



**BOARD OF DIRECTORS  
REGULAR MEETING AGENDA**

**March 21, 2018 – 1:30 PM**

5401 Old Redwood Highway, 1<sup>st</sup> Floor  
Petaluma, CA 94954

1. Call to Order
2. Approval of the March 7, 2018 Board Meeting Minutes
3. Public Comment on Non-agenda Items
4. Board Member Announcements
5. General Manager's Report
6. Consent
  - a. Approve Monthly Financial Reports
  - b. Approval of Dr. Mark Clementi Contract Amendment No. 3
  - c. Approve a Resolution for Designation of SMART Authorized Agents and Other Required Documents for State Low Carbon and Transit Operating Program Funds
  - d. Accept SMART's 2017 Annual Report
7. Approve a Resolution and Authorize the General Manager to Execute a Memorandum of Understanding between SMART, the Bay Area Toll Authority and Golden Gate Bridge Highway and Transportation District
8. Approve a Resolution and Authorize the General Manager to Execute an Agreement with the Marin County Transit District, the Golden Gate Bridge Highway and Transportation District, and SMART to Share State Transit Assistance Population Based Funds
9. Closed Session
  - a. Conference with Legal Counsel regarding whether to Initiate litigation pursuant to California Government Code Section 54956.9(d)(4); Number of possible cases: 1
  - b. Conference with Legal Counsel regarding anticipated litigation pursuant to California Government Code Section 54956.9(d)(2); Number of possible cases: 1- Lomas Partners, LLC

10. Report Out of Closed Session

11. Next Regular Meeting Board of Directors, April 18, 2018 – 1:30 PM – 5401 Old Redwood Highway, 1<sup>st</sup> Floor, Petaluma, CA 94954

12. Adjournment

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**BOARD OF DIRECTORS  
REGULAR MEETING MINUTES**

**March 7, 2018 - 1:30 PM**

5401 Old Redwood Highway, 1<sup>st</sup> Floor  
Petaluma, CA 94954

1. Call to Order

Chair Fudge called the meeting to order at 1:30pm. Directors Arnold, Connolly, Eddie, Hillmer, Lucan, Mackenzie, Pahre, Rabbitt, Russell and Zane were present. Director Phillips absent.

2. Election of Vice Chair

Chair Fudge read the procedures for the election of Vice Chair as follows: 1) Chair calls for nominations; 2) Chair announces each nomination; 3) After everyone who wishes to make a nomination has done so, nominations are closed; 4) Any nominee may make a statement to the Board regarding their nomination; 5) To be elected, a nominee must receive seven (7) votes per SMART's California State Assembly Bill 2224 ("Legislation").

Director Pahre nominated Director Arnold for Vice Chair. Director Phillips nominated himself for Vice Chair. Chair Fudge closed nominations and asked nominees if they would like to make a statement.

Director Arnold said she can be a service, and understands the challenges that SMART will endure in the next year and will be happy to serve as Vice Chair.

Director Phillips thanked the Board for postponing the item and appreciates the opportunity to discuss a few items. He was surprised by this matter (Vice Chair Election) primarily because Director Arnold reached out to for an endorsement and his initial reaction was sure, as previously supported her as Marin County Supervisor, however thought more about it and was surprised since she was recently Chair and prior Vice Chair which seemed very unusual. He spoke to a few people specifically Al Boro and Stephanie Moulton-Peters and they had the same reaction. He thought it should be a Marin or Sonoma County Supervisor representative, however Chair Fudge is not a Supervisor but the Mayor of

Windsor as he is Mayor of San Rafael. He said he had conversations with Marin County Supervisor Connolly and Sonoma County Supervisor Rabbitt to get feedback on this issue (Vice Chair Election), in which they both submitted emails in regard to the issue and distributed to all board members, he was pleased with the emails.

Director Hillmer arrived at 1:35PM

Director Phillips discussed the areas he would like to emphasize: 1) Larkspur Extension Project – numerous items are taking place from San Rafael to Larkspur vicinity and having knowledge of the area helps and benefits SMART since, he has been on the Board for six (6) years. He is very interested in getting passenger service to Larkspur. Also, he has a working relationship with Golden Gate Bridge District who are working to establish the transit center for \$35M and the City of San Rafael is in the process of building a Pathway for approximately \$5M. The City of San Rafael have an agreement with SMART assuming funding and permits are retained. The City of San Rafael has raised \$500,000 committed \$200,000 to the Pathway. 2) He spoke to San Rafael Vice Mayor approximately three (3) months ago to establish a process on how to welcome SMART riders to San Rafael, since 60% of the ridership arrives at the transit center, 20% at Civic Center and 15% Downtown. The City of San Rafael was ahead of the Quiet Zones process and somewhat pleased to accommodate the City of Novato and the County of Marin by re-submitting the Quiet Zones application. 3) He meets with Chief Financial Officer McGrath and General Manager Mansourian to better understand the monthly financial reports. Finally, the extension north project is a very important component to the voters, “I am in a good position to assist in accomplishing the project north” he stated. If SMART is considering completing the extension north project SMART may want to consider his involvement. He thanked Directors Connolly and Rabbitt their support and would be honored to be selected Vice Chair.

#### Directors’ Comments

Director Zane asked of the emails from Directors Connolly and Rabbitt count towards a vote. District Counsel Tom Lyons responded no. She is troubled by the process and agrees with Director Connolly comment that the appoint leadership should be on a rotating basis. The idea was to have Marin and Sonoma Counties represented, and we have not done that since Director Arnold was appointed to Chair for four (4) years. Chair Fudge stated that the Board took action and voted on that decision. Director Zane personally does not think it looks good for the Board to appoint Director Arnold to Vice Chair at this time. She believes that the Board should look independent as a Board/organization and consider a rotation method.

Director Arnold stated that her intent is not to become Chair, however to replace Kate Sears which represented Marin County Supervisors and was replaced on the SMART Board.

Director Pahre stated that she was Vice Chair for numerous years and never was appointed to Chair. The Board elects Chair and Vice Chair at the end of each term.

Director Hillmer asked if SMART has established a policy on election of Chair and Vice Chair. Chair Fudge said the rules say that there should be representation from Marin and Sonoma Counties. District Counsel Lyons said that the legislation provides for an election of a Chair and Vice Chair and does not require a rotation basis by the Board. Chair Fudge stated that the goal is to have both counties represented. Director Arnold said that she was approached by Chair Valerie Brown at the time when Charles McGlashan passed away to take the Vice Chair seat. Chair Fudge took a moment to honor Charles McGlashan. Director Hillmer stated that his experience (Vice Chair election) at this time has been awkward. He suggested having a discussion on rotation responsibilities. Chair Fudge stated that the Board can have a discussion to establish procedures a later time.

Director Mackenzie asked for clarification on when the next election of Chair and Vice Chair under our current statutes. District Counsel Lyons responded that the election shall occur every two years. Chair Fudge said that next election will be January 2019. Director Mackenzie said that he agrees with having a discussion about establishing a policy for Chair and Vice Chair, however not today.

Director Lucan asked for clarification on how many votes are required. District Counsel Lyons responded that the legislation requires a seven (7) votes to take action.

Director Russell agrees with fellow Board members about having a discussion regarding the processes and goal however, we need to move forward with a vote today.

Director Hillmer asked for the Vice Chair roles. Chair Fudge responded that the Vice Chair fills in for the Chair when he/she is absent. Director Hillmer asked would it be beneficial to have a Co-Vice Chair. Chair Fudge replied that the legislation only states Chair and Vice Chair be appointed. District Counsel confirms.

Chair Fudge stated that roll call vote will take place.

Directors Zane and Lucan suggested having a roll call to each board member and he/she names their vote.

Clerk of the Board, Leticia Rosas-Mendoza ask for roll calls votes: Directors Lucan (Arnold), Mackenzie (Arnold), Arnold (Arnold), Pahre (Arnold), Zane (Phillips), Russell (Arnold), Phillips (Phillips), Fudge (Arnold), and Hillmer (Arnold). Directors Connolly, Eddie and Rabbitt Absent.

**MOTION:** Clerk of the Board, Leticia Rosas-Mendoza reports roll call vote for Vice Chair nominees Directors Arnold and Phillips. Director Arnold received seven (7) votes and Director Phillips two (2) votes. Directors Connolly, Eddie and Rabbitt absent.

Chair Fudge stated that election for Vice Chair are complete. A discussion regarding election procedures will be considered between now and December 2018.

General Manager Mansourian stated that he and the Clerk of the Board Leticia Rosas-Mendoza will be contacting Board members agencies for existing policies to use as examples and have an adopted policy by December 2018.

3. Approval of the February 21, 2018 Board Meeting Minutes

**MOTION:** Director Mackenzie moved approval of February 21, 2018 minutes as presented. Director Arnold second. The motion carries 8-0-0. (Directors Connolly, Eddie and Rabbitt absent; Directors Phillips abstain)

4. Public Comment on Non-Agenda Items

Duane Bellinger stated he hears rumors that SMART is negotiating on a piece of property with toxic materials on the Petaluma Eastside. He has not observed any documentation on the toxic material and hopes it is just rumors. His prospective on the Brown Act is that the price and negotiations can be kept confidential however other terms can be disclosed. Also, he recalls that Mr. Scott is willing to sell his 5-acres to SMART and that would be an excellent station. He suggested that SMART consider the Scott property or the Post Office property.

Mike Pechner thanked Community Outreach Specialist, Matt Stevens for managing all of the Ambassador schedules. He mentioned that the Petaluma Downtown Station is very busy on the weekends, and there are still a lot of passengers that would like to purchase tickets. He suggested that SMART continues to educate the public via local TV and radio stations, newspapers, and social media (Twitter and Facebook) on how to ride the train.

Director Hillmer asked if SMART has received phone calls regarding kids being turned away at boarding for not having birth certificates to prove their age. General Manager Mansourian responded No and Operations Manager Duane Sayers also confirmed.

5. Board Member Announcements

Director Mackenzie stated the Regional Measure 3 (RM3) campaign is underway, since all nine (9) Bay Area Counties have placed RM3 on the June 2018 Ballot. SMART has projects of interest and a major project in the City of San Rafael (Bettini Center). As Chair of the Metropolitan Transportation Commission we have endorsed RM3 and urged other to do the same. The State Route 37 Transportation and Sea Level Rise Corridor Improvement Plan ("Plan") prepared by Kimley Horn, is in the process of being discussed by various transportation authorities in the four counties. The Sonoma County Transportation Authority will consider and discuss the Plan at their March 12<sup>th</sup> meeting. The Plan's Vision and Guiding Principles states that the design will include opportunities for multi-modal transportation including bike paths and passenger rail. Also, the Plan discussed that rail and ferry options may be important within the next few decades and should be studied further, this is not addressed in the State Rail Plan.

6. General Manager's Report

General Manager Mansourian stated that since the start of passenger service August 25<sup>th</sup> through March 1<sup>st</sup>, SMART has carried approximately 365,580 passengers, 30,000 bicycles and 1,500 passengers with wheelchairs. The ridership revenue collected is approximately \$1.7M, and continues to exceed what was budgeted. The estimated weekly revenue prediction was approximately \$68K and SMART has collected \$73K. SMART has seen an increase of passengers over the weekend as the weather gets warmer. He thanked all SMART riders for their continued support.

Lastly, the Metropolitan Transportation Commission (MTC) is conducting on-board surveys with transit agencies in the Bay Area. The on-board survey will begin on March 19<sup>th</sup> to and continue through May 2018. Once the information is provided to SMART, I will present the results to your Board.

7. Consent

- a. Approve a Resolution to Amend the Budgeted Safety and Compliance Officer Salary Range to the Authorized Personnel Allocations for Fiscal Year 2017-18

Chair Fudge asked for Board and public comments on the proposed Consent Agenda.

**MOTION:** Director Arnold moved approval of the Consent Agenda as presented. Director Mackenzie second. The motion carries 9-0-0 (Directors Connolly, Eddie and Rabbitt absent).

Public Comments

Doug Kurr stated that the position of Safety and Compliance Officer is a very important. Also, SMART may need to re-evaluate the salary again since it's very difficult to find a qualified and experience candidate in this County. There are a few examples with fatal results in the last 6 years where railroad operating rules were ignored. The candidate who takes this position has a tremendous responsibility. He is very supportive of this resolution.

Director Zane asked if the proposed salary range is enough to negotiate for an excellent candidate. It's very important to find an experienced candidate and it can be difficult due to housing crisis in the County. General Manager Mansourian responded that the Safety and Compliance Officer will report to Chief of Police. He/she will be responsible for monitoring that the Operations department is in full compliance with all applicable federal/state safety requirements. Also, we have contacted other transit agencies and they are having difficulties finding qualified candidate for this type of position. Chief of Police Welch, Human Resource Manager Lisa Hansley and myself have interviewed a few candidates. If additional support is needed, we will inform the Board. Director Zane asked if there is housing/relocation allowance for this position. Mr. Mansourian responded yes

Lastly, General Manager Mansourian mentioned he will be presenting to your Board later in March with Housing Guidance/Options. With the Eastbay Rail Extension Project

happening and having homes available in Modesto and Fresno makes our project very vulnerable to find candidates.

8. Review and Accept SMART's Fiscal Year 2016-17 Single Audit

Chief Financial Officer Erin McGrath stated that your Board approved the annual financial audit in December 2017 with the Comprehensive Annual Financial Report. This second audit report was required due to the federal funds that were expended for the fiscal year 2016-17. SMART expended a total of approximately \$2.9 million in federal funds. We are pleased to report that the District complied, in all material respects, with all federal compliance requirements tested as part of the auditor's examination and that there were no material weaknesses or significant deficiencies found related to our federal awards.

**MOTION:** Director Phillips moved to Accept SMART's Fiscal Year 2016-17 Single Audit as presented. Director Hillmer second. The motion carries 9-0-0 (Directors Connolly, Eddie and Rabbitt absent).

9. Adopt and Support Proposition 69 and an Oppose Positions on any Ballot Measures that Repeal the Road Repair and Accountability Act (SB1)

General Manager Mansourian stated that there are two actions for Board consideration: 1) support Proposition 69 and 2) oppose any position that repeals for SB1

The Road and Repair and Accountability Act (SB1) was passed by the California Legislature into law in April 2017. This is very critical to SMART due to several funding programs created to enhanced have been made available on a formula or competitive basis to advance SMART projects and provide additional services. The programs that benefit SMART are: 1) Acceptance of SB1 State Rail Assistance Funds; 2) Advancement of SB1 Active Transportation Funds; 3) Acceptance of SB 1 Local Partnership Program Funds; and 4) Acceptance of SB1 State Transit Assistance and Low Carbon Transit Operations Funds. He said there are attempts to gather signatures to repeal SB1 in a future ballot.

Proposition 69 is very critical and is a Constitutional amendment that will be placed in the June 2018 ballot. This Constitutional amendment will prevent the transfer of transportation funds to the general funds.

A coalition of local governments and interested organizations has formed to provide information and to protect transportation funds from being diverted. The following members have supported the group include the California State Association of Counties, the League of California Cities, the California Alliance for Jobs, the California Transit Association, the Sonoma County Transportation Authority and the Sonoma County Mayors' and Councilmembers' Association.

Therefore, staff is recommending your approved the support position on Proposition 69 and oppose position on any ballot measures that would repeal SB1.

Comments

Chair Fudge stated that the Town of Windsor Council meeting today will also be considering the same position on this item.

Duane Bellinger stated that the government has prohibited placing the appropriate tax on automobiles to pay for all the medical care and needs that they create. The big picture is that the drivers of cars have caused a huge disaster in our society.

**MOTION:** Director Hillmer moved to Adopt and Support Proposition 69 and an Oppose Positions on any Ballot Measures that Repeal the Road Repair and Accountability Act (SB1) as presented. Director Russell second. The motion carries 9-0-0 (Directors Connolly, Eddie and Rabbitt absent).

10. Next Regular Meeting Board of Directors, March 21, 2018 – 5401 Old Redwood Highway, 1<sup>st</sup> Floor, Petaluma, CA 94954
11. Adjournment – Meeting adjourned at 2:23 p.m.

Respectfully submitted,

Leticia Rosas-Mendoza  
Clerk of the Board

Approved on: \_\_\_\_\_



**Debora Fudge, Chair**  
Sonoma County Mayors and  
Councilmembers Association

**Judy Arnold, Vice Chair**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

**Jim Eddie**  
Golden Gate Bridge,  
Highway/Transportation District

**Dan Hillmer**  
Marin Council of Mayors and  
Councilmembers

**Eric Lucan**  
Transportation Authority of Marin

**Jake Mackenzie**  
Sonoma Mayors and Councilmembers  
Association

**Barbara Pahre**  
Golden Gate Bridge,  
Highway/Transportation District

**Gary Phillips**  
Transportation Authority of Marin

**David Rabbitt**  
Sonoma County Board of Supervisors

**Carol Russell**  
Sonoma Mayors and Councilmembers  
Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

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March 21, 2018

Sonoma-Marín Area Rail Transit Board of Directors  
5401 Old Redwood Highway, Suite 200  
Petaluma, CA 94954

**SUBJECT:** Monthly Finance Reports

Dear Board Members:

**RECOMMENDATION:** Information Item

**SUMMARY:**

Please see the attached financial reports. As of February 28, Gross Sales Tax Revenue received is \$19,318,739 and fare revenue is \$1,999,050. Spending is within overall budgetary authority as approved by the Board.

Very truly yours,

**Erin McGrath**  
Chief Financial Officer

Attachment(s): Monthly Financial Reports  
Contract Summary

**Sonoma-Marín Area Rail Transit District**  
**Monthly Finance Reports**  
*Through February 2018*

**Budget Report**

	FY 2017-18 Budget	YTD	Remaining Budget
<b>Revenues</b>			
<b>Administration</b>			
Sales/Use Taxes	\$ 26,089,840	\$ 9,766,076	\$ 16,323,764
Interest Earnings	295,000	367,462	(72,462)
Rent - Real Estate	394,088	283,210	110,878
Miscellaneous Revenue	50,000	1,759,641	(1,709,641)
Subtotal	26,828,928	12,176,390	14,652,538
<b>Operations</b>			
Use of Fund Balance	5,518,270	5,518,270	-
Sales/Use Taxes	10,922,133	9,552,663	1,369,470
Fare & Parking Revenue	2,950,000	1,999,050	950,950
State Grants	3,000,000	273,821	2,726,179
Charges For Services	30,000	38,613	(8,613)
Subtotal	22,420,403	17,382,417	5,037,986
<b>Capital</b>			
Use of Fund Balance	20,538,185	20,538,185	-
Federal Funds	267,910	19,873	248,037
State Grants	278,096	121,424	156,672
Other Governments	4,663,350	269,618	4,393,732
Measure M	325,000	119,251	205,749
MTC - RM2	16,792,844	10,581,104	6,211,740
Subtotal	\$ 42,865,385	\$ 31,649,455	\$ 11,215,930
<b>Revenue Total</b>	<b>\$ 92,114,716</b>	<b>\$ 61,208,262</b>	<b>\$ 30,906,454</b>
<b>Expenditures</b>			
<b>Administration</b>			
Salaries & Benefits	\$ 5,031,910	\$ 2,685,102	\$ 2,346,808
Services & Supplies	6,512,347	2,186,001	4,326,346
Debt Service/ Other Charges	14,216,444	4,016,894	10,199,550
Subtotal	25,760,701	8,887,996	16,872,705
<b>Operations</b>			
Salaries & Benefits	13,076,545	6,905,322	6,171,222
Services & Supplies	7,695,769	2,900,882	4,794,887
Buildings & Capital Improvements	1,048,089	261,923	786,166
Appropriations for Contingencies	600,000	-	600,000
Subtotal	22,420,403	10,068,127	12,352,275
<b>Capital</b>			
Salaries & Benefits	1,346,966	624,894	722,072
Services & Supplies	1,009,321	242,832	766,489
Other Charges	3,110,000	213,872	2,896,128
Land	2,839,000	2,018,550	820,450
Buildings & Capital Improvements	185,000	170,000	15,000
Machinery & Equipment	9,821,070	3,912,254	5,908,816
Infrastructure	24,553,998	10,790,405	13,763,593
Subtotal	\$ 42,865,355	\$ 17,972,808	\$ 24,892,548
<b>Expenditure Total</b>	<b>\$ 91,046,459</b>	<b>\$ 36,928,931</b>	<b>\$ 54,117,528</b>

**Sonoma-Marin Area Rail Transit District**  
**Monthly Finance Reports**  
*Through February 2018*

**Investment Report**

	<b>Amount</b>
<b>Bond Reserve Fund</b>	
Sonoma County Treasury Pool	\$ 17,072,500
<b>Interest Fund</b>	
Sonoma County Treasury Pool	4,021,956
<b>Project Fund</b>	
Sonoma County Treasury Pool	373,715
<b>Principal Fund</b>	
Sonoma County Treasury Pool	6,228,958
<b>SMART Operating Accounts</b>	
Bank of Marin	6,681,695
Sonoma County Treasury Pool	30,167,161
	<b>\$ 64,545,986</b>

**Capital Project Report**

	<b>Budget</b>	<b>Actual</b>	<b>Remaining</b>
<b>Phase 1 Operating Segment</b>			
Revenues	\$ 448,207,379	442,075,704	6,131,675
Expenditures	448,207,379	417,489,062	30,718,317
<b>Additional Railcar Purchase</b>			
Revenues	11,000,000	220,000	10,780,000
Expenditures	11,000,000	220,000	10,780,000
<b>San Rafael to Larkspur Extension</b>			
Revenues	55,435,059	10,188,260	45,246,799
Expenditures	55,435,059	11,891,901	\$ 43,543,158



# Contract Summary

Active Contracts as of February 28, 2018

Contractor	Scope	Fiscal Year 17-18 Projected	Fiscal Year 17/18 Actuals-To-Date
A.J. Janitorial Service	Janitorial Services for the ROC, Fulton, and Roblar	\$25,000.00	\$11,638.00
A.J. Janitorial Service	SMART Station Janitorial and Related Services	\$75,550.00	\$45,750.00
Adobe Associates Inc.	Real Estate Property Support Services	\$12,000.00	\$7,392.00
ADS System Safety Consulting, LLC	Safety Program Development and Emergency Preparedness Consultation Services	\$39,912.00	\$0.00
Ahlborn Fence & Steel, Inc.	Fencing and Gate Installation Services at the ROC	\$2,815.00	\$2,815.00
Ahlborn Fence & Steel, Inc.	Claim-Based Fencing Repair Work	\$3,950.00	\$3,950.00
Alcohol & Drug Testing Services, LLC	DOT Drug and Alcohol Testing	\$35,000.00	\$6,686.00
Alliant Insurance Services	Insurance Brokerage & Risk Management Services	\$71,000.00	\$0.00
AmeriKiwi, LLC	Container Lifting and Transporting Services	\$5,000.00	\$4,475.00
Aramark Uniform Services	Employee Uniform Provider and Cleaning Service	\$60,000.00	\$16,290.00
Area West Environmental, Inc	Environmental Compliance Support Services	\$44,491.00	\$0.00
Asbury Environmental Services (AES)	Recycling & Disposal Service for Used Oil, Fuel Filters, Rags, and Related Equipment	\$11,439.00	\$2,600.00
Barbier Security Group	Security Guard/Patrol Services	\$25,000.00	\$0.00
Becoming Independent	Emergency Bus Bridge Services	\$20,000.00	\$10,600.00
Bender Rosenthal, Inc.	Real Estate Support Services for Larkspur Extension	\$98,780.00	\$35,969.00
Bettin Investigations	Background Investigations	\$10,000.00	\$7,023.00
Big Cat Advertising	Digital Advertisement Services	\$18,000.00	\$12,000.00
Biggs Cardosa Associates, Inc.	Engineering Design and Construction Support for Payran to Southpoint Multi-Use Pathway	\$325,000.00	\$224,519.00
Bradford D. Andersen dba Andersen Window Tinting	Anti-Graffiti Film and Window Tinting Installation Services for Stations	\$1,850.00	\$1,850.00
Bullet Guard	Design and Installation of Safety Glass	\$10,804.00	\$0.00
Burke, Williams & Sorensen, LLP	Litigation Support Services	\$129,348.00	\$99,901.00
Cal Accessibility, Inc.	ADA Compliance Support Services	\$20,000.00	\$0.00
CALOPPS - City of Foster City	Internet Employment Website - CALOPPS	\$2,000.00	\$0.00
Cascade Training Center	AED Program Management	\$6,610.00	\$6,610.00
Century Urban	Real Estate Advisory Services	\$19,950.00	\$0.00
Certified Employment Group	Temporary Staffing Services	\$36,470.00	\$18,345.00
Cinquini & Passarino, Inc.	Land Surveying and Related Services	\$15,000.00	\$1,245.00
CMC Traffic Control Specialists	Flagging, Traffic Control, and Related Services	\$254,762.00	\$220,858.00
Coates Field Service, Inc.	Real Estate Acquisition and Relocation Services	\$20,000.00	\$7,419.00
David Rzepinski & Associates	Transit Market, Fare Analysis, Coordination	\$10,000.00	\$306.00
David Tattersall & Co.	Real Estate Appraisal Services	\$10,000.00	\$0.00
David Tattersall & Co. Real Estate Advisory Service	Real Estate Appraisal Services for Larkspur Extension	\$10,000.00	\$0.00
DeAngelo Brothers, LLC (DBI Services)	Vegetation Control Services	\$24,627.00	\$20,579.00
Denno Enterprises	ROW Maintenance & Weed Abatement	\$89,420.00	\$58,915.00
DGD Feeds (dba Frizelle Enos Feeds)	Dust Suppression Services for Downtown Petaluma and Airport Blvd Park & Ride Lots	\$3,000.00	\$2,722.00
Diego Truck Repair	Towing, Recoveries, Demolition, and Related Services	\$1,000.00	\$1,000.00
Dr. Mark Clementi	Pre-Employment Psychological Evaluations	\$16,710.00	\$14,478.00
Empire Cleaners	Uniform Dry-Cleaning, Laundering, and Related Services	\$41,873.00	\$20,692.00
Emtec Consulting Services, LLC	Oracle Accounting System Support Services	\$65,000.00	\$5,588.00
ePath Learning, Inc.	Cloud-Based Training / Learning Management Software	\$6,180.00	\$6,180.00
Everbridge, Inc.	Nixle Computer Software (Cloud-based)	\$15,662.00	\$15,662.00
George Hills Company, Inc.	Third Party Claims Administration Services	\$60,000.00	\$1,058.00
GHD, Inc.	SWPP Compliance, AutoCAD Management, Traffic and Hydraulic Analysis for CP4	\$182,373.00	\$15,439.00
Golden Gate Bridge, Highway and Transportation District	Customer Service Support Services	\$89,806.00	\$84,000.00
Golden Gate Bridge, Highway and Transportation District	Weekend Bus Service between San Rafael Transit Center and Larkspur Ferry	\$43,578.00	\$13,309.00
GP Crane & Hoist Services	Cal/OSHA Crane Inspection Services	\$11,050.00	\$900.00
Granicus, Inc.	Media Streaming & Internet Broadcasting Services	\$8,500.00	\$5,240.00

Contractor	Scope	Fiscal Year 17-18 Projected	Fiscal Year 17/18 Actuals-To-Date
Hanford A.R.C.	Implementation and Monitoring Las Gallinas Creek Riparian Enhancement Plan	\$108,686.00	\$0.00
Holland Company	Track Geometry and Measurement Services	\$30,000.00	\$0.00
Heavy Equipment Transportation, Inc.	Transportation Services for Heavy Machinery and Equipment	\$3,300.00	\$845.00
Hulcher Services, Inc.	Derailment & Hazmat Services	\$40,000.00	\$0.00
ICF Jones & Stokes, Inc.	Environmental Permitting Management and Support Services	\$360,320.00	\$112,837.00
Inteltrace, Inc.	Internet/Cellular Tower Maintenance Services	\$37,538.00	\$22,000.00
Intelligent Technology Solutions, Inc.	Maximo MMS Implementation and Support Services	\$122,101.00	\$89,954.00
James Flageollet	Legal Services	\$109,325.00	\$85,692.00
John Zanzi	Fire and Life Safety Planning	\$10,000.00	\$4,988.00
Krebs Construction Services, Inc	Project Cost Management Services	\$1,000.00	\$0.00
Leete Generators	Generator Maintenance	\$4,000.00	\$857.00
Lescure Company, Inc.	Fuel Reel Removal and Capping of Fueling Outlets	\$24,725.00	\$24,725.00
LTK Engineering Services	Vehicle and Systems Design and Construction Management Services	\$1,234,339.00	\$692,103.00
Managed Health Network	Employee Assistance Program (EAP) Services	\$4,500.00	\$2,520.00
Masabi, LLC	SMART Mobile Ticketing Pilot Project	\$64,000.00	\$37,300.00
MaxAccel	Compliance Management Software Design/implementation/Asset Management	\$14,500.00	\$9,500.00
Maze & Associates	Financial Audit Services	\$40,540.00	\$34,704.00
MGrodrner, LLC	Project Management Services	\$99,575.00	\$32,123.00
Netspeed Solutions, Inc.	Avaya IP Office Support and Professional Services at Petaluma, ROC, and MOW	\$5,800.00	\$5,800.00
Netspeed Solutions, Inc.	Avaya IP Office Support and Professional Services at Roblar	\$1,417.00	\$1,417.00
Networken Inc.	Design Information Architecture for Document and Project Management Technology	\$46,050.00	\$25,314.00
North Bay SAP Services	Substance Abuse Professional Services	\$5,000.00	\$0.00
Nossaman LLP	Legal Services - Railroad Regulatory Issues & Transit D-B Projects	\$75,000.00	\$0.00
Occupational Health Centers of CA	Pre-Employment Evaluation Services	\$9,421.00	\$6,691.00
Oracle	Fusion Enterprise Resource Planning (ERP) Software & Hosting Services	\$42,707.00	\$21,353.00
Parks Electric	On-Call Electrical Contracting Services	\$10,000.00	\$6,085.00
Parodi Investigative Solutions	Pre-Employment Background Investigation Services	\$13,850.00	\$11,500.00
Paychex	Payroll Processing Services	\$31,000.00	\$18,787.00
Platinum Advisors, LLC	State Legislative Advocacy Services	\$120,000.00	\$70,000.00
Portola Systems, Inc.	SMART Station Network Configuration Services	\$185,006.00	\$51,660.00
Public Financial Management, Inc.	Financial Advisory Services	\$5,000.00	\$0.00
Public Financial Management, Inc.	Arbitrage Rebate Compliance Services	\$2,000.00	\$0.00
RailPros, Inc.	Professional Engineering Services for Larkspur Extension	\$180,000.00	\$164,997.00
Reyff Electric Company	On-Call Electrician Services	\$6,820.00	\$2,411.00
SewPro of Lake Mendocino and Sonoma County	Biohazard Clean-Up and Hazmat Services	\$24,360.00	\$2,356.00
Shimnick Construction Co, Inc.	D/B Construction of IOS2, Haystack, OMF, Station Finishes and Pathway	\$3,292,813.00	\$2,854,742.00
Sonoma County Fleet Operation Division	Non-Revenue Fleet Maintenance Services	\$75,000.00	\$0.00
Sonoma County Probation Department	Right-of-Way Vegetation Control, Brush and Debris Removal, and Homeless Camp Clean-up	\$42,160.00	\$9,613.00
Sperry Rail Service	Rail Flaw Detection Services	\$10,000.00	\$0.00
SPTJ Consulting	Network Infrastructure, Security, Migration and Setup Services	\$133,416.00	\$71,888.00
Stacy and Witbeck/Herzog, JV	Design/Build Construction of Civil, Track & Structures Improvements of IOS-1	\$1,303,041.00	\$604,068.00
Stacy and Witbeck/Herzog, JV	Design/Build Construction of Civil, Track & Structures Improvements of Larkspur Extension	\$11,500,000.00	\$6,527,823.00
Stericycle, Inc.	Medical Waste Pick-Up and Disposal Services	\$1,918.00	\$0.00
Steve Taylor Excavation	Excavation, Asphalt, and Related Contracting Services	\$35,000.00	\$0.00
Stripe N Seal	Painting, Stenciling, and Asphalt Sealing Services	\$13,386.00	\$9,234.00
STV, Inc.	On-Call Railroad Bridge Inspection Services	\$50,000.00	\$0.00
Sumitomo Corporation	Manufacture & Delivery of Vehicles	\$8,978,318.00	\$3,418,466.00

Contractor	Scope	Fiscal Year 17-18 Projected	Fiscal Year 17/18 Actuals-To-Date
Summit Signal, Inc.	Emergency Call-Out Services for Track and Signals	\$10,000.00	\$0.00
The GBS Group	Internet Connectivity (Wi-Fi) for SMART Trains	\$254,647.00	\$189,863.00
United Mechanical Incorporated	HVAC Installation Services for SMART Facilities	\$16,832.00	\$16,832.00
United Mechanical Incorporated	HVAC Maintenance Services at SMART Facilities	\$24,994.00	\$945.00
Utah Transit Authority	DMU Wheel Truing Services	\$111,100.00	\$33,931.00
Van Scoyoc Associates	Federal Legislative Advocacy Services	\$51,000.00	\$28,000.00
VenTek Transit Inc.	Fare Vending Machine Operations and Maintenance Services	\$225,000.00	\$73,340.00
Viewu	Cloud-Based Storage of Security Data	\$720.00	\$720.00
WBE	Train Wash CCTV Installation	\$14,980.00	\$0.00
WBE	Design and Installation of Security Equipment	\$95,088.00	\$88,786.00
WBE	Existing CCTV System On-Call Maintenance	\$40,000.00	\$9,765.00
William Campagna	Disability Access Consultant Services	\$30,000.00	\$9,875.00
	<b>Totals</b>	<b>\$31,469,803.00</b>	<b>\$16,500,413.00</b>

\*Actuals-To-Date includes invoices that have been approved as of February 28, 2018, but may not have been processed in SMART's Financial System.



**Debora Fudge, Chair**  
 Sonoma County Mayors' and  
 Councilmembers Association

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 Marin County Board of Supervisors

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**Farhad Mansourian**  
 General Manager  
  
 5401 Old Redwood Highway  
 Suite 200  
 Petaluma, CA 94954  
 Phone: 707-794-3330  
 Fax: 707-794-3037  
 www.sonomamarintrain.org

March 21, 2018

Sonoma-Marin Area Rail Transit Board of Directors  
 5401 Old Redwood Hwy, Suite 200  
 Petaluma, CA 94954

**SUBJECT:** Approval of Dr. Mark Clementi Contract Amendment No. 3

Dear Board Member:

**RECOMMENDATION:**

Authorize the General Manager to execute Amendment No. 3 with Dr. Mark Clementi for psychological evaluation services in the amount of \$68,000 for a contract not-to-exceed amount of \$158,000 and extend the term of the contract through June 30, 2020.

**SUMMARY:**

Dr. Mark Clementi has been providing pre-employment psychological evaluation services for SMART since 2014. In anticipation of the start of revenue service, SMART amended the contract to include critical incident debriefing services and fitness for duty evaluations in 2016. This third amendment would increase the not-to-exceed amount by \$68,000, for a total not-to-exceed amount of \$158,000 and extend the term of the contract to June 30, 2020.

**FISCAL IMPACT:** Funding for the contract is included in the budget for Fiscal Year 2017-2018.

**REVIEWED BY:** [x] Finance  [x] Counsel 

Very truly yours,  
  
 Lisa Hansley  
 Human Resources Manager

Attachment(s): Dr. Mark Clementi Contract Amendment No. 3.

**THIRD AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES  
BETWEEN THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT  
AND DR. MARK CLEMENTI**

This Third Amendment dated as of March 21, 2018 (the “Third Amendment”) to the Agreement for Consultant Services by and between the Sonoma-Marín Area Rail Transit District (“SMART”) and Dr. Mark Clementi (“CONSULTANT”), dated as of April 1, 2014 (the “Original Agreement,” and as amended by the First, Second, and now this, the Third Amendment, the “Agreement”).

**RECITALS**

WHEREAS, SMART and CONSULTANT previously entered into the Original Agreement to provide pre-employment psychological evaluations of operations personnel; and

WHEREAS, SMART previously amended the Agreement to extend the term and increase the not-to-exceed amount; and

WHEREAS, SMART desires to amend the Agreement to increase the not-to-exceed amount by \$68,000, for a total not-to-exceed amount of \$158,000 and extend the term until June 30, 2020.

NOW, THEREFORE, in consideration of the recitals set forth above and the covenants contained herein, it is mutually agreed by and between the parties that:

**AGREEMENT**

1. “**ARTICLE 5. PAYMENT**” Article 5, Section 5.02 of the Agreement is amended as follows:

**Section 5.02** Consultant shall be paid per psychological evaluation conducted, in accordance with **Section 5.01**; provided, however, that total payments to Consultant shall not exceed **\$158,000**, without the prior written approval of SMART. Consultant shall submit its invoices in arrears on a monthly basis in a form approved by the Chief Financial Officer. The invoices shall show or include: (i) the task(s) performed; (ii) the rate per psychological evaluation (s); and (iii) copies of receipts for reimbursable materials/expenses, if any.

2. “**ARTICLE 6. TERM OF AGREEMENT**” Article 6 of the Agreement is amended as follows:

DR. MARK CLEMENTI  
THIRD AMENDMENT  
HR-PS-14-002

Page 1 of 3

**“ARTICLE 6. TERM OF AGREEMENT.** The term of this Agreement shall remain in effect until June 30, 2020 unless terminated earlier in accordance with the provisions of **Article 7** of the Agreement.”

3. Except to the extent the Agreement is specifically amended or supplemented hereby, the Agreement, together with all supplements, amendments and exhibits thereto is, and shall continue to be, in full force and effect as originally executed, and nothing contained herein shall, or shall be construed to, modify, invalidate, or otherwise affect any provision of the Agreement.

**THIS SPACE INTENTIONALLY LEFT BLANK**

**IN WITNESS WHEREOF**, the parties hereto have executed this Third Amendment as set forth below.

**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Farhad Mansourian, General Manager

**DR. MARK CLEMENTI**

Dated: \_\_\_\_\_

By \_\_\_\_\_

**APPROVED AS TO FORM:**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
District Counsel



**Debora Fudge, Chair**  
 Sonoma County Mayors and  
 Councilmembers Association

**Judy Arnold, Vice Chair**  
 Marin County Board of Supervisors

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March 21, 2018

Sonoma-Marin Area Rail Transit Board of Directors  
 5401 Old Redwood Highway, Suite 200  
 Petaluma, CA 94954

**SUBJECT:** Designation of SMART Authorized Agents and Other Required Documents for State Low Carbon and Transit Operating Program Funds

Dear Board Members:

**RECOMMENDATIONS:**

Approve Resolution Number 2018-06 designating the General Manager and Chief Financial Officer as the Authorizing Agents and authorizing the execution of the project (SMART Commuter Rail Operations) to be funded with Low Carbon Transit Operations Program Funds.

**SUMMARY:**

With the start of passenger rail services, SMART becomes eligible to receive several State funding sources starting in Fiscal Year 2017-18. For some of these funds, Board resolutions authorizing submittal of all necessary application materials are required. In a prior Board meeting you approved authorizing resolutions for State Rail Assistance Program Funds and State Transit Assistance State of Good Repair Program Funds. Today you are approving materials related to Cap and Trade Greenhouse Gas Reduction Fund-supported Low Carbon and Transit Operations Program (LCTOP) managed by the California Department of Transportation. Since 2014, the LCTOP has received a continuous appropriation of 5% of the annual Cap and Trade credit auction proceeds.

LCTOP funds can be used to support transit operating and capital expenditures that expand transit services, increase transit mode share, or acquire zero emission vehicles. LCTOP funds can support new transit services for the first five years of operations. The State Controller's Office releases fund availability estimates every year for distribution of LCTOP funds pursuant to several sections of the Public Utilities Code. SMART receives a dedicated allocation of LCTOP funds based on the State Controller's estimate of Public Utilities Code Section 99314, distributions to transit operators based on local revenues generated.

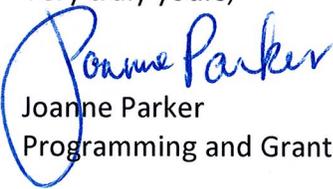
The State Controller's estimate of Fiscal Year 2017-18 Section 99314 LCTOP funds to SMART is \$141,995. SMART's approved Fiscal Year 2017-18 Annual Budget anticipated these LCTOP funds being received and used in support of SMART Commuter Rail Operations, including the ability to offer fare discounts through a 31-day pass product. The California Department of Transportation requires a Board resolution authorizing the submittal of application materials for the LCTOP funds, the designation of the General Manager and the Chief Financial Officer as the Authorizing Agents for the funds, and authorizing the execution of Certifications and Assurances for the funds.

**FISCAL IMPACT:** None. SMART assumed these fund sources within the Fiscal Year 2017-18 approved budget.

REVIEWED BY:  Finance 

Counsel 

Very truly yours,

  
Joanne Parker  
Programming and Grants Manager

Attachment(s):

- 1) Resolution Number 2018-06
- 2) Authorized Agent and Certifications and Assurances forms for Low Carbon Transit Operations Program Funds

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT AUTHORIZING THE EXECUTION OF THE CERTIFICATION AND ASSURANCES AND AUTHORIZED AGENT FORMS FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) FOR THE FOLLOWING PROJECT: SMART COMMUTER RAIL OPERATIONS FOR \$141,995**

---

**WHEREAS**, the Sonoma-Marín Area Rail Transit District (SMART) is an eligible project sponsor and may receive funding from State Low Carbon Transit Operations Program (LCTOP) funds for transit projects; and

**WHEREAS**, the statutes related to state-funded transit project require implementing agencies to abide by various regulations; and

**WHEREAS**, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administering agency for the LCTOP; and

**WHEREAS**, Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (Agencies identified as eligible recipients of these funds); and

**WHEREAS**, SMART wishes to delegate authorization to execute these documents and any amendments thereto to Farhad Mansourian, General Manager, or designee; and

**WHEREAS**, SMART wishes to implement the SMART Commuter Rail Operations Project

**NOW, THEREFORE, BE IT RESOLVED THAT THE** Board of Directors of the SMART District hereby:

1. Authorizes the submittal of the SMART Commuter Rail Operations Project, which provides for new commuter rail operations including reduced fare 31-day passes along a 43-mile corridor in Marin and Sonoma Counties, for project nomination and allocation request to the California Department of Transportation for Low Carbon Transit Operations Program funds for \$141,995; and
2. Agrees to comply with all conditions and requirements set for in the Certifications and Assurances and Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects; and
3. Designates Farhad Mansourian, General Manager, or Erin McGrath, Chief Financial Officer, to be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation which may be necessary for the completion of the aforementioned project.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Sonoma-Marín Area Rail Transit District held on the 21<sup>st</sup> day of March, 2018, by the following vote:

**DIRECTORS:**

AYES:

NOES:

ABSENT:

ABSTAIN:

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Debora Fudge, Chair, Board of Directors  
Sonoma-Marín Area Rail Transit District

ATTEST:

---

Leticia Rosas-Mendoza, Clerk of Board of Directors  
Sonoma-Marín Area Rail Transit District



# FY 2017-2018 LCTOP

## Authorized Agent

**AS THE** Chair, Board of Directors  
(Chief Executive Officer/Director/President/Secretary)

**OF THE** Sonoma-Marín Area Rail Transit District  
(Name of County/City/Transit Organization)

I hereby authorize the following individual(s) to execute for and on behalf of the named Regional Entity/Transit Operator, any actions necessary for the purpose of obtaining Low Carbon Transit Operations Program (LCTOP) funds provided by the California Department of Transportation, Division of Rail and Mass Transportation. I understand that if there is a change in the authorized agent, the project sponsor must submit a new form. This form is required even when the authorized agent is the executive authority himself. I understand the Board must provide a resolution approving the Authorized Agent. The Board Resolution appointing the Authorized Agent is attached.

Farhad Mansourian, General Manager OR  
(Name and Title of Authorized Agent)

Erin McGrath, Chief Financial Officer OR  
(Name and Title of Authorized Agent)

Click here to enter text. OR  
(Name and Title of Authorized Agent)

Click here to enter text. OR  
(Name and Title of Authorized Agent)

Debra Fudge Chair, Board of Directors  
(Print Name) (Title)

\_\_\_\_\_  
(Signature)

Approved this 21 day of March, 2018

## Certifications and Assurances

**Lead Agency:** Sonoma-Marín Area Rail Transit District

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**Project Title:** SMART Commuter Rail Operations

---

**Prepared by:** Joanne Parker

---

The California Department of Transportation (Caltrans) has adopted the following Certifications and Assurances for the Low Carbon Transit Operations Program (LCTOP). As a condition of the receipt of LCTOP funds, Lead Agency must comply with these terms and conditions.

### A. General

1. The Lead Agency agrees to abide by the current LCTOP Guidelines and applicable legal requirements.
2. The Lead Agency must submit to Caltrans a signed Authorized Agent form designating the representative who can submit documents on behalf of the project sponsor and a copy of the board resolution appointing the Authorized Agent.

### B. Project Administration

1. The Lead Agency certifies that required environmental documentation is complete before requesting an allocation of LCTOP funds. The Lead Agency assures that projects approved for LCTOP funding comply with Public Resources Code § 21100 and § 21150.
2. The Lead Agency certifies that a dedicated bank account for LCTOP funds only will be established within 30 days of receipt of LCTOP funds.
3. The Lead Agency certifies that when LCTOP funds are used for a transit capital project, that the project will be completed and remain in operation for its useful life.
4. The Lead Agency certifies that it has the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of that project.
5. The Lead Agency certifies that they will notify Caltrans of pending litigation, dispute, or negative audit findings related to the project, before receiving an allocation of funds.
6. The Lead Agency must maintain satisfactory continuing control over the use of project equipment and facilities and will adequately maintain project equipment and facilities for the useful life of the project.
7. Any interest the Lead Agency earns on LCTOP funds must be used only on approved LCTOP projects.
8. The Lead Agency must notify Caltrans of any changes to the approved project with a Corrective Action Plan (CAP).
9. Under extraordinary circumstances, a Lead Agency may terminate a project prior to completion. In the event the Lead Agency terminates a project prior to completion, the Lead Agency must (1) contact Caltrans in writing and follow-up with a phone call verifying receipt of such notice; (2) pursuant to verification, submit a final report indicating the reason for the termination and demonstrating the expended funds were used on the intended purpose; (3) submit a request to reassign the funds to a new project within 180 days of termination.

## Certifications and Assurances

### C. Reporting

1. The Lead Agency must submit the following LCTOP reports:
  - a. Semi-Annual Progress Reports by May 15th and November 15th each year.
  - b. A Final Report within six months of project completion.
  - c. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of LCTOP funds. A copy of the audit report must be submitted to Caltrans within six months of the close of the year (December 31) each year in which LCTOP funds have been received or expended.
2. Other Reporting Requirements: ARB is developing funding guidelines that will include reporting requirements for all State agencies that receive appropriations from the Greenhouse Gas Reduction Fund. Caltrans and project sponsors will need to submit reporting information in accordance with ARB's funding guidelines, including reporting on greenhouse gas reductions and benefits to disadvantaged communities.

### D. Cost Principles

1. The Lead Agency agrees to comply with Title 2 of the Code of Federal Regulations 225 (2 CFR 225), Cost Principles for State and Local Government, and 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
2. The Lead Agency 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 allow ability of individual project cost items and
  - b. Those parties shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving LCTOP funds as a contractor or sub-contractor shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
3. Any project cost for which the Lead Agency has received funds that are determined by subsequent audit to be unallowable under 2 CFR 225, 48 CFR, Chapter 1, Part 31 or 2 CFR, Part 200, are subject to repayment by the Lead Agency to the State of California (State). All projects must reduce greenhouse gas emissions, as required under Public Resources Code section 75230, and any project that fails to reduce greenhouse gases shall also have its project costs submit to repayment by the Lead Agency to the State. Should the Lead Agency fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the Lead Agency from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

## Certifications and Assurances

### A. Record Retention

1. The Lead Agency 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 the Lead Agency, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), and enable the determination of incurred costs at interim points of completion. All accounting records and other supporting papers of the Lead Agency, its contractors and subcontractors connected with LCTOP funding shall be maintained for a minimum of three (3) years after the “Project Closeout” report or final Phase 2 report is submitted (per ARB Funding Guidelines, Vol. 3, page 3.A-16), and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the Lead Agency, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the Lead Agency pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the Lead Agency’s external and internal auditors may be relied upon and used by the 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 the Lead Agency’s contracts with third parties pursuant to Government Code § 8546.7, the project sponsor, its contractors and subcontractors and the 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 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. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the Lead Agency shall furnish copies thereof if requested.
3. The Lead Agency, 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 the State, for the purpose of any investigation to ascertain compliance with this document.

### F. Special Situations

Caltrans may perform an audit and/or request detailed project information of the project sponsor’s LCTOP funded projects at Caltrans’ discretion at any time prior to the completion of the LCTOP.

I certify all of these conditions will be met.

Farhad Mansourian

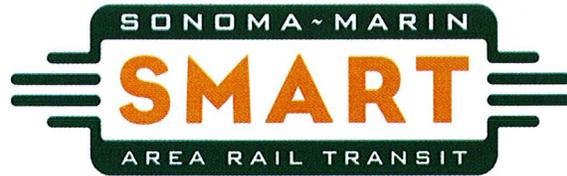
*(Print Authorized Agent)*

General Manager

*(Title)*

*(Signature)*

*(Date)*



**Debora Fudge, Chair**  
 Sonoma County Mayors' and  
 Councilmembers Association

**Judy Arnold, Vice Chair**  
 Marin County Board of Supervisors

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 General Manager

  
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 Petaluma, CA 94954  
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 www.sonomamarintrain.org

March 21, 2018

Sonoma-Marín Area Rail Transit Board of Directors  
 5401 Old Redwood Highway, Suite 200  
 Petaluma, CA 94954

**SUBJECT:** Annual Report 2017

Dear Board Members:

**RECOMMENDATION:** Receive Report

**SUMMARY:**

Attached for your review is SMART's Annual Report for 2017, which provides an overview of our activities during the year and a brief financial summary of Fiscal Year 2016-17. This complements our other public reports, including the Comprehensive Annual Financial Report, the monthly General Manager Reports, the Annual Budget and your Board's monthly financial reports. This report is designed for members of the public who may not have time to listen to or attend monthly Board meetings but are interested in the activities of the District over the past year.

The report this year provides a broad narrative of all the startup activities and work that was required in early 2017 to get our new system up and running. It also describes our opening months, early ridership and revenue information. This year's report also describes operations activities related to running and maintaining the new system as well as capital project activities throughout the year.

At the end of the report, we provide excerpted financial summaries of our Fiscal Year 2016-17 revenues and expenditures. While more detailed information on SMART's spending is provided in our Fiscal Year 2016-17 budget reports and in our 2017 Annual Comprehensive Financial Report, this report includes easy to digest high level information only making it a useful document to share with our funding partners, interested constituents and others in the rail industry.

Very truly yours,

  
 Erin McGrath  
 Chief Financial Officer

Attachment: Annual Report 2017 – Measure Q Program

# Sonoma-Marín Area Rail Transit District Annual Report 2017



5401 Old Redwood Highway, Suite 200  
Petaluma, CA 94954

## About Sonoma-Marín 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](http://www.sonomamarintrain.org).

## 2017 Board of Directors

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*Sonoma County Mayors and Councilmembers Association*

Jake Mackenzie

*Sonoma County Mayors and Councilmembers Association*

Kathrin Sears, Vice Chair

*Marin County Board of Supervisors*

Gary Phillips

*Transportation Authority of Marin*

Judy Arnold

*Marin County Board of Supervisors*

Barbara Pahre

*Golden Gate Bridge, Highway and Transportation District*

Jim Eddie

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*Transportation Authority of Marin*

Shirlee Zane

*Sonoma County Board of Supervisors*

## District Management

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*General Manager*

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*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-Marín 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 21<sup>st</sup> 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.

	Regular Fares	31-Day Pass	Mobile App	Eco-Pass	Total
<b>Fare Revenue</b>	\$859,291	\$234,713	\$222,963	\$66,780	\$1,383,748

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

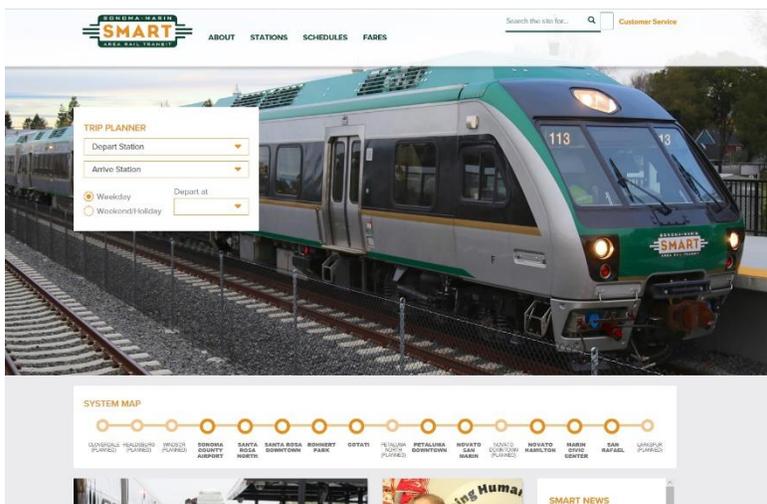
In the weeks following the fires, SMART developed two special relief programs to further assist businesses and individuals impacted by the wildfires. The first was the SMART Business Relief Pass, in which SMART partnered with the Santa Rosa Metro Chamber of Commerce to offer free one-way train passes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

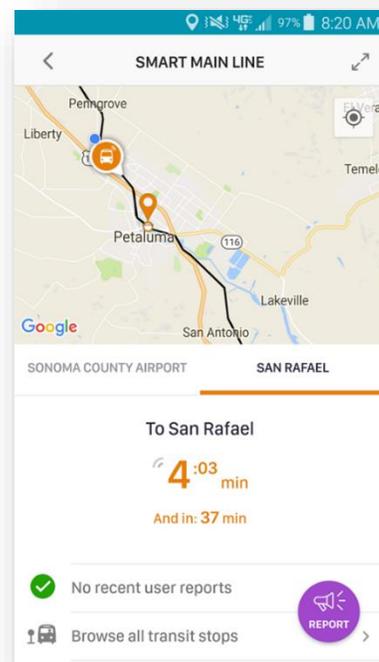
At our headquarters in Petaluma, we opened a fully-functional customer service counter, where passengers could come to purchase all types of Clipper cards as well as apply for discounted cards not available at our platforms.

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 is 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.



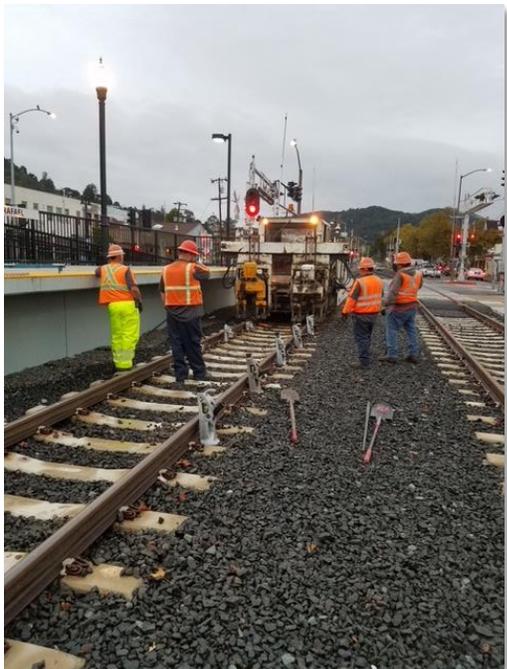
## Operations

### 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

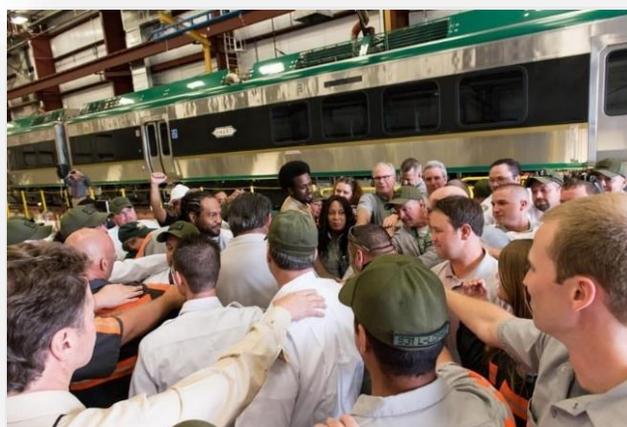


4 trainsets per day testing SMART's Enhanced Automatic Train Control /Centralized Traffic Control (E-ATC/CTC) system. Crew training was required to meet federal certification standards and to ensure crews were properly trained on train handling, route familiarization, and emergency procedures. After 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 through 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.



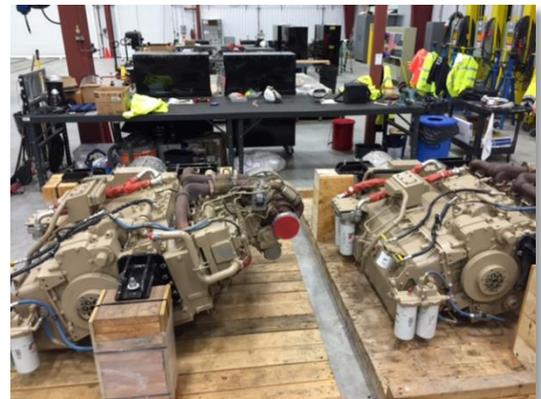
## DOWNTOWN NOVATO STATION PROJECT

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 is 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](http://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.

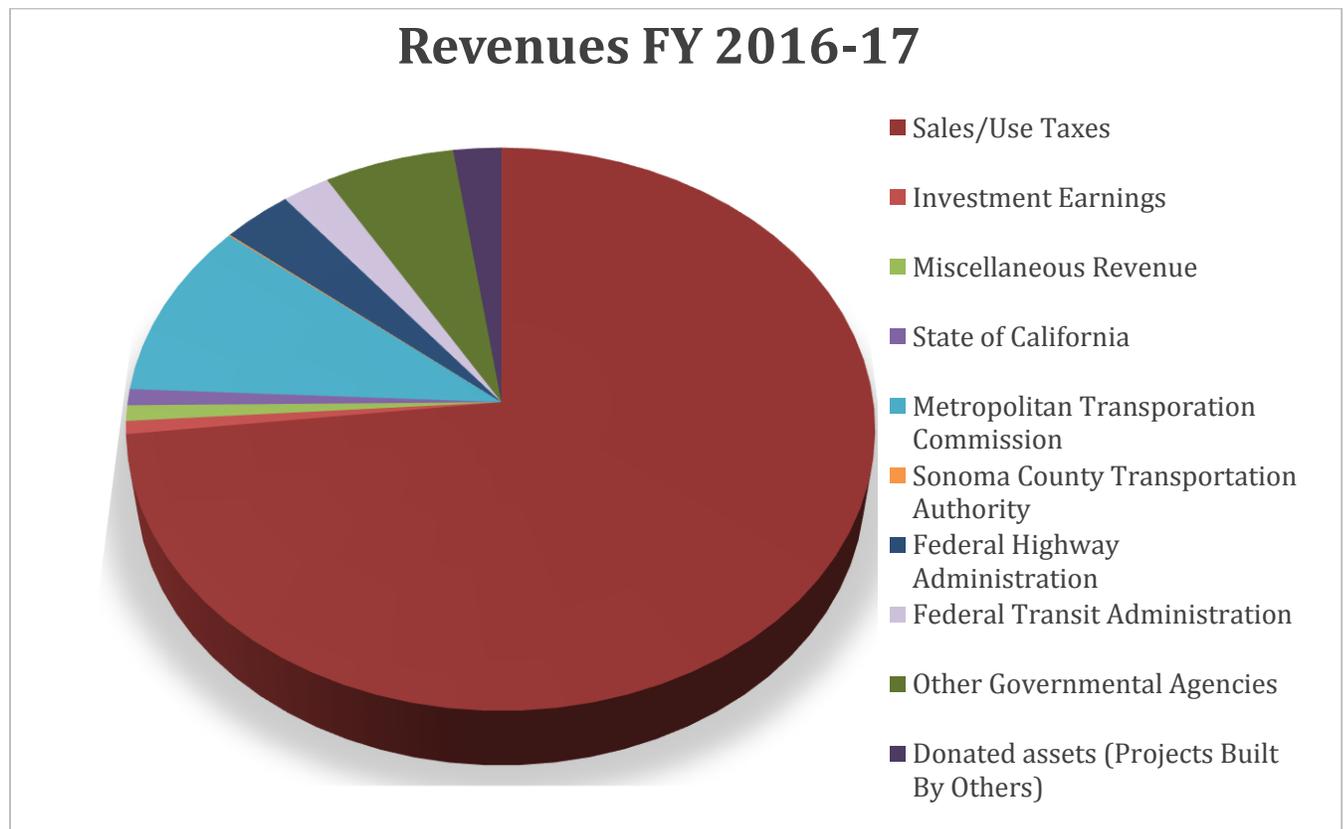
A screenshot of the BeTrackSMART website. The header features the SMART logo and navigation links: Home, Rail Safety Education, Resources, Take the Quiz, SMART Main Site, and Contact Us. The main content area has a large illustration of a train at a crossing with a car and people. Text on the illustration says "Haga clic aquí para tomar la prueba de Seguridad Ferroviaria de SMART". Below the illustration is the heading "BE TRACK SMART" and three columns of safety tips: "Your safety is our top priority.", "Motorist Safety Tips", and "Bicyclist Safety Tips".



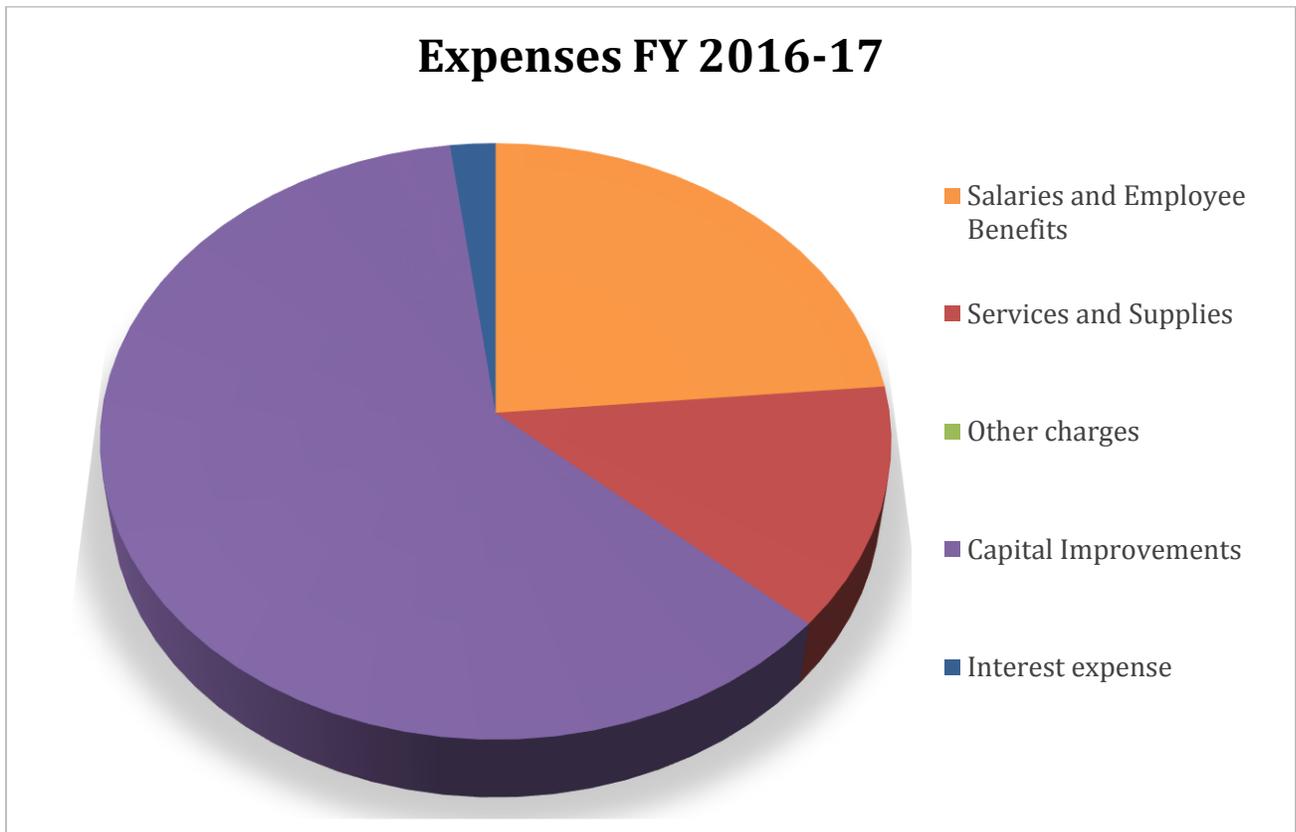
## Financial Information

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.



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.



**Debora Fudge, Chair**  
 Sonoma County Mayors' and  
 Councilmembers Association

**Judy Arnold, Vice Chair**  
 Marin County Board of Supervisors

**Damon Connolly**  
 Marin County Board of Supervisors

**Jim Eddie**  
 Golden Gate Bridge,  
 Highway/Transportation District

**Dan Hillmer**  
 Marin County Council of Mayors and  
 Councilmembers

**Eric Lucan**  
 Transportation Authority of Marin

**Jake Mackenzie**  
 Sonoma County Mayors' and  
 Councilmembers Association

**Barbara Pahre**  
 Golden Gate Bridge,  
 Highway/Transportation District

**Gary Phillips**  
 Transportation Authority of Marin

**David Rabbitt**  
 Sonoma County Board of Supervisors

**Carol Russell**  
 Sonoma County Mayors' and  
 Councilmembers Association

**Shirlee Zane**  
 Sonoma County Board of Supervisors

**Farhad Mansourian**  
 General Manager

5401 Old Redwood Highway  
 Suite 200  
 Petaluma, CA 94954  
 Phone: 707-794-3330  
 Fax: 707-794-3037  
[www.sonomamarintrain.org](http://www.sonomamarintrain.org)

March 21, 2018

Sonoma-Marín Area Rail Transit Board of Directors  
 5401 Old Redwood Hwy, Suite 200  
 Petaluma, CA 94954

**SUBJECT:** Approve Resolution and Authorize Execution of a Memorandum of Understanding between Sonoma-Marín Area Rail Transit District, the Bay Area Toll Authority and the Golden Gate Bridge and Transportation District

Dear Board Members:

**RECOMMENDATION:**

Approve Resolution No. 2018-07 and Authorize the General Manager to execute a Memorandum of Understanding (MOU) by and between Sonoma-Marín Area Rail Transit District (SMART), the Bay Area Toll Authority (BATA) and the Golden Gate Bridge, Highway and Transportation District (GGB) with respect to funding the relocation and construction of a permanent San Rafael Transportation Center (SRTC) facility, consistent with Senate Bill 595 (RM3) and the existing 2017 MOU between SMART and the GGB.

This MOU was approved by GGB's Board of Directors at their February 23, 2018 meeting. MTC is scheduled to approve this at their May 9<sup>th</sup> and May 23<sup>rd</sup> Committee and Commission meeting.

**BACKGROUND:**

SMART and GGB entered into a Memorandum of Understanding as of April 28, 2017 (2017 MOU, attached) that provided a mechanism to fund and construct interim improvements to the San Rafael Transportation Center (SRTC) and insure that funding is ultimately provided for the construction of the permanent San Rafael Transportation Center improvements.

On October 10, 2017, Governor Brown signed into law Senate Bill 595 (SB 595) (RM3) that authorized BATA to seek voter approval to increase the tolls on the state-owned toll bridges located in the Bay Area (RM3). On January 24, 2018, Bay Area Toll Authority (BATA) approved seeking voter approval in June of 2018 for the proposed toll increases. Voter approval would provide \$30 million through BATA for the construction of permanent SRTC improvements.

The SRTC is the main passenger transit terminal for Marin County, providing essential transit services. The continued and efficient operation of the SRTC is a crucial concern of SMART, the transportation service providers operating there, and of their customers.

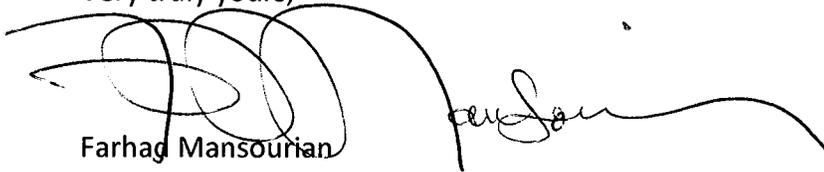
With the passage of SB 595, SMART, BATA and the GGB have negotiated a Memorandum of Understanding to memorialize our agreements with respect to funding the relocation and construction of a permanent SRTC facility (Project), consistent with SB 595 and the April 2017 MOU, as follows:

1. The parties recognize that the SRTC Interim Improvements (as described in the 2017 MOU) are suboptimal and temporary, and as such the SRTC Interim Improvements do not satisfy the need to relocate and construct a permanent SRTC facility to accommodate reasonably anticipated levels of public transit bus and shuttle services in the long term.
2. The parties acknowledge that the passage of SB 595 and BATA's January 24, 2018, action to place the toll increase before the voters, creates a potential source of \$30 million in RM-3 funding for the Project. These actions are consistent with Section B.2 of the 2017 MOU, which requires SMART and GGB to develop a funding plan and to vigorously pursue all potential revenue sources for the Project.
3. The parties acknowledge that the Project has not been fully scoped and environmentally cleared, so the cost of the Project may exceed the \$30 million from RM3. SMART will cooperate and pursue additional potential revenue sources for the Project, including, but not limited to, revenues derived from proposed Regional Measure 3, new State Transportation Improvement Program funds, and Federal transportation and infrastructure funding.
4. As owner of the permanent SRTC, GGB shall be the lead agency for the environmental review of the Project under the California Environmental Quality Act ("CEQA"), as well as the lead agency for the design, development, and construction of the Project, so the District will prepare the environmental document for the Project and obtain all necessary permits and approvals.
5. SMART shall be a responsible agency for the purposes of environmental review of the Project under CEQA, so SMART will participate in the environmental process.
6. The parties agree that the selected alternative must be approved by the SMART Board of Directors.

7. The parties agree that GGB will be the recipient of RM3 funding from BATA for the Project, and BATA will not allocate RM3 monies for the construction of the Project absent the SMART Board of Directors' approval of the selected alternative.
8. Any funds generated from the sale or redevelopment of the existing SRTC site, as applicable, will be reinvested in the Project, with the understanding that GGB shall own the new permanent SRTC facility.
9. SMART and GGB agree that entering into this MOU fully satisfies the requirement for a new funding agreement for relocation and construction of a permanent SRTC Facility, as contemplated in Sections B.2 and B.3 of the 2017 MOU.

**FISCAL IMPACT:** There is no fiscal impact associated with the execution of this MOU.

Very truly yours,



Farhad Mansourian  
General Manager

Attachment(s):

- 1) Resolution No. 2018-07
- 2) 2017 Memorandum of Understanding between SMART and GGB
- 3) Senate Bill 595

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT, STATE OF CALIFORNIA, AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT, THE BAY AREA TOLL AUTHORITY AND THE GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT**

---

**WHEREAS**, the Golden Gate Bridge, Highway and Transportation District (GGB) and Sonoma-Marín Area Rail Transit District (SMART) entered into a Memorandum of Understanding as of April 28, 2017 (2017 MOU) that provided a mechanism to fund and construct interim improvements to the San Rafael Transportation Center (SRTC) and insure that funding is ultimately provided for the construction of the permanent SRTC improvements;

**WHEREAS**, on October 10, 2017, Governor Jerry Brown signed into law Senate Bill 595 (SB 595) that authorized the Bay Area Toll Authority (BATA) to seek voter approval to increase the tolls on the state-owned toll bridges located in the Bay Area (Regional Measure 3), and on January 24, 2018, BATA approved seeking voter approval in June of 2018 for the proposed toll increases which, if approved, would provide \$30 million through BATA for the construction of permanent SRTC improvements;

**WHEREAS**, in light of the passage of SB 595, SMART, BATA and the GGB have negotiated a Memorandum of Understanding to memorialize their understandings and agreements with respect to funding the relocation and construction of a permanent SRTC facility (Project), consistent with SB 595 and the 2017 MOU, as detailed in the staff report; and,

**WHEREAS**, the Building and Operating Committee, at its meeting of February 22, 2018, has so recommended; now, therefore, be it

**NOW, THEREFORE, BE IT RESOLVED THAT THE** Board of Directors of the SMART District hereby authorizes the General Manager to execute a Memorandum of Understanding by and between the Sonoma-Marín Area Rail Transit District (SMART), Bay Area Toll Authority (BATA) and the Golden Gate Bridge, Highway and Transportation District to memorialize their understandings and agreements with respect to funding the relocation and construction of a permanent San Rafael Transportation Center (SRTC) facility, consistent with Senate Bill 595 and the existing 2017 MOU between SMART and the GGB.

**Resolution No. 2018-07**  
**Sonoma-Marín Area Rail Transit District**  
**March 21, 2018**

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Sonoma-Marín Area Rail Transit District held on the 21<sup>ST</sup> day of March, 2018, by the following vote:

**DIRECTORS:**

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Debora Fudge, Chair, Board of Directors  
Sonoma-Marín Area Rail Transit District

ATTEST:

\_\_\_\_\_  
Leticia Rosas-Mendoza, Clerk of Board of Directors  
Sonoma-Marín Area Rail Transit District

## ***Memorandum of Understanding***

### ***Between Golden Gate Bridge, Highway and Transportation District and Sonoma Marin Area Rail Transit District***

This Memorandum of Understanding ("2017 MOU" or "Agreement") is entered into as of this <sup>28<sup>th</sup></sup> day of April 2017 ("Effective Date"), by and between the Golden Gate Bridge, Highway and Transportation District, a special district ("GGB"), and the Sonoma Marin Area Rail Transit District, a special district ("SMART"), (collectively referred to as the "parties").

#### **Recitals**

##### ***A. Introduction***

The parties entered into a Memorandum of Understanding as of October 25, 2005 ("2005 MOU") that required GGB and SMART to enter into an agreement for the funding of construction of improvements to the San Rafael Transportation Center ("SRTC"). This 2017 MOU is entered into to satisfy this requirement of the 2005 MOU by providing the mechanism to fund and construct interim improvements to the SRTC, which are suboptimal as compared to the existing SRTC, and by providing the mechanism to insure that the funding is ultimately provided for the construction of the permanent SRTC improvements.

##### ***B. Collaboration for SRTC Plan***

Since 2015, a multi-agency effort to redesign and relocate the SRTC facilities has been underway. A 2017 revised effort developed a plan that will allow bus operations to be maintained on site at the SRTC with relocated and reconstructed platforms. This interim facility design eliminates the need to relocate bus operations and construct and operate bus stops on surrounding City streets for the near term, but the interim facility is less functional than the existing SRTC. Accordingly, it does not satisfy the need for a permanent replacement of the SRTC in the long term. In order to accommodate construction of the extension of the SMART rail line to Larkspur ("Larkspur Extension") as soon as possible, this 2017 MOU identifies the roles and responsibilities of the parties for the funding and construction of interim improvements at the SRTC, and also identifies the requirements for the funding of the construction of the permanent SRTC improvements.

#### **Agreement**

The parties agree as follows:

##### ***A. Design, Funding and Construction of the SRTC Interim Improvements***

1. The parties have jointly developed an interim design for improvements to the SRTC to accommodate both bus and rail service. The parties cooperated in conducting proxy tests of an interim design that reconfigures the passenger platforms and traffic circulation at the existing SRTC site. The agreed upon interim design and specific improvements were presented by the GGB General Manager to SMART's Board of Directors on March 15, 2017 and reviewed by the GGB Transportation Committee on March 23, 2017, as shown on the attached Exhibit A ("SRTC Interim Improvements").

2. The list of the SRTC Interim Improvements identified as necessary to construct and reconstruct facilities at the SRTC, together with construction design details and sequencing requirements, is shown on the table attached as Exhibit B.

3. SMART is the lead agency responsible for the final design and construction of the SRTC Interim Improvements, and will bear any and all costs including but not limited to planning, design, environmental, and construction costs. SMART has agreed to fully fund the cost of the SRTC Interim Improvements. The amount of Three Million Two Hundred Thousand Dollars (\$3,200,000) using "Port Sonoma" federal Funds has been committed to this effort. SMART, at its sole expense, will develop technical specifications and drawings to complete the design and incorporate the construction work elements described in Exhibit B. The parties recognize that the costs to construct the interim SRTC improvements will likely exceed \$3.2 million, and SMART will be responsible for funding the full cost.

4. The final design and completion of construction of the SRTC Interim Improvements shall be subject to the approval of GGB. GGB agrees it will not unreasonably withhold its review and consent to final plans. Any changes to the approved final design must be approved by GGB.

5. SMART will provide appropriate notice and signage, and its public information staff will coordinate with GGB public information staff to develop a public information campaign to inform the public in advance about the construction schedule for the SRTC Interim Improvements.

6. SMART shall incorporate the SRTC Interim Improvements into SMART's Larkspur Extension Project, to be bid, constructed and managed thereunder. All construction work for the SRTC Interim Improvements shall occur only between 10:30 p.m. Friday through 5 a.m. Monday, unless the parties agree in writing to an alternate schedule. There shall be no disruption to weekday bus schedules and the bus bays shall be open for scheduled bus operations at the SRTC. All construction of the Larkspur Extension through the SRTC will be conducted in such a manner as to not adversely affect existing bus transit operations at the SRTC. SMART shall ensure that its contracts for the Larkspur Extension incorporate these construction windows, and SMART agrees to enforce these contract provisions as a material condition of this MOU.

**B. *Design and Funding For Relocation and Construction of Permanent SRTC Facility***

1. The parties recognize that the SRTC Interim Improvements are suboptimal and temporary, and as such the SRTC Interim Improvements do not satisfy the need to relocate and construct a permanent SRTC facility to accommodate reasonably anticipated levels of public transit bus and shuttle services in the long term.

2. The parties will develop a full funding plan for the permanent relocation and construction of improvements for the SRTC, and shall vigorously pursue all potential revenue sources, including, but not limited to, revenues derived from proposed Regional Measure 3, new State Transportation Improvement Program funds, and Federal transportation and infrastructure funding. In the event that the parties are unsuccessful in obtaining the identified and necessary funding from the referenced sources, the parties shall fully cooperate to develop an alternative funding plan.

3. SMART agrees to not issue a notice to proceed for construction of any rail construction north of Windsor until the parties have entered into a new agreement for the funding of the construction of the permanent SRTC improvements. As owner of the permanent SRTC, GGB shall be the lead agency for the environmental clearance, design, development, and construction of the permanent SRTC facility.

4. Any funds generated from the sale or redevelopment of the existing SRTC site, as applicable, will be reinvested in the permanent SRTC relocation site, with the understanding that GGB shall own the new permanent SRTC facility.

**C. Property Acquisition**

1. SMART agrees to acquire any property required for the Larkspur Extension, including the SRTC Interim Improvements, at its sole cost and expense.

2. The parties recognize that certain SRTC property owned by GGB will be necessary for the Larkspur Extension. The parties will negotiate the terms and conditions for SMART's purchase of the required property from GGB, subject to a permanent non-exclusive easement retained by GGB for the limited purpose of operating and maintaining the SRTC. Title to the additional rail line property acquired for the Larkspur Extension shall be held by SMART. The permanent nonexclusive easement held by GGB as described in the 2005 MOU at 1.4.a, Retained Rights, and in the Deed conveying the ROW to SMART over that portion of the SRTC located on the San Rafael ROW ("SRTC Easement") remains unchanged by this MOU.

**D. Joint Use, Operation, and Maintenance of the Interim Transit Facility and the Permanent Relocation of the SRTC**

1. Prior to the initiation of passenger rail service on the Larkspur Extension, the parties shall develop a program for the joint use, operation, and maintenance of the SRTC, as necessary to coordinate bus and rail operations.

2. In the event that construction of the Larkspur Extension project is terminated or abandoned for any reason, and the existing SRTC has been made unusable due to the initiation of construction (e.g., demolition of the platform(s)), SMART, at its sole expense, shall restore the SRTC to its existing functionality for public transportation operations.

**E. Additional Terms**

1. Dispute Resolution. Any controversy, claim or dispute arising out of or related to the interpretation, construction, performance or breach of this Agreement, which cannot be resolved by the parties after good faith discussions shall be submitted to mediation in the County of Marin, California, administered by the American Arbitration Association under its Commercial Mediation Rules. Mediation shall proceed and continue until such time as the matter is either resolved or the mediator finds or the parties agree that mediation should not continue. If the parties cannot resolve the controversy, claim or dispute through the mediation process described above, the matter shall be settled by arbitration in the County of Marin, California, administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All direct costs and expenses of each party other than those for payment of the mediator or arbitrator(s) and/or mediation or arbitration facilities shall be borne and paid for by the party that incurs such expenses.

2. Agreement Expenses. The parties agree to bear their respective expenses, incurred or to be incurred in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.

3. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. The parties to this agreement may not assign, encumber or otherwise transfer its rights under this Agreement, whether voluntarily, involuntarily, by operation of law or otherwise. Any assignment, encumbrance or other transfer in violation of the foregoing shall be void and confer no rights on the transferee.

4. Parties in Interest. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right to subrogation or action against any party to this Agreement.

5. Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior or contemporaneous oral or written agreements, representations, statements, documents, or understandings of the parties. Except as specifically modified by this Agreement, the 2005 MOU remains in full force and effect.

6. Amendment. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by the party to be bound.

7. Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

8. Timeliness. GGB and SMART hereby acknowledge and agree that time is of the essence with respect to each and every term, condition, obligation and provision hereof.

9. Notices. Any notice or other communication required or permitted to be given under this Agreement ("Notices") shall be in writing and shall be (i) personally delivered; (ii) delivered by a reputable overnight courier; or (iii) delivered by certified mail, return receipt requested and deposited in the U.S. Mail, postage prepaid. Notices shall be deemed received at the earlier of actual receipt or (i) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (ii) three business days following deposit in the U.S. Mail, as evidenced by a return receipt. Notices shall be directed to the parties at their respective addresses shown below, or such other address as any party may, from time to time, specify in writing to the other in the manner described above:

if to SMART:

Sonoma Marin Area Rail Transit District  
5401 Old Redwood Highway, Suite 200  
Petaluma, CA 94954  
Attn: Farhad Mansourian, General Manager

with copy to: Tom Lyons, Legal Counsel  
5401 Old Redwood Highway  
Suite 200  
Petaluma CA 94954

if to GGB: Golden Gate Bridge Highway and  
Transportation District  
Box 9000 Presidio Station  
San Francisco, CA 94129-0601  
Attn: Denis Mulligan, General Manager

with a copy to: Hanson Bridgett LLP  
425 Market Street, 26th Floor  
San Francisco, CA 94105  
Attn: Kim Manolius, Attorney for the District

10. Governing Law and Venue. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California, and any action or proceeding, including mediation or arbitration, brought by any party in which this Agreement is subject, shall be brought in the County of Marin, California.

11. Effect of Headings. The headings of the paragraphs of this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of its provisions.

12. Invalidity. Any provision of this Agreement which is invalid, void, or illegal, shall not affect, impair, or invalidate any other provision of this Agreement, and such other provisions of this Agreement shall remain in full force and effect

13. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14. Number and Gender. When required by the context of this Agreement, each number (singular and plural) shall include all numbers, and each gender shall include all genders.

15. Further Assurances. Each party to this Agreement agrees to execute, acknowledge, and deliver such further instruments as may be necessary or desirable to accomplish the intent and purpose of this Agreement, provided that the party requesting such further action shall bear all costs and expenses related thereto.

16. Negotiated Terms. The parties agree that the terms and conditions of this Agreement are the result of negotiations between the parties and that this Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or its professionals participated in the preparation of this Agreement.

IN WITNESS WHEREOF, the parties have entered into this Memorandum of Understanding with the intent to be legally bound.

GOLDEN GATE BRIDGE, HIGHWAY AND  
TRANSPORTATION DISTRICT, a special district

By: Denis Mulligan  
Name: Denis Mulligan  
Its: General Manager

APPROVED AS TO FORM

[Signature]  
Attorney

SONOMA MARIN AREA RAIL TRANSIT DISTRICT,  
a special district

By: [Signature]  
Name: GARHAT MANSOURIAN  
Its: General Manager

APPROVED AS TO FORM

[Signature]  
Attorney

## Senate Bill No. 595

### CHAPTER 650

An act to add Article 7 (commencing with Section 28840) to Chapter 3 of Part 2 of Division 10 of the Public Utilities Code, and to amend Sections 149.6, 30102.5, 30891, 30911, 30915, 30916, 30918, 30920, 30922, and 30950.3 of, and to add Sections 30914.7 and 30923 to, the Streets and Highways Code, relating to transportation.

[Approved by Governor October 10, 2017. Filed with  
Secretary of State October 10, 2017.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 595, Beall. Metropolitan Transportation Commission: toll bridge revenues: BART Inspector General: Santa Clara Valley Transportation Authority: high-occupancy toll lanes.

(1) Existing law creates the Metropolitan Transportation Commission (MTC) as a regional agency in the 9-county San Francisco Bay area with comprehensive regional transportation planning and other related responsibilities. Existing law creates the Bay Area Toll Authority (BATA) as a separate entity governed by the same governing board as MTC and makes BATA responsible for the programming, administration, and allocation of toll revenues from the state-owned toll bridges in the San Francisco Bay area. Existing law authorizes BATA to increase the toll rates for certain purposes, including to meet its bond obligations, provide funding for certain costs associated with the bay area state-owned toll bridges, including for the seismic retrofit of those bridges, and provide funding to meet the requirements of certain voter-approved regional measures. Existing law provided for submission of 2 regional measures to the voters of 7 bay area counties in 1988 and 2004 relative to specified increases in bridge auto tolls on the bay area state-owned toll bridges, subject to approval by a majority of the voters.

This bill would require the City and County of San Francisco and the other 8 counties in the San Francisco Bay area to conduct a special election, to be known as Regional Measure 3, on a proposed increase in the amount of the toll rate charged on the state-owned toll bridges in that area to be used for specified projects and programs. The bill would require BATA to select the amount of the proposed increase, not to exceed \$3, to be placed on the ballot for voter approval. If approved by the voters, the bill would authorize BATA, beginning 6 months after the election approving the toll increase, to phase in the toll increase over a period of time and to adjust the toll increase for inflation after the toll increase is phased in completely. The bill would specify that, except for the inflation adjustment, providing funding to meet the requirements of voter approved regional measures, and as

otherwise specified in statute, the toll increase adopted pursuant to the results of this election may not be changed without the statutory authorization of the Legislature. By requiring this election, the bill would impose a state-mandated local program. The bill would require BATA to reimburse from toll revenues, as specified, the counties and the City and County of San Francisco for the cost of submitting the measure to the voters.

This bill would require BATA to establish an independent oversight committee within 6 months of the effective date of the Regional Measure 3 toll increase with a specified membership, to ensure the toll revenues generated by the toll increase are expended consistent with a specified expenditure plan. The bill would require BATA to submit an annual report to the Legislature on the status of the projects and programs funded by the toll increase.

(2) Existing law authorizes BATA to vary the toll structure on each of the bay area state-owned toll bridges and to provide discounts for vehicles classified by BATA as high-occupancy vehicles.

This bill would additionally authorize BATA to provide discounts for vehicles that pay for tolls electronically or through other non-cash methods and to charge differential rates based on the chosen method.

This bill, with respect to the Regional Measure 3 toll increase, would require BATA to provide a 50% discount on the amount of that toll increase on the 2nd bridge crossing for those commuters using a two-axle vehicle, who pay tolls electronically or through other noncash methods and who cross 2 bridges during commute hours, as specified.

Existing law, if BATA establishes high-occupancy vehicle lane fee discounts or access for vehicles classified by BATA as high-occupancy vehicles for any bridge, requires BATA to collaborate with the Department of Transportation to reach agreement on how the occupancy requirements shall apply on each segment of highway that connects with that bridge.

This bill would instead require BATA to establish those occupancy requirements in consultation with the department.

(3) Existing law establishes the San Francisco Bay Area Rapid Transit District (BART), governed by a board of directors, with specified powers and duties relative to the construction and operation of a rapid transit system.

This bill would create the Independent Office of the BART Inspector General within BART. The bill would provide for the board of directors to nominate 3 persons to the Governor and for the Governor to appoint one of those nominees to serve as the Inspector General for a 4-year term. The bill would require the Inspector General to be removed from office by the board of directors, subject to the approval of the Governor, under certain circumstances. The bill would specify the duties and responsibilities of the Inspector General and would require the Inspector General to submit an annual report to the board of directors and the Legislature. The bill would provide for the office to receive \$1,000,000 from an allocation of bridge toll revenue from BATA and, in the second and subsequent years of operation of the office, would authorize BATA to increase that amount, as specified. The bill would make these provisions operative upon an

affirmative vote to increase tolls on the bay area state-owned toll bridges pursuant to Regional Measure 3 or related provisions.

(4) Existing law authorizes the Santa Clara Valley Transportation Authority (VTA) to conduct, administer, and operate a value pricing high-occupancy toll (HOT) lane program on 2 corridors included in the high-occupancy vehicle lane system in Santa Clara County. Existing law authorizes a HOT lane established as part of this program on State Highway Route 101 to extend into the County of San Mateo as far as the high-occupancy lane in the County of San Mateo existed as of January 1, 2011, subject to agreement of the City/County Association of Governments of San Mateo County.

This bill would delete the authorization for a HOT lane to extend into the specified portion of San Mateo County as part of a value pricing program established on 2 corridors in Santa Clara County. The bill would instead authorize VTA to specifically conduct, administer, and operate a value pricing high-occupancy toll lane program on State Highway Route 101 in San Mateo County in coordination with the City/County Association of Governments of San Mateo County and the San Mateo County Transportation Authority, as prescribed.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares all of the following:

(a) The San Francisco Bay area's strong economy and growing population are placing a tremendous burden on its aging transportation infrastructure. Between 2010 and 2040, the population is forecasted to grow by 2.3 million, while the number of jobs are projected to grow by 1.3 million.

(b) Traffic congestion on the region's seven state-owned toll bridges degrades the bay area's quality of life, impairs its economy, and shows no signs of abating. Between 2010 and 2015, combined volumes on the region's seven state-owned toll bridges grew by 11 percent, while volumes on just the Dumbarton Bridge, the Richmond-San Rafael Bridge, and the San Mateo-Hayward Bridge grew by 20 percent.

(c) In 2015, five of the region's top 10 worst congested roadways were in the South Bay (San Mateo or Santa Clara Counties).

(d) In the San Francisco-Oakland Bay Bridge corridor from Hercules to San Francisco, weekday traffic speeds average less than 35 mph from 5:35 a.m. until 7:50 p.m.

(e) Weekday congestion on the west approach to the San Francisco-Oakland Bay Bridge in the eastbound direction typically begins before 1 p.m. and continues until 9:30 p.m.

(f) Weekday northbound traffic congestion on State Highway Route 101 from Novato to Petaluma begins by 3 p.m. and typically lasts over three hours.

(g) Daily peak-hour traffic on State Highway Route 37 between Marin and Solano Counties jumped over 40 percent from 2010 to 2015.

(h) The region's only rail link across San Francisco Bay, the Bay Area Rapid Transit District (BART), is 44 years old and faces multibillion-dollar capital funding shortfalls to accommodate growing ridership and achieve a state of good repair. Meanwhile, BART ridership is at record levels, exceeding 128 million in fiscal year 2016, a 27-percent increase from fiscal year 2010.

(i) Annual ridership on ferries from Alameda, Oakland, and Vallejo to San Francisco and South San Francisco more than doubled between 2010 and 2016, from 1.1 million to 2.5 million.

(j) Ridership on the weekday transbay bus service provided by the Alameda-Contra Costa Transit District rose 33 percent between 2012 and 2016.

(k) Truck traffic in and out of the Port of Oakland grew by 33 percent since 2000 and contributes to worsening congestion on the region's bridges and roadways. An estimated 99 percent of the containerized goods moving through northern California are loaded or discharged at the port.

(l) The last time bay area voters had the opportunity to approve new funding for improvements in the bridge corridors was in 2004, when voters approved Regional Measure 2, a \$1 toll increase.

(m) To improve the quality of life and sustain the economy of the San Francisco Bay area, it is the intent of the Legislature to require the Metropolitan Transportation Commission to place on the ballot a measure authorizing the voters to approve an expenditure plan to improve mobility and enhance travel options on the bridges and bridge corridors to be paid for by an increase in the toll rate on the seven state-owned bridges within its jurisdiction.

SEC. 2. Article 7 (commencing with Section 28840) is added to Chapter 3 of Part 2 of Division 10 of the Public Utilities Code, to read:

Article 7. The Office of the BART Inspector General

28840. (a) There is hereby created in the district an independent Office of the BART Inspector General to ensure that the district makes effective use of bridge toll revenue and other revenue and operates efficiently, effectively, and in compliance with applicable federal and state laws.

(b) (1) The board shall nominate three persons to the Governor who shall appoint one of the three persons nominated by the board to serve as the BART Inspector General for an initial four-year term. The board shall

have the option to renew the term at will. The BART Inspector General shall be removed from office by the board, subject to approval of the Governor, only if either of the following occur:

(A) A two-thirds majority of the members of the board votes for removal.

(B) The Inspector General violates a federal or state law or regulation, a local ordinance, or a policy or practice of the authority relative to ethical practices, including, but not limited to, the acceptance of gifts or contributions.

(2) The reasons for removal of the Inspector General shall be stated in writing and shall include the basis for removal. The document stating the reasons for dismissal shall be deemed a public document and posted on the district's Internet Web site.

(c) Within one year of the operative date of this article, the board shall nominate three persons to serve as the first BART Inspector General to be appointed pursuant to subdivision (b).

28841. The duties and responsibilities of the BART Inspector General shall include, but are not limited to, all of the following:

(a) To examine the operating practices of the district to identify fraud, waste, and opportunities for efficiencies in the administration of programs and operations.

(b) To ensure the BART administration, the board of directors, and the public are fully informed of his or her findings and recommendations.

(c) To identify opportunities to improve the data used to determine project resource allocations.

(d) To conduct, supervise, and coordinate audits and investigations relating to the district's programs and operations, including, but not limited to, toll-funded programs.

(e) To identify best practices in the delivery of capital projects and recommend policies to enable the district to adopt these practices when practicable.

(f) To recommend policies promoting efficiency in the administration of programs and operations.

(g) To review and recommend best practices that the district should follow to maintain positive and productive relations with its employees and the collective bargaining units representing those employees.

28842. The Office of the BART Inspector General shall receive one million dollars (\$1,000,000) from an allocation of bridge toll revenue from the Bay Area Toll Authority. In the second and subsequent years of operation of the office, the authority may increase the amount of funding allocated for this purpose to the extent funds are requested and justified by the office and can be accommodated in the authority's budget.

28843. The BART Inspector General shall report at least annually to the board of directors and the Legislature with a summary of his or her findings, investigations, and audits. The summary shall be posted on the district's Internet Web site and shall otherwise be made available to the public upon its release to the board. The summary shall include, but need not be limited to, significant problems discovered by the BART Inspector

General and whether recommendations of the BART Inspector General relative to investigations and audits have been implemented by the district.

28844. Any investigatory file compiled by the BART Inspector General is an investigatory file compiled by a local law enforcement agency subject to disclosure pursuant to subdivision (f) of Section 6254 of the Government Code.

28845. This article shall become operative upon an affirmative vote of the residents of the City and County of San Francisco and the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma to increase tolls pursuant to Section 30923 of the Streets and Highways Code on the bridges described in Section 30910 of the Streets and Highways Code.

SEC. 3. Section 149.6 of the Streets and Highways Code is amended to read:

149.6. (a) Notwithstanding Sections 149, 149.7, and 30800, and Section 21655.5 of the Vehicle Code, the Santa Clara Valley Transportation Authority (VTA) created by Part 12 (commencing with Section 100000) of Division 10 of the Public Utilities Code may conduct, administer, and operate a value pricing program on any two of the transportation corridors included in the high-occupancy vehicle lane system in Santa Clara County in coordination with the Metropolitan Transportation Commission and consistent with Section 21655.6 of the Vehicle Code.

(b) Notwithstanding Sections 149, 149.7 and 30800, and Section 21655.5 of the Vehicle Code, the VTA may conduct, administer, and operate a value pricing program on State Highway Route 101 in San Mateo County in coordination with the City/County Association of Governments of San Mateo County and with the San Mateo County Transportation Authority and consistent with Section 21655.6 of the Vehicle Code.

(c) (1) VTA, under the circumstances described in subdivisions (a) and (b), may direct and authorize the entry and use of those high-occupancy vehicle lanes by single-occupant vehicles for a fee. The fee structure shall be established from time to time by the authority. A high-occupancy vehicle lane may only be operated as a high-occupancy toll (HOT) lane during the hours that the lane is otherwise restricted to use by high-occupancy vehicles.

(2) VTA shall enter into a cooperative agreement with the Bay Area Toll Authority to operate and manage the electronic toll collection system.

(d) With the consent of the department, VTA shall establish appropriate performance measures, such as speed or travel times, for the purpose of ensuring optimal use of the HOT lanes by high-occupancy vehicles without adversely affecting other traffic on the state highway system. Unrestricted access to the lanes by high-occupancy vehicles shall be available at all times, except that those high-occupancy vehicles may be required to have an electronic transponder or other electronic device for enforcement purposes. At least annually, the department shall audit the performance during peak traffic hours and report the results of that audit at meetings of the program management team.

(e) Single-occupant vehicles that are certified or authorized by the authority for entry into, and use of, the high-occupancy vehicle lanes in Santa Clara County and San Mateo County are exempt from Section 21655.5 of the Vehicle Code, and the driver shall not be in violation of the Vehicle Code because of that entry and use.

(f) VTA shall carry out a value pricing program established pursuant to this section in cooperation with the department pursuant to an agreement that addresses all matters related to design, construction, maintenance, and operation of state highway system facilities in connection with the value pricing program. An agreement to carry out the program authorized pursuant to subdivision (b) shall be subject to the review and approval by the City/County Association of Governments of San Mateo County and the San Mateo County Transportation Authority.

(g) (1) Agreements between VTA, the department, and the Department of the California Highway Patrol shall identify the respective obligations and liabilities of those entities and assign them responsibilities relating to the program. The agreements entered into pursuant to this section shall be consistent with agreements between the department and the United States Department of Transportation relating to this program. The agreements shall include clear and concise procedures for enforcement by the Department of the California Highway Patrol of laws prohibiting the unauthorized use of the high-occupancy vehicle lanes, which may include the use of video enforcement. The agreements shall provide for reimbursement of state agencies, from revenues generated by the program, federal funds specifically allocated to the authority for the program by the federal government, or other funding sources that are not otherwise available to state agencies for transportation-related projects, for costs incurred in connection with the implementation or operation of the program.

(2) The revenues generated by the program shall be available to VTA for the direct expenses related to the operation (including collection and enforcement), maintenance, construction, and administration of the program. The VTA's administrative costs in the operation of the program shall not exceed 3 percent of the revenues.

(3) (A) For a value pricing program established pursuant to subdivision (a), all remaining revenue generated by the program after expenditures made pursuant to paragraph (2) shall be used in the corridor from which the revenues were generated exclusively for the preconstruction, construction, and other related costs of high-occupancy vehicle facilities, transportation corridor improvements, and the improvement of transit service, including, but not limited to, support for transit operations pursuant to an expenditure plan adopted by the VTA.

(B) For a value pricing program established pursuant to subdivision (b), all remaining revenue generated by the program after expenditures made pursuant to paragraph (2) shall be used in the corridor from which the revenues were generated exclusively for the preconstruction, construction, and other related costs of high-occupancy vehicle facilities, transportation corridor improvements, and the improvement of transit service, including,

but not limited to, support for transit operations pursuant to an expenditure plan adopted by the City/County Association of Governments of San Mateo County and the San Mateo County Transportation Authority.

(h) (1) The VTA may issue bonds, refunding bonds, or bond anticipation notes, at any time to finance construction and construction-related expenditures necessary to implement a value pricing program established pursuant to subdivision (a) or (b) and construction and construction-related expenditures that are provided for in an expenditure plan adopted pursuant to paragraph (3) of subdivision (e), payable from the revenues generated from the program.

(2) The maximum bonded indebtedness that may be outstanding at any one time shall not exceed an amount that may be serviced from the estimated revenues generated from the program.

(3) The bonds shall bear interest at a rate or rates not exceeding the maximum allowable by law, payable at intervals determined by the authority.

(4) Any bond issued pursuant to this subdivision shall contain on its face a statement to the following effect:

“Neither the full faith and credit nor the taxing power of the State of California is pledged to the payment of principal of, or the interest on, this bond.”

(5) Bonds shall be issued pursuant to a resolution of VTA adopted by a two-thirds vote of its governing board. The resolution shall state all of the following:

(A) The purposes for which the proposed debt is to be incurred.

(B) The estimated cost of accomplishing those purposes.

(C) The amount of the principal of the indebtedness.

(D) The maximum term of the bonds and the interest rate.

(E) The denomination or denominations of the bonds, which shall not be less than five thousand dollars (\$5,000).

(F) The form of the bonds, including, without limitation, registered bonds and coupon bonds, to the extent permitted by federal law, the registration, conversion, and exchange privileges, if applicable, and the time when all of, or any part of, the principal becomes due and payable.

(G) Any other matters authorized by law.

(6) The full amount of bonds may be divided into two or more series and different dates of payment fixed for the bonds of each series. A bond shall not be required to mature on its anniversary date.

(i) Not later than three years after VTA first collects revenues from any of the projects described in paragraph (1) of subdivision (c), VTA shall submit a report to the Legislature on its findings, conclusions, and recommendations concerning the demonstration program authorized by this section. The report shall include an analysis of the effect of the HOT lanes on adjacent mixed-flow lanes and any comments submitted by the department and the Department of the California Highway Patrol regarding operation of the lanes.

SEC. 4. Section 30102.5 of the Streets and Highways Code is amended to read:

30102.5. Consistent with Section 30918, the Bay Area Toll Authority shall fix the rates of the toll charge, except as provided in Sections 30921 and 30923, and may grant reduced-rate and toll-free passage on the state-owned toll bridges within the jurisdiction of the Metropolitan Transportation Commission.

SEC. 5. Section 30891 of the Streets and Highways Code is amended to read:

30891. The commission may retain, for its cost in administering this article, an amount not to exceed one-quarter of 1 percent of the revenues allocated by it pursuant to Section 30892 and of the revenues allocated by it pursuant to Sections 30913, 30914, and 30914.7.

SEC. 6. Section 30911 of the Streets and Highways Code is amended to read:

30911. (a) The authority shall control and maintain the Bay Area Toll Account and other subaccounts it deems necessary and appropriate to document toll revenue and operating expenditures in accordance with generally accepted accounting principles.

(b) (1) After providing for expenditures pursuant to subdivision (a) of Section 30912 and for operating assistance pursuant to subdivision (d) of Section 30914 and subdivision (c) of Section 30914.7 and after the requirements of any bond resolution or indenture of the authority for any outstanding revenue bonds have been met, the authority shall transfer on a regularly scheduled basis as set forth in the authority's annual budget resolution, the revenues defined in subdivision (b) of Sections 30913, 30914, and 30914.7 to the commission. The funds transferred to the commission shall be expended for the purposes specified in subdivision (b) of Section 30913 and Sections 30914 and 30914.7. After the commission makes a determination that the projects and programs funded by the commission have been completed, the revenues transferred to the commission shall be expended by the commission for supplemental funding for the projects and programs identified in subdivision (a) of Section 30914.7 if the voters approve a toll increase authorized pursuant to Section 30923.

(2) For the purposes of paragraph (1), the revenues defined in subdivision (b) of Section 30913 and subdivision (a) of Section 30914 include all revenues accruing since January 1, 1989.

SEC. 7. Section 30914.7 is added to the Streets and Highways Code, to read:

30914.7. (a) If the voters approve a toll increase pursuant to Section 30923, the authority shall, consistent with the provisions of this section fund the projects and programs described in this subdivision that shall collectively be known as the Regional Measure 3 expenditure plan by bonding or transfers to the Metropolitan Transportation Commission. These projects and programs have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, from toll revenues of all bridges:

(1) BART Expansion Cars. Purchase new railcars for the Bay Area Rapid Transit District (BART) to expand its fleet and improve reliability. The project sponsor is the BART. Five hundred million dollars (\$500,000,000).

(2) Bay Area Corridor Express Lanes. Fund the environmental review, design, and construction of express lanes to complete the Bay Area Express Lane Network, including supportive operational improvements to connecting transportation facilities. Eligible projects include, but are not limited to, express lanes on Interstate 80, Interstate 580, and Interstate 680 in the Counties of Alameda and Contra Costa, Interstate 880 in the County of Alameda, Interstate 280 in the City and County of San Francisco, Highway 101 in the City and County of San Francisco and the County of San Mateo, State Route 84 and State Route 92 in the Counties of Alameda and San Mateo, Interstate 80 from Red Top Road to the intersection with Interstate 505 in the County of Solano, and express lanes in the County of Santa Clara. Eligible project sponsors include the Bay Area Infrastructure Financing Authority, and any countywide or multicounty agency in a bay area county that is authorized to implement express lanes. The Metropolitan Transportation Commission shall make funds available based on performance criteria, including benefit-cost and project readiness. Three hundred million dollars (\$300,000,000).

(3) Goods Movement and Mitigation. Provide funding to reduce truck traffic congestion and mitigate its environmental effects. Eligible projects include, but are not limited to, improvements in the County of Alameda to enable more goods to be shipped by rail, access improvements on Interstate 580, Interstate 80, and Interstate 880, and improved access to the Port of Oakland. The Metropolitan Transportation Commission shall consult and coordinate with the Alameda County Transportation Commission to select projects for the program. Eligible applicants include cities, counties, countywide transportation agencies, rail operators, and the Port of Oakland. The project sponsor is the Metropolitan Transportation Commission and the Alameda County Transportation Commission. One hundred sixty million dollars (\$160,000,000).

(4) San Francisco Bay Trail/Safe Routes to Transit. Provide funding for a competitive grant program to fund bicycle and pedestrian access improvements on and in the vicinity of the state-owned toll bridges connecting to rail transit stations and ferry terminals. Eligible applicants include cities, counties, transit operators, school districts, community colleges, and universities. The project sponsor is the Metropolitan Transportation Commission. One hundred fifty million dollars (\$150,000,000).

(5) Ferry Enhancement Program. Provide funding to purchase new vessels, upgrade and rehabilitate existing vessels, build facilities and landside improvements, and upgrade existing facilities. The project sponsor is the San Francisco Bay Area Water Emergency Transportation Authority. Three hundred million dollars (\$300,000,000).

(6) BART to San Jose Phase 2. Extend BART from Berryessa Station to San Jose and Santa Clara. The project sponsor is the Santa Clara Valley

Transportation Authority. Three hundred seventy-five million dollars (\$375,000,000).

(7) Sonoma-Marín Area Rail Transit District (SMART). Provide funding to extend the rail system north of the Charles M. Schulz-Sonoma County Airport to the Cities of Windsor and Healdsburg. The project sponsor is the Sonoma-Marín Area Rail Transit District. Forty million dollars (\$40,000,000).

(8) Capitol Corridor. Provide funding for track infrastructure that will improve the performance of Capital Corridor passenger rail operations by reducing travel times, adding service frequencies, and improving system safety and reliability. The project sponsor is the Capital Corridor Joint Powers Authority. Ninety million dollars (\$90,000,000).

(9) Caltrain Downtown Extension. Extend Caltrain from its current terminus at Fourth Street and King Street to the Transbay Transit Center. The Metropolitan Transportation Commission shall allocate funding to the agency designated to build the project, which shall be the project sponsor. Three hundred twenty-five million dollars (\$325,000,000).

(10) MUNI Fleet Expansion and Facilities. Fund replacement and expansion of the San Francisco Municipal Transportation Agency's MUNI vehicle fleet and associated facilities. The project sponsor is the San Francisco Municipal Transportation Agency. One hundred forty million dollars (\$140,000,000).

(11) Core Capacity Transit Improvements. Implement recommendations from the Core Capacity Transit Study and other ideas to maximize person throughput in the transbay corridor. Eligible projects include, but are not limited to, transbay bus improvements and high-occupancy vehicle (HOV) lane access improvements. Priority funding shall be the Alameda-Contra Costa Transit District's (AC Transit) Tier 1 and Tier 2 projects identified in the study. The project sponsors are the Metropolitan Transportation Commission, Alameda County Transportation Commission, and AC Transit. One hundred forty million dollars (\$140,000,000).

(12) Alameda-Contra Costa Transit District (AC Transit) Rapid Bus Corridor Improvements. Fund bus purchases and capital improvements to reduce travel times and increase service frequency along key corridors. The project sponsors are AC Transit and Alameda County Transportation Commission. One hundred million dollars (\$100,000,000).

(13) Transbay Rail Crossing. Fund preliminary engineering, environmental review, and design of a second transbay rail crossing and its approaches to provide additional rail capacity, increased reliability, and improved resiliency to the corridor. Subject to approval by the Metropolitan Transportation Commission, funds may also be used for construction, and, if sufficient matching funds are secured, to fully fund a useable segment of the project. The project sponsor is the Bay Area Rapid Transit District. Fifty million dollars (\$50,000,000).

(14) Tri-Valley Transit Access Improvements. Provide interregional and last-mile transit connections on the Interstate 580 corridor in the County of Alameda within the Tri-Valley area of Dublin, Pleasanton, and Livermore.

The Metropolitan Transportation Commission shall consult with the Alameda County Transportation Commission, the Bay Area Rapid Transit District, and local jurisdictions to determine the project sponsor. One hundred million dollars (\$100,000,000).

(15) Eastridge to BART Regional Connector. Extend Santa Clara Valley Transportation Authority light rail from the Alum Rock station to the Eastridge Transit Center. The project sponsor is the Santa Clara Valley Transportation Authority. One hundred thirty million dollars (\$130,000,000).

(16) San Jose Diridon Station. Redesign, rebuild, and expand Diridon Station to more efficiently and effectively accommodate existing regional rail services, future BART and high-speed rail service, and Santa Clara Valley Transportation Authority light rail and buses. The project sponsor shall consider accommodating a future connection to Norman Y. Mineta San Jose International Airport and prioritizing non-auto access modes. The project sponsor is the Santa Clara Valley Transportation Authority. One hundred million dollars (\$100,000,000).

(17) Dumbarton Corridor Improvements. Fund planning, environmental review, design, and construction of capital improvements within Dumbarton Bridge and rail corridor in the Counties of Alameda and San Mateo to relieve congestion, increase person throughput, and offer reliable travel times. Eligible projects include, but are not limited to, the projects recommended in the Dumbarton Corridor Transportation Study and improvements to facilitate rail and transit connectivity among the Altamont Corridor Express, Capitol Corridor, and Bay Area Rapid Transit District, including a rail connection at Shinn Station. The project sponsors are the Bay Area Toll Authority, Alameda County Transportation Commission, the San Mateo County Transit District, and the San Mateo County Transportation Authority. One hundred thirty million dollars (\$130,000,000).

(18) Highway 101/State Route 92 Interchange. Fund improvements to the interchange of Highway 101 and State Route 92 in the County of San Mateo. The project is jointly sponsored by the City/County Association of Governments of San Mateo County and the San Mateo County Transportation Authority. Fifty million dollars (\$50,000,000).

(19) Contra Costa Interstate 680/State Route 4 Interchange Improvements. Fund improvements to the Interstate 680/State Route 4 interchange to improve safety and reduce congestion, including, but not limited to, a new direct connector between northbound Interstate 680 and westbound State Route 4, a new direct connector between eastbound State Route 4 and southbound Interstate 680, and widening of State Route 4 to add auxiliary lanes and high-occupancy vehicle lanes. The project sponsor is the Contra Costa Transportation Authority. Two hundred ten million dollars (\$210,000,000).

(20) Highway 101-Marin/Sonoma Narrows. Construct northbound and southbound high-occupancy vehicle lanes on Highway 101 between Petaluma Boulevard South in Petaluma and Atherton Avenue in Novato. The project sponsors are the Transportation Authority of Marin and the

Sonoma County Transportation Authority. One hundred twenty million dollars (\$120,000,000).

(21) Solano County Interstate 80/Interstate 680/State Route 12 Interchange Project. Construct Red Top Road interchange and westbound Interstate 80 to southbound Interstate 680 connector. The project sponsor is the Solano Transportation Authority. One hundred fifty million dollars (\$150,000,000).

(22) Interstate 80 Westbound Truck Scales. Improve freight mobility, reliability, and safety on the Interstate 80 corridor by funding improvements to the Interstate 80 Westbound Truck Scales in the County of Solano. The project sponsor is the Solano Transportation Authority. One hundred five million dollars (\$105,000,000).

(23) State Route 37 Improvements. Fund near-term and longer-term improvements to State Route 37 to improve the roadway's mobility, safety, and long-term resiliency to sea level rise and flooding. For the purposes of the environmental review and design, the project shall include the segment of State Route 37 from the intersection in Marin County with Highway 101 to the intersection with Interstate 80 in the County of Solano. Capital funds may be used on any segment along this corridor, as determined by the project sponsors. The project is jointly sponsored by the Transportation Authority of Marin, the Napa Valley Transportation Authority, the Solano Transportation Authority, and the Sonoma County Transportation Authority. Funds for this project may be allocated to any of the project sponsors. One hundred million dollars (\$100,000,000)

(24) San Rafael Transit Center. Construct a replacement to the San Rafael (Bettini) Transit Center on an existing or new site, or both, in downtown San Rafael. The selected alternative shall be approved by the City of San Rafael, the Golden Gate Bridge, Highway and Transportation District, the Transportation Authority of Marin, and Marin Transit. The project sponsor is the Golden Gate Bridge, Highway and Transportation District. Thirty million dollars (\$30,000,000).

(25) Richmond-San Rafael Bridge Access Improvements. Fund eastbound and westbound improvements in the Richmond-San Rafael Bridge corridor, including a direct connector from northbound Highway 101 to eastbound Interstate 580, westbound access and operational improvements in the vicinity of the toll plaza east of the bridge in Contra Costa County, and Richmond Parkway interchange improvements. Of the amount allocated to this project, one hundred thirty-five million dollars (\$135,000,000) shall be dedicated to the direct connector from northbound Highway 101 to eastbound Interstate 580 in Marin County and seventy-five million dollars (\$75,000,000) shall be dedicated to the projects in Contra Costa County. The project sponsors are the Bay Area Toll Authority, the Contra Costa Transportation Authority, and the Transportation Authority of Marin. Two hundred ten million dollars (\$210,000,000).

(26) North Bay Transit Access Improvements. Provide funding for transit improvements, including, but not limited to, bus capital projects, including vehicles, transit facilities, and access to transit facilities, benefiting the

Counties of Marin, Sonoma, Napa, Solano, and Contra Costa. Priority shall be given to projects that are fully funded, ready for construction, and serving rail transit or transit service that operates primarily on existing or fully funded high-occupancy vehicle lanes. The project sponsor is the Metropolitan Transportation Commission. Eligible applicants are any transit operator providing service in the Counties of Contra Costa, Marin, Napa, Solano, or Sonoma. One hundred million dollars (\$100,000,000).

(27) State Route 29. Eligible project expenses include State Route 29 major intersection improvements, including Soscol Junction, and signal and signage improvements, which may include multimodal infrastructure and safety improvements between Carneros Highway (State Route 12/121) and American Canyon Road. The project sponsor is the Napa Valley Transportation Authority. Twenty million dollars (\$20,000,000).

(28) Next-Generation Clipper Transit Fare Payment System. Provide funding to design, develop, test, implement, and transition to the next generation of Clipper, the bay area's transit fare payment system. The next-generation system will support a universal, consistent, and seamless transit fare payment system for the riders of transit agencies in the bay area. The project sponsor is the Metropolitan Transportation Commission. Fifty million dollars (\$50,000,000).

(29) Interstate 680/Interstate 880/Route 262 Freeway Connector. Connect Interstate 680 and Interstate 880 in southern Alameda County to improve traffic movement, reduce congestion, and improve operations and safety. The project sponsor is the Alameda County Transportation Commission. Fifteen million dollars (\$15,000,000).

(30) Interstate 680/State Route 84 Interchange Reconstruction Project. Improve safety and regional and interregional connectivity by conforming State Route 84 to expressway standards between south of Ruby Hill Drive and the Interstate 680 interchange in southern Alameda County and implementing additional improvements to reduce weaving and merging conflicts and help address the additional traffic demand between Interstate 680 and State Route 84. The project sponsor is Alameda County Transportation Commission. Eighty-five million dollars (\$85,000,000).

(31) Interstate 80 Transit Improvements. Fund improvements to support expanded bus service in the Interstate 80 corridor including, but not limited to, bus purchases, expansion of the WestCAT storage yard and maintenance facility. Fund implementation of the San Pablo Avenue Multi-modal Corridor (AC Transit). The project sponsor is Contra Costa Transportation Authority. Twenty-five million dollars (\$25,000,000).

(32) Byron Highway-Vasco Road Airport Connector. Fund construction of a new connector between Byron Highway and Vasco Road south of Camino Diablo Road as well as shoulder and other improvements to the Byron Highway, including a railroad grade separation, to improve safety and access to the Byron Airport and to facilitate economic development and access for goods movement in East Contra Costa County. The project sponsor is Contra Costa Transportation Authority. Ten million dollars (\$10,000,000).

(33) Vasco Road Safety Improvements. Fund the widening of lanes and construction of a concrete median barrier along 2.5 miles of Vasco Road beginning approximately three miles north of the Contra Costa/Alameda County Line. The project sponsor is Contra Costa Transportation Authority. Fifteen million dollars (\$15,000,000).

(34) East Contra Costa County Transit Intermodal Center. Fund the construction of a Transit Intermodal Center in Brentwood enhancing access to eBART and Mokelumne Bike Trail/Pedestrian Overcrossing at State Route 4. The project sponsor is Contra Costa Transportation Authority. Fifteen million dollars (\$15,000,000).

(35) Interstate 680 Transit Improvements. Fund improvements that will enhance transit service in the Interstate 680 corridor, including, but not limited to, implementing bus operations on shoulder (BOS), technology-based intermodal transit centers/managed parking lots and development of technology to enhance real-time travel information. Fund implementation of Shared Autonomous Vehicles (SAVs) to improve first and last mile transit connectivity. The project sponsor is Contra Costa Transportation Authority. Ten million dollars (\$10,000,000).

(b) Pursuant to subdivision (a) of Section 30923, if the authority selects a toll increase to be placed on the ballot in an amount less than three dollars (\$3), the funding assigned to the projects and programs identified in subdivision (a) shall be adjusted proportionately to account for reduced funding capacity. The authority shall adopt a resolution detailing the updated Regional Measure 3 capital and operating funding available and listing the revised funding amounts for each project within 90 days of the certification of the election by the last county to certify the election on the toll increase. The authority shall update this resolution as needed to reflect additional tolls approved in subsequent elections.

(c) (1) Not more than 16 percent, up to sixty million dollars (\$60,000,000), of the revenues generated each year from the toll increase approved by the voters pursuant to Section 30923 shall be made available annually for the purpose of providing operating assistance as set forth in the authority's annual budget resolution for the purposes listed in paragraph (2). The funds shall be made available to the provider of the transit services subject to the performance measures described in paragraph (3).

(2) The Metropolitan Transportation Commission shall annually fund the following operating programs from the revenue generated each year from the toll increase approved by the voters pursuant to Section 30923 as another component of the Regional Measure 3 expenditure plan:

(A) The San Francisco Transbay Terminal. Eight percent of the amount available for operating assistance pursuant to paragraph (1), not to exceed five million dollars (\$5,000,000). These funds are available for transportation-related costs associated with operating the terminal. The Transbay Joint Powers Authority shall pursue other long-term, dedicated operating revenue to fund its operating costs. To the extent that a portion or all of the toll revenue provided pursuant to this subparagraph is not needed

in a given fiscal year, the Metropolitan Transportation Commission shall reduce the allocation accordingly.

(B) (i) Expanded Ferry Service. Ten million dollars (\$10,000,000) in the first year of allocation, fifteen million dollars (\$15,000,000) in the second year of allocation, twenty million dollars (\$20,000,000) in the third year of allocation, and twenty-five million dollars (\$25,000,000) in the fourth year of allocation. These allocation amounts shall be subject to the adjustments in subdivision (b). In the fifth year of allocation and thereafter, 58 percent of the amount available for operating assistance pursuant to paragraph (1), not to exceed thirty-five million dollars (\$35,000,000). These funds shall be made available to the San Francisco Bay Area Water Emergency Transportation Authority (WETA) to support expanded ferry service, including increased frequencies of existing routes and the operation of new routes.

(ii) To the extent that funds provided pursuant to clause (i) are not requested for expenditure by WETA in a given year, the funds shall be held by the authority in a reserve account. Those funds shall be made available to WETA for any capital or operating purpose. Prior to receiving an allocation of those funds, WETA shall submit a request to the Metropolitan Transportation Commission detailing how the funds shall be used. An allocation of those funds shall constitute an augmentation of the funding provided in paragraph (5) of subdivision (a) and be treated as such in any reports by the authority regarding the Regional Measure 3 expenditure plan.

(C) Regional Express Bus. Thirty-four percent of the amount available for operating assistance pursuant to paragraph (1), not to exceed twenty million dollars (\$20,000,000), to be distributed for bus service in the bridge corridors, prioritizing bus routes that carry the greatest number of transit riders. To the extent that a portion or all of the toll revenue provided pursuant to this subparagraph is not needed in a given fiscal year, the Metropolitan Transportation Commission shall reduce the allocation accordingly.

(3) Prior to the allocation of revenue for transit operating assistance under subparagraphs (A) and (C) of paragraph (2), the Metropolitan Transportation Commission shall:

(A) Adopt performance measures related to fare-box recovery, ridership, or other indicators, as appropriate. The performance measures shall be developed in consultation with the affected project sponsors.

(B) Execute an operating agreement with the sponsor of the project. This agreement shall include, but is not limited to, an operating plan that is consistent with the adopted performance measures. The agreement shall include a schedule of projected fare revenues or other forecast revenue and any other operating funding that will be dedicated to the service or terminal. For any individual project sponsor, this operating agreement may include additional requirements, as determined by the commission.

(C) In an operating agreement executed pursuant to subparagraph (B), the Metropolitan Transportation Commission shall grant a project sponsor at least five years to achieve the adopted performance measures. The Metropolitan Transportation Commission shall use a ridership forecast as

the basis for performance measures adopted pursuant to subparagraph (A) and to establish performance measures in following years. If the transit service of a project sponsor does not achieve the performance measures within the timeframe granted to the project sponsor, the project sponsor shall notify the Metropolitan Transportation Commission. The Metropolitan Transportation Commission may revise the performance measures, extend the timeframe to achieve the performance measures, or take action to reduce the funding available for operations if the performance measures are not met within the new timeframe.

(4) Prior to Metropolitan Transportation Commission providing funding to the San Francisco Bay Area Water Emergency Transportation Authority (WETA) under subdivision (a) or this subdivision, WETA and the MTC shall do the following, as applicable:

(A) WETA shall adopt a plan that includes systemwide and route-specific performance measures related to fare-box recovery, ridership, and any other measures as deemed appropriate by WETA in consultation with MTC.

(B) WETA and MTC shall execute an operating agreement that establishes a five-year plan for new or enhanced services and outlines incremental steps needed to achieve a reasonable level of service productivity and cost-effectiveness as compared to similar ferry services provided across the bay area.

(C) Subsequent to the time period identified in subparagraph (B), and if reasonable, but incomplete progress has been achieved to meet the performance measures identified in subparagraph (A), WETA, in consultation with MTC, may propose a new timeframe, not longer than an additional five years, to achieve the performance measures and take needed steps to remedy the service to meet the measures. In the event that the performance measures are not met within the new timeframe, WETA may seek additional time to achieve the measures and MTC may determine whether services should continue and may establish other conditions to service in consultation with WETA. In all cases, funds not spent or made available to WETA shall be returned to the reserve account established pursuant to clause (ii) of subparagraph (B) of paragraph (2).

(D) WETA shall use the plan identified in subparagraph (A) to prioritize the use of capital funding made available by this section to support its mission as the operator of ferry services.

(E) Nothing in this section shall restrict WETA with respect to meeting its obligations as the coordinating agency for water transit response to regional emergencies.

(d) (1) For all projects authorized under subdivision (a), the project sponsor shall submit an initial project report to the Metropolitan Transportation Commission within six months of the election approving the toll increase. This report shall include all information required to describe the project in detail, including the status of any environmental documents relevant to the project, additional funds required to fully fund the project, the amount, if any, of funds expended to date, and a summary of any impediments to the completion of the project. This report, or an updated

report, shall include a detailed financial plan and shall notify the commission if the project sponsor will request toll revenue within the subsequent 12 months. The project sponsor shall update this report as needed or requested by the commission. No funds shall be allocated by the commission for any project authorized by subdivision (a) until the project sponsor submits the initial project report, and the report is reviewed and approved by the commission.

(2) If multiple project sponsors are listed for projects listed in subdivision (a), the commission shall identify a lead sponsor in coordination with all identified sponsors, for purposes of allocating funds. For any projects authorized under subdivision (a), the commission shall have the option of requiring a memorandum of understanding between itself and the project sponsor or sponsors that shall include any specific requirements that must be met prior to the allocation of funds provided under subdivision (a).

(e) If a program or project identified in subdivision (a) has cost savings after completion, taking into account construction costs and an estimate of future settlement claims, or cannot be completed or cannot continue due to delivery or financing obstacles making the completion or continuation of the program or project unrealistic, the commission shall consult with the program or project sponsor. After consulting with the sponsor, the commission shall hold a public hearing concerning the program or project. After the hearing, the commission may vote to modify the program or the project's scope, decrease its level of funding, or reassign some or all of the funds to another project within the same bridge corridor. If a program or project identified in subdivision (a) is to be implemented with other funds not derived from tolls, the commission shall follow the same consultation and hearing process described above and may vote thereafter to reassign the funds to another project consistent with the intent of this chapter.

(f) If the voters approve a toll increase pursuant to Section 30923, the authority shall within 24 months of the election date include the projects in a long-range bridge toll plan. The authority shall update its long-range plan as required to maintain its viability as a strategic plan for funding projects authorized by this section. The authority shall, by January 1, 2020, submit its updated long-range bridge toll plan to the transportation policy committee of each house of the Legislature for review. This subdivision, to the extent a plan is prepared under this section, supersedes the requirement to prepare and submit a 20-year toll bridge expenditure plan to the Legislature for adoption pursuant to subdivision (h) of Section 30914.

(g) This section does not alter the obligations of the Metropolitan Transportation Commission with respect to the requirements of Section 65080 of the Government Code.

SEC. 8. Section 30915 of the Streets and Highways Code is amended to read:

30915. (a) With respect to all construction and improvement projects specified in Sections 30913, 30914, and 30914.7, project sponsors and the department shall seek funding from all other potential sources, including, but not limited to, the State Highway Account and federal matching funds.

The project sponsors and department shall report to the authority concerning the funds obtained under this subdivision.

(b) Local funds that have previously been committed to projects and programs identified in subdivision (a) of Section 30914.7 shall not be supplanted by the funding assigned to projects and programs pursuant to Section 30914.7 unless the project sponsor has secured a full funding plan for the project, or the local funds are needed to maintain transit service levels or fund a critical safety or maintenance need.

SEC. 9. Section 30916 of the Streets and Highways Code is amended to read:

30916. (a) The base toll rate for vehicles crossing the state-owned toll bridges within the geographic jurisdiction of the commission as of January 1, 2003, is as follows:

Number of Axles	Toll
Two axles	\$ 1.00
Three axles	3.00
Four axles	5.25
Five axles	8.25
Six axles	9.00
Seven axles & more	10.50

(b) If the voters approve a toll increase, pursuant to Section 30921, commencing July 1, 2004, the base toll rate for vehicles crossing the bridges described in subdivision (a) is as follows:

Number of axles	Toll
Two axles	\$ 2.00
Three axles	4.00
Four axles	6.25
Five axles	9.25
Six axles	10.00
Seven axles & more	11.50

(c) (1) If the voters approve a toll increase, pursuant to Section 30923, the authority shall increase the base toll rate for vehicles crossing the bridges described in subdivision (a) from the toll rates then in effect by the amount approved by the voters pursuant to Section 30923. The authority may, beginning six months after the election approving the toll increase, phase in the toll increase over a period of time and may adjust the toll increase for inflation based on the California Consumer Price Index after the toll increase has been phased in completely.

(2) Revenue generated from the adjustment of the toll to account for inflation pursuant to paragraph (1) may be expended for the following purposes:

(A) Bridge maintenance and rehabilitation necessary to preserve, protect, and replace the bridge structures consistent with subdivision (b) of Section 30950.3.

(B) Supplemental funding for the projects and programs authorized pursuant to subdivision (a) of Section 30914.7.

(d) The authority shall increase the amount of the toll only if required to meet its obligations on any bonds or to satisfy its covenants under any bond resolution or indenture. The authority shall hold a public hearing before adopting a toll schedule reflecting the increased toll charge.

(e) Nothing in this section shall be construed to prohibit the adoption of either a discounted commute rate for two-axle vehicles or of special provisions for high-occupancy vehicles under terms and conditions prescribed by the authority in consultation with the department.

SEC. 10. Section 30918 of the Streets and Highways Code is amended to read:

30918. (a) It is the intent of the Legislature to maintain tolls on all of the bridges specified in Section 30910 at rates sufficient to meet any obligation to the holders of bonds secured by the bridge toll revenues. The authority shall retain authority to set the toll schedule as may be necessary to meet those bond obligations. The authority shall provide at least 30 days' notice to the transportation policy committee of each house of the Legislature and shall hold a public hearing before adopting a toll schedule reflecting the increased toll rate.

(b) The authority shall increase the toll rates specified in the adopted toll schedule in order to meet its obligations and covenants under any bond resolution or indenture of the authority for any outstanding toll bridge revenue bonds issued by the authority and the requirements of any constituent instruments defining the rights of holders of related obligations of the authority entered into pursuant to Section 5922 of the Government Code and, notwithstanding Section 30887 or subdivision (d) of Section 30916 of this code, or any other law, may increase the toll rates specified in the adopted toll schedule to provide funds for the planning, design, construction, operation, maintenance, repair, replacement, rehabilitation, and seismic retrofit of the state-owned toll bridges specified in Section 30910 of this code, to provide funding to meet the requirements of Sections 30884 and 30911 of this code, and to provide funding to meet the requirements of voter-approved regional measures pursuant to Sections 30914, 30921, and 30923 of this code.

(c) Notwithstanding any other law, the authority's toll structure for the state-owned toll bridges specified in Section 30910 may vary from bridge to bridge and may include discounts consistent with the following:

(1) The authority may include discounts for the following vehicles:

(A) Vehicles classified by the authority as high-occupancy vehicles.

(B) Vehicles that pay for tolls electronically or through other non-cash methods. The authority may charge differential rates based on the chosen method.

(2) The authority shall provide a 50-percent discount on the amount of the toll increase approved pursuant to Section 30923 on the second bridge crossing for those commuters using a two-axle vehicle who pay tolls electronically or through other noncash methods and who cross two bridges specified in Section 30910 during commute hours. The authority shall establish reasonable and practical operating rules to implement this paragraph.

(d) If the authority establishes high-occupancy vehicle lane fee discounts or access for vehicles classified by the authority as high-occupancy vehicles for any bridge or segments of a highway that connect to the bridge, the authority shall establish the occupancy requirements that shall apply on each segment of highway that connects with that bridge, in consultation with the department.

(e) All tolls referred to in this section and Sections 30916, 31010, and 31011 may be treated by the authority as a single revenue source for accounting and administrative purposes and for the purposes of any bond indenture or resolution and any agreement entered into pursuant to Section 5922 of the Government Code.

(f) It is the intent of the Legislature that the authority should consider the needs and requirements of both its electronic and cash-paying customers when it designates toll payment options at the toll plazas for the toll bridges under its jurisdiction.

SEC. 11. Section 30920 of the Streets and Highways Code is amended to read:

30920. The authority may issue toll bridge revenue bonds to finance any or all of the projects, including those specified in Sections 30913, 30914, and 30914.7, if the issuance of the bonds does not adversely affect the minimum amount of toll revenue proceeds designated in Section 30913 and in paragraph (4) of subdivision (a) of, and subdivision (b) of, Section 30914 for rail extension and improvement projects and transit projects to reduce vehicular traffic. A determination of the authority that a specific project or projects shall have no adverse effect will be binding and conclusive in all respects.

SEC. 12. Section 30922 of the Streets and Highways Code is amended to read:

30922. Any action or proceeding to contest, question, or deny the validity of a toll increase provided for in this chapter, the financing of the transportation program contemplated by this chapter, the issuance of any bonds secured by those tolls, or any of the proceedings in relation thereto, shall be commenced within 60 days from the date of the election at which the toll increase is approved. After that date, the financing of the program, the issuance of the bonds, and all proceedings in relation thereto, including the adoption, approval, and collection of the toll increase, shall be held valid and incontestable in every respect.

SEC. 13. Section 30923 is added to the Streets and Highways Code, to read:

30923. (a) For purposes of the special election to be conducted pursuant to this section, the authority shall select an amount of the proposed increase in the toll rate, not to exceed three dollars (\$3), for vehicles crossing the bridges described in Section 30910 to be placed on the ballot for approval by the voters.

(b) The toll rate for vehicles crossing the bridges described in Section 30910 shall not be increased by the rate selected by the authority pursuant to subdivision (a) prior to the availability of the results of a special election to be held in the City and County of San Francisco and the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma to determine whether the residents of those counties and of the City and County of San Francisco approve the toll increase.

(c) (1) Notwithstanding any provision of the Elections Code, the Board of Supervisors of the City and County of San Francisco and of each of the counties described in subdivision (b) shall call a special election to be conducted in the City and County of San Francisco and in each of the counties that shall be consolidated with a statewide primary or general election, which shall be selected by the authority.

(2) The authority shall determine the ballot question, which shall include the amount of the proposed toll increase selected pursuant to subdivision (a) and a summary of the Regional Measure 3 expenditure plan. The ballot question shall be submitted to the voters as Regional Measure 3 and stated separately in the ballot from state and local measures.

(d) The ballot pamphlet for the special election shall include a summary of the Regional Measure 3 expenditure plan regarding the eligible projects and programs to be funded pursuant to Section 30914.7. The Metropolitan Transportation Commission shall prepare a summary of the Regional Measure 3 expenditure plan.

(e) The county clerks shall report the results of the special election to the authority. If a majority of all voters voting on the question at the special election vote affirmatively, the authority may phase in the increased toll schedule consistent with subdivision (c) of Section 30916.

(f) If a majority of all the voters voting on the question at the special election do not approve the toll increase, the authority may by resolution resubmit the measure to the voters at a subsequent statewide primary or general election. If a majority of all of the voters vote affirmatively on the measure, the authority may adopt the toll increase and establish its effective date and establish the completion dates for all reports and studies required by Sections 30914.7 and 30950.3.

(g) (1) Each county and city and county shall share translation services for the ballot pamphlet and shall provide the authority a certified invoice that details the incremental cost of including the measure on the ballot, as well as the total costs associated with the election.

(2) The authority shall reimburse each county and city and county participating in the election for the incremental cost of submitting the measure to the voters. These costs shall be reimbursed from revenues derived

from the tolls if the measure is approved by the voters, or, if the measure is not approved, from any bridge toll revenues administered by the authority.

(h) If the voters approve a toll increase pursuant to this section, the authority shall establish an independent oversight committee within six months of the effective date of the toll increase to ensure that any toll revenues generated pursuant to this section are expended consistent with the applicable requirements set forth in Section 30914.7. The oversight committee shall include two representatives from each county within the jurisdiction of the commission. Each representative shall be appointed by the applicable county board of supervisors and serve a four-year term and shall be limited to two terms. The oversight committee shall annually review the expenditure of funds by the authority for the projects and programs specified in Section 30914.7 and prepare and submit a report to the transportation committee of each house of the Legislature summarizing its findings. The oversight committee may request any documents from the authority to assist the committee in performing its functions.

(i) If voters approve a toll increase pursuant to this section, the authority shall annually prepare a report to the Legislature, in conformance with Section 9795 of the Government Code, on the status of the projects and programs funded pursuant to Section 30914.7.

(j) Except as provided in subdivision (c) of Section 30916 and Section 30918, the toll increase adopted by the authority pursuant to this section shall not be changed without statutory authorization by the Legislature.

SEC. 14. Section 30950.3 of the Streets and Highways Code is amended to read:

30950.3. (a) The authority shall prepare, adopt, and from time to time revise, a long-range bridge toll plan for the completion of all projects within its jurisdiction, including those of the Regional Traffic Relief Plan described in subdivision (c) of Section 30914 and the Regional Measure 3 expenditure plan described in subdivision (a) of Section 30914.7.

(b) The authority shall give first priority to projects and expenditures that are deemed necessary by the department and the authority to preserve and protect the bridge structures.

SEC. 15. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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**Debora Fudge, Chair**  
Sonoma County Mayors' and  
Councilmembers Association

**Judy Arnold, Vice Chair**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

**Jim Eddie**  
Golden Gate Bridge,  
Highway/Transportation District

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March 21, 2018

Sonoma-Marin Area Rail Transit Board of Directors  
5401 Old Redwood Hwy, Suite 200  
Petaluma, CA 94954

**SUBJECT:** Approve Resolution and Authorize Execution of an Agreement with the Marin County Transit District, the Golden Gate Bridge Highway, and Transportation District and the Sonoma-Marin Area Rail Transit District to Share State Transit Assistance Population-Based Funds

Dear Board Member:

**RECOMMENDATION:**

Approve Resolution No. 2018-08 and Authorize the General Manager to execute an agreement ("Agreement") with the Marin County Transit District (MCTD), the Golden Gate Bridge, Highway and Transportation District (GGB) and the Sonoma-Marin Area Rail Transit District (SMART) to share State Transit Assistance population-based funds for the transit purposes in Marin County.

GGB Board of Directors approved on February 23, 2018 and Marin Transit on March 5, 2018.

**BACKGROUND:**

State Transit Assistance (STA) funds provide an ongoing source of operating funds for transit agencies throughout California to sustain public transit services. California Public Utilities Code 99313 stipulates that STA population-based funds are available to eligible transit operators for eligible transit purposes. The Metropolitan Transportation Commission (MTC) has historically distributed STA population-based funds to transit operators in the Bay Area based upon a formula per MTC Resolution 3837, thereby providing a reliable ongoing source of operating funds for transit services.

Marin County Transit District (MCTD) and the GGB have a long-standing agreement for sharing STA population-based revenues in Marin County, using a formula based on coverage (represented by services hours) and benefits (represented by unlinked passenger trips). SMART began operating commuter rail service in Sonoma and Marin Counties in June 2017 and is an eligible recipient of STA population-based funds. The agreement proposed would keep the long-standing formula, with the addition of SMART as a new transit operator.

Additionally, in April 2017 the Legislature enacted Senate Bill 1 (SB1), the Road Repair and Accountability Act, which increases funding for highways, local streets and roads; and transit operations in the State. SB1 increases State Transit Assistance (STA) population-based funding in FY2017/18.

MTC has proposed a new policy framework for the distribution of existing and recently augmented STA population-based funds and proposes new requirements of Congestion Management Agencies and transit operators under this policy. MCTD, GGB and SMART have worked cooperatively to address MTC's proposed new policy regarding STA population-based funds, and have developed an Agreement, consistent with the past practice in the Marin County, summarized as follows:

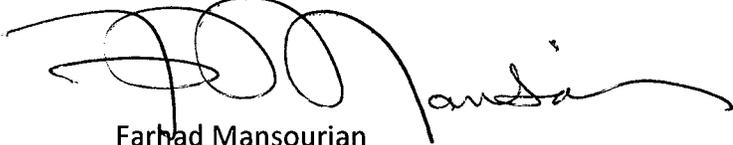
1. All STA population-based funds made available in Marin County will be shared, using prior year data, 50% based on hours of service and 50% based on passengers served in Marin County.
  - a. For this formula, hours of service are bus, ferry and train hours operated for local and regional service, excluding train hours that operate outside Marin County and excluding bus hours operated "closed door" through Marin County.
  - b. For this formula, passengers exclude passengers without an origin or destination in Marin County.
  - c. For this formula, until SMART passengers and train hours data within Marin County is available, 50% of train hours are assumed to be attributed to Marin County and 80% of SMART passengers are assumed to have one or more trip ends in Marin County.
  - d. MCTD, GGB, and SMART shall meet annually to review the baseline data and application of the formula.
  - e. The formula shall be applied beginning in FY2018/19 using MCTD and GGB FY2016/17 actual data and using SMART FY2017/18 estimated actual data. For all subsequent years, SMART prior year actual data shall be applied in the formula, consistent with the methodology currently in place with MCTD and GGB.
2. MCTD, GGB, and SMART will coordinate their claims for STA population-based funds in Marin County by applying the above described formula to the MTC annual Fund Estimate for Marin County STA population-based funds. MCTD shall be responsible for submitting the agreed upon amounts annually to the Transportation Authority of Marin (TAM) and to MTC prior to MCTD, GGB, and SMART submitting their annual STA claims, and no later than April 15<sup>th</sup>.
3. To meet MTC's new requirement, MCTD shall coordinate a report from MCTD, GGB, and SMART on the anticipated amount of STA population-based funding that will be spent within or benefiting Communities of Concern in Marin County. MCTD shall submit this report annually to TAM no later than April 15<sup>th</sup>.

4. MCTD and GGB agree that the provisions of Section 402.6 of the *Operations and Maintenance Contract* between MCTD and GGB, dated May 19, 2015, are superseded by this agreement, with respect to the assignment of STA population-based funds.

The proposed allocation agreement is for a three-year term.

**FISCAL IMPACT:** Approval of the agreement will provide increased STA funding to SMART.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Farhad Mansourian', with a large, stylized flourish at the end.

Farhad Mansourian  
General Manager

Attachment(s): Resolution No. 2018-08

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT, STATE OF CALIFORNIA, AUTHORIZIN THE EXECUTION OF AN AGREEMENT WITH THE MARIN COUNTY TRANSIT DISTRICT, THE GOLDEN GATE BRIDGE HIGHWAY, AND TRANSPORTATION DISTRICT AND THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT TO SHARE STATE TRANSIT ASSISTANCE POPULATION BASED FUNDS**

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**WHEREAS**, State Transit Assistance (STA) funds provide an ongoing source of operating funds for transit agencies throughout California to sustain public transit services. California Public Utilities Code 99313 stipulates that STA population-based funds are available to eligible transit operators for eligible transit purposes;

**WHEREAS**, the Metropolitan Transportation Commission (MTC) has historically distributed STA population-based funds to transit operators in the Bay Area based upon a formula per MTC Resolution 3837, thereby providing a reliable ongoing source of operating funds for transit services;

**WHEREAS**, Marin County Transit District (MCTD) and the GGB have a long-standing agreement for sharing STA population-based revenues in Marin County, using a formula based on coverage (represented by service hours) and benefits (represented by unlinked passenger trips);

**WHEREAS**, SMART began operating commuter rail service in Sonoma and Marin Counties in June 2017 and is an eligible recipient of STA population-based funds, such that staff proposes to apply the long-standing formula to the new transit operator (SMART);

**WHEREAS**, MCTD, GGB and SMART have worked cooperatively to address MTC's new policy regarding STA population-based funds, and have developed an agreement, as summarized in the staff report; and,

**WHEREAS**, the GGB Finance-Auditing Committee, at its meeting of February 23, 2018, and MCTD, at its meeting of March 5, 2018, have so recommended; now, therefore, be it

**NOW, THEREFORE, BE IT RESOLVED THAT THE** Board of Directors of the SMART District hereby authorizes the General Manager to execute an agreement with the Marin County Transit District, the Golden Gate Bridge, Highway and Transportation District and the Sonoma-Marín Area Rail Transit District to share State Transit Assistance population based funds for transit purposes in Marin County.

**Resolution No. 2018-08**  
**Sonoma-Marín Area Rail Transit District**  
**March 21, 2018**

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Sonoma-Marín Area Rail Transit District held on the 21<sup>ST</sup> day of March, 2018, by the following vote:

**DIRECTORS:**

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Debora Fudge, Chair, Board of Directors  
Sonoma-Marín Area Rail Transit District

ATTEST:

\_\_\_\_\_  
Leticia Rosas-Mendoza, Clerk of Board of Directors  
Sonoma-Marín Area Rail Transit District