complete the necessary training required to certify staff and begin testing systems both on the train and wayside. This involved a significant investment in man-hours performing systems integration testing to ensure the system is safe and working as intended. Teams of SMART staff and technical systems providers worked together to methodically work through any startup issues that arose to ensure the safe, reliable operation of the system.
Safety and Security

The safety and security of the public, our staff and the significant transit infrastructure continued as a significant focus in 2017. The addition of thousands of passengers to our responsibilities meant careful attention to not only overall safety, but code compliance, parking and train fare enforcement, and monitoring the safety of the entire rail corridor.

Illegal obstructions to the train right of way are an ongoing and increasing concern. SMART’s new code compliance staff frequently respond to garbage in the right-of-way, cars parked or obstructing crossing gate movement and other trespassing issues. In 2017, SMART increased its safety and security practice exercises in preparation for passenger services. SMART hosted many first responder agencies at our newly fully functioning Rail Operations Center in 2017 for familiarization with the system and our operations. In addition, police, fire, EMS and Urban Search and Rescue held a training exercise in San Rafael at the Civic Center platform. SMART partnered with San Rafael Police Department to conduct a training exercise simulating a vehicle strike. San Rafael Police, Marin County Sheriff, Santa Rosa Police all participated in the training. San Rafael Police Crime Scene Investigations Unit and Traffic Unit utilized specialized tools to diagram the mock collisions scene.

The largest security training exercise SMART has hosted to date also took place in 2017. The Transportation Security Administration’s (TSA) Intermodal Security Training and Exercise Program (I-STEP) provides exercise, training, and security planning tools and services to the transportation community. TSA’s I-STEP teamed with SMART to discuss operational plans and roles and responsibilities in response to a security incident. The exercise scenario was an improvised explosive device (IED) threat, explosion, and manhunt surrounding an urban rail station. Over 60 participants from the local, federal and state law enforcement as well as city, county, transit and other agencies joined in this important exercise. It was a successful training in operational coordination, planning, and intelligence and information sharing within the transit and public safety community in the North San Francisco Bay Area.

The second large scale training exercise was held in Marin County and included staff from the County’s fire, police, EMS agencies who trained participants on their mass causality plan. The field exercise included helicopter response, fire, EMS and included the use simulated role playing.

In 2017 the District also activated and utilized its safety surveillance system which was funded in part by federal homeland security grants. It has proven effective in assisting with investigations internally and outside agencies. Most notably, SMART was able to assist Petaluma Police Department with a credit card fraud case capturing video of the suspect using a stolen credit card at one of SMART’s Clipper machines.
In 2017 SMART continued its ongoing presence at several regional safety and law enforcement meetings throughout Marin and Sonoma. These meetings include; Sonoma County Emergency Disaster Council, Sonoma County Police Chiefs Association, Marin County Police Chiefs Association, Homeless Outreach Services Team, FBI Rail Liaison and Transportation Security Administration Mass Transit Stakeholders. At each of these meetings SMART prepares updates to share with our community partners.

Capital Projects

Phase 1 Project Completion: Systems, Stations, Vehicles and Pathway

The final piece of SMART’s infrastructure to be completed as the District entered 2017 is the high-speed train control and grade crossing test program. In 2017 testing focused on the implementation of Positive Train Control, the completion of which makes SMART among the first commuter rail systems in the nation with this safety enhancement.

Throughout the 43-mile-long alignment, SMART’s grade crossings, stations, and Positive Train Control system were tested under thousands of different scenarios to demonstrate proper operation functions using SMART’s trains.

Each grade crossing warning system on SMART’s track was tested in both northbound and southbound directions though every possible route, with a SMART train operating at Maximum Authorized Speed to prove proper operation. Teams of flaggers provided warning to the public, while signal technicians monitored and documented the proper operation and timing of the lights, gates and bells at each crossing. In total, more than 800 individual test train movements were made to demonstrate proper operation of the grade crossing warning systems.

SMART’s enforced station stops, where a train approaching a station platform is required to stop by the train control system, were exhaustively tested. The hardware and software used to enforce each stop was refined to provide for safe, efficient station stops using both two and three car trains.
The Positive Train Control test program was conducted with the approval and under the oversight of the Federal Railroad Administration. This test program featured thousands of individual tests involving carefully monitored movements of SMART’s test trains, during which the speed enforcement functions of the Positive Train Control system were demonstrated to provide safe operation of SMART’s trains.

Following the completion of testing, the Federal Railroad Administration granted SMART approval to begin carrying passengers using SMART’s full-service schedule with Positive Train Control under Revenue Service Demonstration in August of 2017. By reaching this milestone, SMART became the first commuter railroad in the United States to open with Enhanced Automatic Train Control as its Positive Train Control system.

**INCREASED AUTO AND BICYCLE PARKING**

Originally, SMART could only fund the construction of four auto parking lots adjacent to rail Stations. Toward the close of the project, the Board approved allocating funding from SMART’s reserves to complete two additional auto parking lots at the Downtown Petaluma and Airport Boulevard stations in the first part of 2017. These two parking lots were constructed primarily with a gravel surface instead of asphalt due to budgetary considerations. These facilities include lighting and paved ADA parking. At the Airport station lot, SMART partnered with Sonoma County Transit to construct a bus turn out along Airport Boulevard at the SMART station for seamless transit connections.

The SMART project was originally planned to provide only racks for bicycle parking at stations. Following the completion of a comprehensive bike parking study, the SMART Board dedicated funding from SMART’s reserves to procure and install multi-user electronic bicycle lockers using the regional provider BikeLink at each of the SMART station. These lockers provide an additional level of security for bicycles and are integrated with lockers used throughout the Bay Area, such as throughout the BART system. The bicycle parking was installed at SMART stations prior to the start of passenger service and includes 90 standard metal bicycle racks and 68 secure electronic bicycle lockers.
**DOWNTOWN NOVATO STATION PROJECT**

At the request of, and funded by, the City of Novato, in 2017 SMART completed construction of the preliminary elements of a new Novato downtown station while finishing SMART’s Phase 1 project. The preliminary elements consist of the concrete platform and trackwork. Additional work will need to be completed to make a fully functional rail station that can be made operational within the SMART system. The next phase of work would include installation of station platform amenities – shelter(s), a Clipper card vending machine, benches, railings, etc. – and integrating the station into the SMART train control network. This second phase of the Downtown Novato Station Project will be constructed once Novato has identified the needed funding.

**PASSENGER RAIL CAR PROJECTS**

One of the challenges to opening day was the activation of SMART’s new, state of the art rail cars. Late in 2016 SMART discovered a potential design flaw in the train engines. Following that discovery, SMART worked with the railcar builder, Sumitomo Corporation of America, to design and approve a solution, which required a part in each engine to be replaced. The replacement work began in December of 2016 and was completed in the early spring of 2017. This work was necessary to ensure that the cars and the signal system would function in tandem for a reliable and safe transit system that will serve the community for decades to come.

On March 31, 2017, SMART conditionally accepted its current fleet of 14 Diesel Multi Unit’s (DMU’s) after a campaign by Cummins Inc. to replace all faulty crankshafts. The fleet played an integral part in commissioning and testing SMART’s Positive Train Control & Signal system prior to revenue service commencement in August of 2017. By the end of 2017 SMART had run roughly 60,000 miles on each of the 14 DMU’s through testing and revenue service. On August 4, 2017, four more DMU’s began to be fabricated in Japan at Nippon Sharyo Ltd. with an expected delivery date to SMART late 2018. Since the beginning of the manufacture of these four new rail cars, SMART has sent inspectors to Nippon Sharyo’s facilities regularly monitoring progress and ensuring quality of construction.
BICYCLE & PEDESTRIAN PATHWAY

In addition to 12 segments and 10.8 miles of pathway completed through 2016 by SMART and our local partners, in 2017, SMART constructed five key segments of pathways predominantly focused upon station access. These segments were completed thanks to SMART Measure Q sales tax funds, State Enhanced Environmental Mitigation Program funds, Sonoma County Transportation Authority Measure M sales tax funds, and the Sonoma County Agriculture and Open Space District sales tax funded Matching Grant Program. The 2017 completed segments are:

- San Rafael: North San Pedro Road to the Civic Center SMART Train station
- Novato: Franklin pedestrian crossing (near Sutter Health) to Grant Street in downtown Novato (future Novato Station)
- Novato: Rush Creek Place to the North Novato SMART Train Station
- Rohnert Park: Sonoma Mountain Village to the Cotati SMART Train Station
- Southwest Santa Rosa: Hearn Avenue to Bellevue Avenue, with pathway connections to Downtown Santa Rosa SMART Station

In 2017 SMART also began and completed engineering work designing a new pathway planned for Petaluma between Payran Street and South Point Boulevard utilizing Measure M sales tax funds. This critical segment of the SMART Pathway crosses two major barriers separating West and East Petaluma by going over the Petaluma River and under Highway 101. Construction of this segment is planned to start in the summer of 2018, pending allocation of Active Transportation Program grant funds by the California Transportation Commission. The construction of this segment is also funded with One Bay Area Grant funds, Sonoma County Agricultural and Open Space District funds, and SMART Measure Q funds.
**PHASE 2 RAIL EXTENSION**

Significant progress was made in 2017 on the SMART Larkspur Rail Extension Project, a 2.1-mile extension of the passenger rail system from downtown San Rafael to Larkspur. The project includes a new station in Larkspur, three bridges, an extension of the Positive Train Control signaling system, and modifications to the San Rafael Transit Center to accommodate the train. SMART has received Federal and regional funding commitments for the project. In 2017 SMART awarded a design-build contract for the final design, construction, testing and start-up of the extension. Design work progressed through the fourth quarter of 2017. Some advanced “in-water” construction work was conducted in the fall with the removal of old bridges and the installation of piles for new bridges and retaining structures. This was critical work in order to prepare for the bulk of the construction that is to occur in 2018. The majority of the physical construction in planned to be completed in 2018 with systems, train and signaling testing planned for the first half of 2019.

Service for the public is planned in the third quarter of 2019.

**Community Outreach**

The launch of SMART’s new passenger rail service required an extensive public awareness marketing program; an expanded rail safety program; the launch of a successful new customer-focused website; a growing social media reach; and connecting with the community through participation in more than 90 presentations and events.

**MARKETING PUBLIC AWARENESS PROGRAM**

In 2017, SMART’s developed significant new marketing programs in preparation for the start of service. That included creating high-quality branding materials, fact sheets and schedules in English and Spanish, and new advertising programs.

SMART launched a major media campaign to raise public awareness about the startup of service. That campaign included extensive media coverage as well as paid advertising to build awareness. SMART’s campaign, which included print, digital, radio, and outdoor advertising, was well received and...
continues to garner excellent feedback. In tandem with that advertising awareness campaign, public preview rides were extremely popular with people eager to experience the SMART train and was met with great success. Trains were operating at capacity for all preview runs. Extensive media coverage added to the marketing mix to create the ideal backdrop for SMART’s successful service launch. Prior to the start of service, SMART began a revenue-generating program selling advertising space on trains and at station platforms. That program resulted in more than $250,000 in sales in less than six months—a significant accomplishment particularly for a new service.

RAIL SAFETY EDUCATION PROGRAM

Safety is at the heart of all our public outreach presentations and events. Every member of SMART’s Communications & Marketing team is certified by Operation Lifesaver, a national nonprofit railroad safety organization. In 2017 SMART continued to run safety ads regularly as part of the District’s railroad safety program. The District also partners with schools in Marin and Sonoma counties to deliver presentations to thousands of students each year. Since ramping up its railroad safety education in 2016, SMART has reached more than 32,000 students. We continue to develop that program, with additional schools scheduled for presentations in 2018. In 2017, SMART expanded its railroad safety education program to include onboard canvassing, providing passengers with safety information while they are traveling on the train. SMART also added a series of monthly safety pop-up events at SMART stations to connect with youth and share lifesaving railroad safety information.

CONNECTING WITH THE COMMUNITY

SMART’s outreach team continued its strong participation in community events and presentations in 2017, taking part in 91 events throughout Marin and Sonoma counties. In addition to SMART’s Customer Service Center, SMART’s internal team responded to 919 public inquiries.
HOLIDAY EXPRESS TOY DRIVE

Giving back to our community is part of our community outreach mission and the goal of the annual Holiday Express Toy Drive. Each year, SMART partners with nonprofits and local businesses to collect hundreds of toys for children in need. In 2017, shortly after the Sonoma County wildfires, the need for toys during the holidays was greater than ever. Sonoma and Marin county residents came through—donating literally hundreds of toys and gift cards for children in need. Donations were distributed to SMART’s nonprofit partners: Toys for Tots of Sonoma County; the Novato Human Needs Center; the Novato Youth Center; Community Action Partnership of Sonoma County; and Santa Rosa-based Social Advocates for Youth. Thanks to the generosity of our community, and the hard work of our SMART staff, hundreds of children were able to have a brighter holiday season.

SOCIAL MEDIA AND DIGITAL PROGRAMS

In addition to SMART’s new customer-focused website mentioned earlier, SMART also has a dedicated rail safety website, www.BeTrackSMART.org that has safety tips, information on how to request school safety presentations, and safety materials that can be easily downloaded and shared. SMART’s digital and social media audiences continue to grow. In 2017 we added new social media platforms, and successfully launched Nixle text alerts to communicate service delays, emergencies, and other service-related information in real-time. For 2017, SMART’s digital reach grew on all platforms compared to the previous year: Facebook increased to 12,602 (up 29%); Twitter grew to 3,031 (up 49%); e-newsletter grew to 9,635 (up 9%). SMART’s Facebook reach set a new record in 2017, with 104,227 reached on a single post. That post was the announcement of the date for SMART’s start of service.
Financial Information

SMART produces a number of financial reports that are available to the public, including the Annual Budget, monthly Board reports and the audited Comprehensive Annual Financial Report. Financial information provided in this Annual Report is designed to provide the public with a general understanding of revenues and expenditures for the District in the last Fiscal Year which runs from July 1, 2016 to June 30, 2017. The presentation of these amounts differs from the 2017 Comprehensive Annual Financial Report in that they do not include calculations for depreciation and other non-cash adjustments that are necessary for presentation under Government Accounting Standards Board rules. Please refer to the District’s Comprehensive Annual Financial Statements for those audited statements.

SMART’s annual report revenues in Fiscal Year 2016-17 were $49.9 million. Sales Tax revenues continued to grow at a moderate rate of 3.7%. Tax revenue for the year was $36 million. Other revenue was primarily related to the completion of the Phase 1 capital project, including $5 million from the Metropolitan Transportation Commission, and $1.6 million from the Federal Highway Administration. An additional $3 million from Other Governments paid for improvements such as the Downtown Novato station. Funding associated with the donated portion of the Joe Rodota trail improvements are included in SMART’s financial information for the year.

Revenues FY 2016-17

- Sales/Use Taxes
- Investment Earnings
- Miscellaneous Revenue
- State of California
- Metropolitan Transporation Commission
- Sonoma County Transportation Authority
- Federal Highway Administration
- Federal Transit Administration
- Other Governmental Agencies
- Donated assets (Projects Built By Others)
At the end of the Fiscal Year, SMART had an unrestricted cash balance of $57 million. SMART also held bond funds of $21.8 million, which are made up of reserves controlled by SMART’s bond trustee.

Expenses for Fiscal Year 2016-17, excluding depreciation and other financial adjustments, were $57 million. Included in that total were $13.5 million in non-capitalized salaries and benefits and $7.5 million for services and supplies. The largest portion expenses were related to the building of the rail and pathway, known as Capital Improvements, which totaled $35 million. Of that amount, over $5.8 million were for track and infrastructure needed for the railway. Payments totaling $10.9 million were made for acceptance of the first 14 rail cars and for design of an additional 4 new cars. $3 million was invested in Phase 1 Stations, and $4.5 million was paid for train control systems, including Positive Train Control. Construction expenses of $3.8 million were incurred on SMART pathway projects in addition to $1.1 million spent by Sonoma County on the Joe Rodota trail extension. Work on the Larkspur Extension was $1.2 million.