



REGULAR MEETING
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS
a Public Agency
Tuesday, March 16, 2021
8:30 AM
VIA TELECONFERENCE

IMPORTANT NOTICE REGARDING THIS BOARD MEETING:

This virtual meeting is being conducted utilizing teleconferencing and electronic means pursuant to State of California Executive Order N-29-20 issued by Governor Gavin Newsom on March 17, 2020, regarding the COVID-19 pandemic. The public may only view a livestream of the meeting online at: <http://tinyurl.com/sbmtdyoutube>

Public Participation

To make a general public comment or to comment on a specific agenda item, the following methods are available: Email, Phone, and Zoom webinar.

All comments will be limited to 3 minutes per speaker.

1. Email:

- Submit public comment to clerk@sbmtd.gov *before 12 p.m.* on the Monday prior to the Board meeting for advance distribution to the Board of Directors.
- Public comment emails submitted to clerk@sbmtd.gov *during* the meeting will be recognized *if* the email is received prior to or during the item to be addressed.
- **In ALL emailed Public Comments, please include:**
 - (A) The agenda item(s) to be addressed
 - (B) If you would like your comment read into the record
 - (C) Public Comment text

2. Phone: Call the Zoom webinar line 10 minutes prior to the 8:30 a.m. meeting start time:

- Toll-Free Dial-in: **(669) 900-6833.**
 - When prompted, enter Meeting ID **957 2617 0377** and then #.
 - When prompted for a password, dial **026112** and then #.
- When the item you wish to address is announced, dial *9 to request to comment.

Please mute your phone until called to speak. If you do not have a mute button, you may mute by dialing *6. You can unmute by pressing the same keys (*6). When the chair calls for public comment, the clerk will announce you and will unmute your microphone.

3. Zoom webinar & computer audio: View the webinar at the following link at 8:30 a.m.:

<https://zoom.us/j/95726170377?pwd=ZDRxZGtHZW42RzJqYkdTdGhPaXNiZz09>

To give public comment via the Zoom webinar, click the "Raise Hand" button only when the item you wish to speak on has begun. When the chair calls for public comment, the clerk will announce you and will unmute your microphone. The public will not be able to share their video or screen.

BOARD OF DIRECTORS AGENDA

BOARD MEMBERS WILL JOIN VIA TELECONFERENCE

ITEMS TO BE CONSIDERED:

1. CALL TO ORDER

2. ROLL CALL OF THE BOARD MEMBERS

Dave Davis (Chair), David Tabor (Vice Chair), Bill Shelor (Secretary), Dick Weinberg (Director), Chuck McQuary (Director), Paula Perotte (Director), Jen Lemberger (Director).

3. REPORT REGARDING POSTING OF AGENDA

CONSENT CALENDAR

4. APPROVAL OF PRIOR MINUTES - (ACTION MAY BE TAKEN)

The Board of Directors will be asked to approve the draft minutes for the meeting of March 2, 2021.

5. CASH REPORT - (ACTION MAY BE TAKEN)

The Board of Directors will be asked to review and approve the Cash Report from the following dates: February 20, 2021 through March 5, 2021.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

Members of the public may address the Board of Directors on items within the jurisdiction of the Board that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Board Chair. If you wish to address the Board under this item number, see the above instructions on giving remote public comment. Additional public comment will be allowed during each agenda item, including closed session items.

7. FIRST DRAFT OF FISCAL YEAR 2021-22 BUDGET - (ATTACHMENT - INFORMATIONAL)

Staff will present the first draft of the fiscal year 2021- 22 (FY 2021-22) budget to the Board and seek direction on preparing the final draft to be considered by the Board for adoption this June.

8. RESOLUTION FOR FISCAL YEAR 2021-22 TRANSPORTATION DEVELOPMENT ACT CLAIM - (ATTACHMENT - ACTION MAY BE TAKEN)

Staff will request that the Board adopt Resolution 2021-01 authorizing the General Manager to claim the Transportation Development Act (TDA) funds apportioned to Santa Barbara Metropolitan Transit District for FY 2021-22.

9. LOW CARBON TRANSIT OPERATIONS PROGRAM RESOLUTION - (ATTACHMENT - ACTION MAY BE TAKEN)

Staff will recommend that the Board adopt Resolution 2021-02 authorizing General Manager Jerry Estrada to execute all required documents for an application to the California Department of Transportation (Caltrans) for FY 2021 California cap-and-trade funds from the Low Carbon Transit Operations Program (LCTOP),

BOARD OF DIRECTORS AGENDA

- 10. RENEWAL OF CALTRANS MASTER AGREEMENT - (ATTACHMENTS - ACTION MAY BE TAKEN)**
Staff will recommend that the Board approve Resolution 2021-03 authorizing the General Manager to execute a "Master Agreement - State Funded Transit Projects" with Caltrans.
- 11. GENERAL MANAGER'S REPORT - (INFORMATIONAL)**
The General Manager will provide an update on district activities.
- 12. OTHER BUSINESS AND REPORTS - (INFORMATIONAL)**
The Board will report on other related public transit issues and committee meetings.
- 13. ADJOURNMENT**

AMERICANS WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 805.963.3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.



BOARD OF DIRECTORS DRAFT MINUTES

REGULAR MEETING
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, March 2, 2021
8:30 AM
John G. Britton Auditorium
550 Olive Street, Santa Barbara, CA 93101

1. CALL TO ORDER

Chair Dave Davis called the meeting to order at 8:30 AM.

2. ROLL CALL OF THE BOARD MEMBERS

Chair Davis reported that all members were present with the exceptions of Director Paula Perotte and Director Dick Weinberg.

3. REPORT REGARDING POSTING OF AGENDA

Christina Perry, Clerk of the Board and Administrative Assistant, reported that the agenda was posted on Friday, February 26, 2021, at MTD's Administrative office, mailed and emailed to those on the agenda list, and posted on MTD's website.

CONSENT CALENDAR

4. APPROVAL OF PRIOR MINUTES - (ACTION MAY BE TAKEN)

The Board of Directors will be asked to approve the draft minutes for the meeting of February 16, 2021.

5. CASH REPORT - (ACTION MAY BE TAKEN)

The Board of Directors will be asked to review and approve the Cash Report from the following dates: February 6, 2021 through February 19, 2021.

Director Chuck McQuary moved to approve the consent calendar with amendments. Vice Chair Dave Tabor seconded the motion. Chair Davis opened a roll call vote and the motion passed unanimously.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

No public comments were made.

BOARD OF DIRECTORS DRAFT MINUTES

- 7. COMMERCIAL AUTO AND GENERAL LIABILITY INSURANCE RENEWAL - (ACTION MAY BE TAKEN)**
MTD Risk Administrator Rafael Cortez recommended renewal of Commercial Auto and General Liability Insurance coverage with National Interstate Insurance Company (NIIC) effective April 1, 2021 – April 1, 2022 at \$4,750,000 Excess Indemnity over a \$250,000 Self Insured Retention (SIR) and \$10,000,000 Excess/Umbrella, for an annual premium of \$561,980. Robert Fatch, Senior Vice President of Sales at Brown & Brown, was also available to answer the Board’s questions.

Vice Chair Tabor moved to renew Commercial Auto and General Liability Insurance coverage. Director McQuary seconded the motion. Chair Davis opened a roll call vote and the motion passed unanimously.
- 8. CALIFORNIA INTEGRATED TRAVEL PROJECT (CAL-ITP) DEMONSTRATION - (INFORMATIONAL)**
Planning and Marketing Manager Hillary Blackerby offered a presentation on the Cal-ITP demonstration pilot.
- 9. FISCAL YEAR 2020-21 SECOND QUARTER PERFORMANCE REPORTS - (INFORMATIONAL)**
Ms. Blackerby presented Second Quarter Fiscal Year 2020-21 Performance Reports for the six-month period ending December 31, 2020.
- 10. LIVERY DESIGN FOR 40 FOOT ELECTRIC BUSES - (ATTACHMENT - ACTION MAY BE TAKEN)**
Ms. Blackerby presented proposed designs, and requested feedback and selection of a final design for the recently ordered 40-foot battery-electric buses.

Chair Davis noted that the Board majority preferred Design B.
- 11. CONFLICT OF INTEREST CODE UPDATE - (ATTACHMENT - ACTION MAY BE TAKEN)**
General Manager Jerry Estrada requested that the Board approve recommended changes to the Conflict of Interest Code.

Director McQuary moved to approve the recommended changes. Director Jen Lemberger seconded the motion. The motion passed unanimously after a roll call vote.
- 12. GENERAL MANAGER’S REPORT - (INFORMATIONAL)**
General Manager Estrada provided an update on district activities.
- 13. OTHER BUSINESS AND REPORTS - (INFORMATIONAL)**
No other business was discussed.
- 14. ADJOURNMENT**
The meeting was adjourned at 10:16 AM.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of March 16, 2021
For the Period February 20, 2021 through March 5, 2021

MONEY MARKET

Beginning Balance February 20, 2021 **\$3,045,562.29**

Accounts Receivable	1,840,560.26
Mature CD Deposit	1,530,759.03
Measure A Transfer	1,714.28
Miscellaneous Income	1,621.29
Interest Income	868.05
Prepays & Advertising	498.00
Total Deposits	3,376,020.91

Miscellaneous Transfers	(874.04)
Bank & Credit Card Fees	(2,331.26)
Workers' Compensation	(19,850.03)
401(k)/Pension Transfer	(36,085.34)
Payroll Taxes	(141,537.08)
Payroll	(328,893.04)
Accounts Payable	(482,248.53)
Total Disbursements	(1,011,819.32)

Ending Balance **\$5,409,763.88**

CASH INVESTMENTS

LAIF Account	\$5,868,862.51
Money Market Account	5,409,763.88

Total Cash Balance **\$11,278,626.39**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$5,123,476.75)
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Working Capital **\$6,155,149.64**

**Santa Barbara Metropolitan Transit District
Cash Receipts of Accounts Receivable**

Date	Company	Description	Amount
2/25/2021	Federal Transit Administration	FTA Operating Assistance - Cares Act	864,697.00
2/26/2021	City of SB Creeks Division	Advertising on Buses	300.00
2/26/2021	True Media LLC/Cottage Health	Advertising on Buses	1,054.80
3/3/2021	Local Transportation Fund	SB 325 - Feb 2021	757,418.51
3/3/2021	Measure A, Section 3 LSTI	Measure A Funds - Feb 2021	214,303.55
3/5/2021	True Media LLC/Cottage Health	Advertising on Buses	1,054.80
3/5/2021	Wells Marketing, LLC	Advertising on Buses	1,731.60
Total Accounts Receivable Paid During Period			\$1,840,560.26

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
125776	1/21/2021	CARLOS FLORES	TOOL ALLOWANCE	1,100.00	V
126018	2/26/2021	ABC BUS COMPANIES INC	BUS PARTS	10,829.31	
126019	2/26/2021	ASBURY ENVIRONMENTAL SERVI	WASTE OIL RECYCLER	160.00	
126020	2/26/2021	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	100.67	
126021	2/26/2021	CITY OF SANTA BARBARA	TC ALARM REGISTRATION	40.00	
126022	2/26/2021	CALIFORNIA TRANSIT ASSOCIATI	ANNUAL MEMBERSHIP DUES	13,000.00	
126023	2/26/2021	CELTIS VENTURES, INC.	MARKETING SERVICES	4,515.50	
126024	2/26/2021	CHARGEPOINT, INC.	PUBLIC CHARGING STATION FEE	629.00	
126025	2/26/2021	CLEVER DEVICES LTD	BUS EQUIP HARDARE WARRANTY	2,204.00	
126026	2/26/2021	COMPLETE COACH WORKS	DRIVER BARRIERS	87,624.72	
126027	2/26/2021	CUMMINS SALES & SERVICE dba	BUS PARTS & REPAIRS	11,194.66	
126028	2/26/2021	DAVID RZEPINSKI & ASSOCIATES	PROCUREMENT SERVICES	1,925.00	
126029	2/26/2021	DIESEL FORWARD, INC.	BUS PARTS	3,295.69	
126030	2/26/2021	DIVERSIFIED TRANSPORTATION S	FREIGHT CHARGES	384.04	
126031	2/26/2021	EVERSHADE LLC DBA	STEAM CLEANING TC/EXPRESS ZONE	2,000.00	
126032	2/26/2021	FGL ENVIRONMENTAL, INC	STORMWATER TEST	515.00	
126033	2/26/2021	FLEET SERVICES, INC.	BUS PARTS	311.03	
126034	2/26/2021	CARLOS FLORES	TOOL ALLOWANCE	1,100.00	
126035	2/26/2021	FRONTIER CALIFORNIA INC.	TELEPHONE SERVICE	803.59	
126036	2/26/2021	GIBBS INTERNATIONAL INC	BUS PARTS	1,958.52	
126037	2/26/2021	GILLIG LLC	BUS PARTS	5,861.01	
126038	2/26/2021	GLOBAL EQUIPMENT COMPANY	B&G REPAIRS & SUPPLIES	258.72	
126039	2/26/2021	GOLD COAST TRANSPORT REFRIG	BUS A/C MAINTENANCE	342.50	
126040	2/26/2021	GOODYEAR TIRE & RUBBER CO	BUS TIRE LEASE	10,256.51	
126041	2/26/2021	GRAPHICINK	PRINTING SERVICES	256.45	
126042	2/26/2021	GRAINGER, INC.	SHOP/B&G SUPPLIES	498.37	
126043	2/26/2021	GRAYBAR ELECTRIC COMPANY, I	REPAIRS & SUPPLIES T1 BLDG/GRDS	880.96	
126044	2/26/2021	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	9.22	
126045	2/26/2021	IRON HORSE AUTO BODY OF SB D	VENDOR BUS REPAIRS	330.92	
126046	2/26/2021	JANEK CORP	BUS PARTS	1,685.63	
126047	2/26/2021	KIMBALL MIDWEST	SHOP SUPPLIES	1,226.11	
126048	2/26/2021	MC CORMIX CORP. (OIL)	LUBRICANTS	2,164.52	
126049	2/26/2021	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	1,098.11	
126050	2/26/2021	MCMaster-CARR SUPPLY CO.	SHOP/B&G SUPPLIES	568.12	
126051	2/26/2021	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	401.61	
126052	2/26/2021	NATIONAL DRIVE	PAYROLL DEDUCTION	28.00	
126053	2/26/2021	ARTURO NAVARRO	TOOL ALLOWANCE BALANCE	22.50	
126054	2/26/2021	NEWEGG BUSINESS, INC	IT EQUIPMENT & SUPPLIES	1,810.38	

Check #	Date	Company	Description	Amount	Voids
126055	2/26/2021	NFI PARTS DBA	BUS PARTS	633.44	
126056	2/26/2021	PREVOST CAR (US) INC.	BUS PARTS	316.46	
126057	2/26/2021	POWERSTRIDE BATTERY CO.	BATTERIES	2,395.54	
126058	2/26/2021	LETICIA RAMIREZ	PAYROLL RELATED	650.00	
126059	2/26/2021	SANTA BARBARA FASTENERS, IN	SHOP SUPPLIES	18.48	
126060	2/26/2021	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	260.00	
126061	2/26/2021	SANTA BARBARA HOSE & SUPPLY	SHOP SUPPLIES	193.15	
126062	2/26/2021	SILVAS OIL CO., INC.	LUBRICANTS	627.60	
126063	2/26/2021	SO. CAL. EDISON CO.	UTILITIES	1,375.34	
126064	2/26/2021	SOCALGAS	UTILITIES	128.85	
126065	2/26/2021	SPECIALTY TOOL & BOLT, LTD	DRIVER BARRIER PARTS	321.86	
126066	2/26/2021	STAPLES CONTRACT & COMMERC	OFFICE SUPPLIES	106.44	
126067	2/26/2021	SB CITY OF-REFUSE/WATER	UTILITIES	521.73	
126068	2/26/2021	THOMAS TOWING, INC	TOWING SERVICE	1,425.00	
126069	2/26/2021	TILFORD WELDING DBA	VENDOR BUS REPAIRS	240.00	
126070	2/26/2021	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	694.22	
126071	2/26/2021	TRUMAN ARNOLD COMPANIES (T	DIESEL FUEL	16,907.72	
126072	2/26/2021	UNITED PARCEL SERVICE, INC.	FREIGHT CHARGES	471.01	
126073	2/26/2021	UNITED WAY OF SB	PAYROLL DEDUCTION	40.00	
126074	2/26/2021	J.C.M. AND ASSOCIATES INC.	UNIFORMS	1,596.68	
126075	2/26/2021	U.S. BANK CORP. PAYMENT SYST	CREDIT CARD PURCHASES	1,578.05	
126076	2/26/2021	VALLEY POWER SYSTEMS, INC.	BUS PARTS	122.54	
126077	2/26/2021	VERIZON WIRELESS	WIRELESS PHONES & AIM CELLULAR	587.67	
126078	2/26/2021	WAYTEK INC.	BUS PARTS	89.00	
126079	2/26/2021	YACO SCHOLARSHIP FUND	PAYROLL DEDUCTION	53.00	
126080	3/4/2021	ABC BUS COMPANIES INC	BUS PARTS	838.29	
126081	3/4/2021	AMERICAN MOVING PARTS, LLC	BUS PARTS	919.56	
126082	3/4/2021	BYD MOTORS LLC	CAPITAL LEASE PAYMENT	31,625.22	
126083	3/4/2021	MANUEL CASTANON	PER DIEM	408.25	
126084	3/4/2021	COMPLETE COACH WORKS	DRIVER BARRIERS	82,321.85	
126085	3/4/2021	COX COMMUNICATIONS, CORP.	INTERNET & CABLE TV	295.00	
126086	3/4/2021	CUMMINS SALES & SERVICE dba	BUS PARTS & REPAIRS	1,715.92	
126087	3/4/2021	DESTIN THOMAS COMMUNICATIO	RADIOS SUPPLIES/REPAIRS	9,120.75	
126088	3/4/2021	DIVERSIFIED TRANSPORTATION S	FREIGHT CHARGES	235.00	
126089	3/4/2021	EASY LIFT TRANSPORTATION, IN	MONTHLY ADA SUBSIDY	83,463.33	
126090	3/4/2021	FEDEX dba	FREIGHT CHARGES	217.64	
126091	3/4/2021	JUAN FERNANDEZ	REIMBURSEMENT DMV	49.00	
126092	3/4/2021	GIBBS INTERNATIONAL INC	BUS PARTS	944.77	
126093	3/4/2021	GILLIG LLC	BUS PARTS	4,730.14	
126094	3/4/2021	GRAINGER, INC.	SHOP/B&G SUPPLIES	485.93	
126095	3/4/2021	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	434.96	

Check #	Date	Company	Description	Amount	Voids
126096	3/4/2021	HR AUTOGLASS DBA	BUS PARTS/REPAIRS	255.00	
126097	3/4/2021	LAWSON PRODUCTS INC	SHOP SUPPLIES	1,894.86	
126098	3/4/2021	MISSION LINEN SUPPLY, INC	UNIFORM & LINEN SERVICE	4,345.24	
126099	3/4/2021	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	154.95	
126100	3/4/2021	MOUNTAIN SPRING WATER	SHOP & OFFICE SUPPLIES	737.95	
126101	3/4/2021	NEW PIG CORP.	BUS CLEANING SUPPLIES	836.60	
126102	3/4/2021	NFI PARTS DBA	BUS PARTS	262.31	
126103	3/4/2021	PREVOST CAR (US) INC.	BUS PARTS	323.76	
126104	3/4/2021	O'REILLY AUTO PARTS DBA	SERVICE VEHICLE PARTS	5.43	
126105	3/4/2021	PITNEY BOWES INC	POSTAGE SUPPLIES	175.61	
126106	3/4/2021	POWERSTRIDE BATTERY CO.	BATTERIES	598.89	
126107	3/4/2021	PRAXAIR DISTRIBUTION, INC.	SHOP SUPPLIES	13.47	
126108	3/4/2021	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	170.00	
126109	3/4/2021	SAFETY MATTERS CERTIFIED TRA	TRAINING	672.00	
126110	3/4/2021	SM TIRE, CORP.	BUS TIRE MOUNTING	666.62	
126111	3/4/2021	SO. CAL. EDISON CO.	UTILITIES	147.56	
126112	3/4/2021	SOUTHWEST LIFT & EQUIPMENT,	LIFT REPAIRS & SUPPLIES	3,028.39	
126113	3/4/2021	SB CITY OF-REFUSE/WATER	UTILITIES	2,478.68	
126114	3/4/2021	TRISTAR RISK MANAGEMENT	WORKERS COMPENSATION ADMINIST	15,486.50	
126115	3/4/2021	TRUMAN ARNOLD COMPANIES (T	DIESEL FUEL	16,883.33	
126116	3/4/2021	VALLEY POWER SYSTEMS, INC.	BUS PARTS	0.00	V
126117	3/4/2021	VALLEY POWER SYSTEMS, INC.	BUS PARTS	9,808.15	
126118	3/4/2021	VALLEY POWER SYSTEMS, INC.	BUS PARTS	36.49	
126119	3/4/2021	VENTIV TECHNOLOGY	WORKERS COMPENSATION SERVICES	4,800.00	
126120	3/4/2021	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	116.98	
				483,348.53	
Current Cash Report Voided Checks:				0.00	
Prior Cash Report Voided Checks:				1,100.00	
Grand Total:				\$482,248.53	



BOARD OF DIRECTORS REPORT

MEETING DATE: MARCH 16, 2021 **AGENDA ITEM: #7**
DEPARTMENT: FINANCE
TYPE: INFORMATIONAL ITEM
PREPARED BY: BRAD DAVIS _____
Signature
REVIEWED BY: GENERAL MANAGER _____
Signature
SUBJECT: FIRST DRAFT OF FISCAL YEAR 2021-22 BUDGET

RECOMMENDATION:

Staff will present the first draft of the fiscal year 2021- 22 (FY 2021-22) budget to the Board and seek direction on preparing the final draft to be considered by the Board for adoption this June.

DISCUSSION:

Attached is the draft operating and capital budget for FY 2021-22. The "novel coronavirus-2019" is expected to continue to have a large fiscal impact on the District although to a diminished degree relative to the current year. As in FY20-21, fare revenue and the service level will be most affected. The operating shortfall is projected at \$5.7 million prior to balancing the budget with federal stimulus and relief funding. This compares to the initial \$8 million deficit anticipated for the ongoing FY 2020-21.

A presentation will be provided at the board meeting that will review the budget and highlight the financial and operational changes over time from prior to the onset of Covid-19 through the upcoming FY 2021-22. Following are some of the key assumptions used in developing the budget:

- The projected service level is 200,000 revenue hours¹, 12% below pre-pandemic levels.
- Booster and Line 28 services assume a full school year for K-12, SBCC, and UCSB.²
- The Crosstown and Seaside services as well as the Line 10 will remain suspended.
- Microtransit service is scheduled to begin in March 2022 subject to the arrival of the vans.
- Regular passenger fares will be collected throughout the fiscal year.
- Ridership/fares will edge upwards reaching 50% of pre-pandemic levels by yearend.
- Reduced UCSB & SBCC enrollment will diminish pre-pandemic contract fare revenue.
- LTF sales tax revenue will increase 2.7% per state estimates.
- Full employment of approved positions is assumed (although not currently attained).
- Union wage, pension, and health benefit increases are based on the active CBA.

¹ The service level is subject to change from factors influenced by the pandemic such as on-campus teaching.

² See footnote 1 above.

BOARD OF DIRECTORS REPORT

Significant items in the FY 2021-22 capital budget include the following:

- Continuation of fleet the renewal campaign (\$2.5M)
- Continuation of Overpass terminal reactivation (\$1.7M)
- Contactless fare payment system (\$1.5M)
- Accounting & HR data system replacement (\$1.5M)

ATTACHMENT:

- Draft Fiscal Year 2021-22 Operating & Capital Budget



FISCAL YEAR 2021-22
OPERATING & CAPITAL BUDGET
DRAFT

Santa Barbara Metropolitan Transit District
550 Olive Street * Santa Barbara, CA 93101
Phone: (805) 963-3364 * Website: sbmtd.gov

March 16, 2021

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

**OPERATING & CAPITAL BUDGET
FISCAL YEAR 2021-22**

DRAFT

March 16, 2021

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Operating Summary

FY 2021-22

	Draft FY 2021-22 Budget	Approved FY 2020-21 Budget	<u>Budget Change</u>	
			Amount	%
<i>OPERATING REVENUE</i>				
Fare Revenue	\$1,966,454	\$167,929	\$1,798,525	1071%
Sales Tax Revenue	10,440,181	10,179,200	260,981	3%
FTA Operating Assistance	5,812,679	5,812,679	0	0%
State & Local Op Assistance	1,880,571	100,039	1,780,532	1780%
Property Tax Revenue	1,450,984	1,415,357	35,627	3%
Non-Transportation Income	422,000	399,083	22,917	6%
<i>Total Operating Revenue</i>	<u>\$21,972,869</u>	<u>\$18,074,287</u>	<u>\$3,898,582</u>	<u>22%</u>
<i>OPERATING EXPENSES</i>				
Route Operations	\$16,365,574	\$15,740,258	\$625,316	4%
Vehicle Maintenance	5,624,224	5,103,043	521,181	10%
Passenger Accommodations	1,744,246	1,640,056	104,190	6%
General Overhead	3,938,574	3,619,392	319,182	9%
<i>Total Operating Expense</i>	<u>\$27,672,618</u>	<u>\$26,102,749</u>	<u>\$1,569,869</u>	<u>6%</u>
Revenue Less Expenses	(\$5,699,749)	(\$8,028,462)		
Federal Stimulus Funds	\$5,699,749	\$8,028,462		
Net Surplus / (Deficit)	<u>\$0</u>	<u>\$0</u>		

Operating Revenue Detail FY 2021-22

	Draft	Approved	Budget Change	
	FY 2021-22 Budget	FY 2020-21 Budget	Amount	%
<i>FAREBOX REVENUE</i>				
Cash Fares & Tokens	\$572,269	\$79,482	\$492,787	620%
Adult Passes	330,056	45,841	284,215	620%
Youth Passes	162,659	22,592	140,067	620%
Senior Passes	64,015	8,891	55,124	620%
Mobility Passes	42,664	5,926	36,738	620%
Day Passes	1,418	197	1,221	620%
Microtransit Fares	18,727	0	18,727	n/a
UCSB Contract Fares	443,825	0	443,825	n/a
SBCC Contract Fares	310,821	0	310,821	n/a
Special Event Fares & Amtrak	10,000	2,500	7,500	300%
City My Ride Program	10,000	2,500	7,500	300%
<i>Subtotal</i>	<u>\$1,966,454</u>	<u>\$167,929</u>	<u>\$1,798,525</u>	<u>1071%</u>
<i>GRANTS & SUBSIDIES</i>				
LTF Sales Tax Revenue	\$8,190,872	\$7,977,460	\$213,412	3%
FTA Operating Assistance	5,812,679	5,812,679	0	0%
Measure A Sales Tax	2,249,309	2,201,740	47,569	2%
Other State/Local Subsidies	1,880,571	100,039	1,780,532	1780%
Property Tax Revenue	1,450,984	1,415,357	35,627	3%
STA/SB1 Sales Tax Revenue	0	0	0	n/a
<i>Subtotal</i>	<u>\$19,584,415</u>	<u>\$17,507,275</u>	<u>\$2,077,140</u>	<u>12%</u>
<i>OTHER INCOME</i>				
Advertising on Buses	\$350,000	\$300,000	\$50,000	17%
Interest on Investments	37,000	64,083	(27,083)	-42%
Other Operating Revenue	35,000	35,000	0	0%
<i>Subtotal</i>	<u>\$422,000</u>	<u>\$399,083</u>	<u>\$22,917</u>	<u>6%</u>
<i>Total Operating Revenue</i>	<u>\$21,972,869</u>	<u>\$18,074,287</u>	<u>\$3,898,582</u>	<u>22%</u>

Operating Expense Detail FY 2021-22

	Draft	Approved	Budget Change	
	FY 2021-22 Budget	FY 2020-21 Budget	Amount	%
<i>ROUTE OPERATIONS</i>				
Drivers	\$11,516,427	\$10,662,456	\$853,971	8%
Dispatch & Supervision	805,145	680,818	124,327	18%
Hiring & Training	397,869	376,195	21,674	6%
Risk & Safety	2,435,859	2,653,229	(217,370)	-8%
Transportation Subsidies	1,210,274	1,367,560	(157,286)	-12%
<i>Subtotal</i>	<u>\$16,365,574</u>	<u>\$15,740,258</u>	<u>\$625,316</u>	4%
<i>VEHICLE MAINTENANCE</i>				
Mechanics	\$1,370,069	\$1,119,276	\$250,793	22%
Cleaners & Fuelers	856,606	775,192	81,414	11%
Supervision	874,211	740,089	134,122	18%
Vehicle Consumables	1,620,480	1,579,562	40,918	3%
Bus Parts & Supplies	713,300	700,400	12,900	2%
Vendor Services	55,000	55,000	0	0%
Risk & Safety	134,558	133,524	1,034	1%
<i>Subtotal</i>	<u>\$5,624,224</u>	<u>\$5,103,043</u>	<u>\$521,181</u>	10%
<i>PASSENGER ACCOMMODATIONS</i>				
Passenger Facilities	\$667,685	\$645,338	\$22,347	3%
Transit Development	405,258	489,111	(83,853)	-17%
Marketing & Community Relations	344,129	210,627	133,502	63%
Fare Revenue Collection	327,174	294,980	32,194	11%
<i>Subtotal</i>	<u>\$1,744,246</u>	<u>\$1,640,056</u>	<u>\$104,190</u>	6%
<i>GENERAL OVERHEAD</i>				
Finance	\$724,324	\$535,114	\$189,210	35%
Personnel	235,086	224,743	10,343	5%
Utilities & Communication	261,642	264,600	(2,958)	-1%
Operating Facilities	443,501	424,917	18,584	4%
District Administration	2,274,021	2,170,018	104,003	5%
<i>Subtotal</i>	<u>\$3,938,574</u>	<u>\$3,619,392</u>	<u>\$319,182</u>	9%
<i>Total Operating Expenses</i>	<u>\$27,672,618</u>	<u>\$26,102,749</u>	<u>\$1,569,869</u>	6%

Route Operations Detail FY 2021-22

	Draft	Approved	<u>Budget Change</u>	
	FY 2021-22	FY 2020-21	Amount	%
	Budget	Budget		
<i>DRIVERS</i>				
Scheduled	\$6,451,340	\$5,839,999	\$611,341	10%
Scheduled Overtime	419,069	381,421	37,648	10%
Unscheduled Pay	178,425	161,711	16,714	10%
Driver Lite Duty	4,229	4,152	77	2%
Paid Absences	962,917	930,400	32,517	3%
Health Benefits	1,935,679	1,865,123	70,556	4%
Pension Contributions	912,756	877,239	35,517	4%
Payroll Taxes	636,512	586,911	49,601	8%
Uniforms	15,500	15,500	0	0%
<i>Drivers Subtotal</i>	<u>\$11,516,427</u>	<u>\$10,662,456</u>	<u>\$853,971</u>	<u>8%</u>
<i>DISPATCH & SUPERVISION</i>				
Supervisors	\$241,544	\$235,660	\$5,884	2%
Staff	248,455	184,621	63,834	35%
Paid Absences	84,366	77,630	6,736	9%
Health Benefits	133,168	108,568	24,600	23%
Pension Contributions	52,757	35,295	17,462	49%
Payroll Taxes	44,855	39,044	5,811	15%
<i>Dispatch & Supe. Subtotal</i>	<u>\$805,145</u>	<u>\$680,818</u>	<u>\$124,327</u>	<u>18%</u>
<i>HIRING & TRAINING</i>				
Staff	\$39,378	\$39,245	133	0%
Student Drivers	159,820	155,930	3,890	2%
Existing Drivers/Supers	68,418	66,853	1,565	2%
Paid Absences	17,400	14,016	3,384	24%
Health Benefits	34,011	30,470	3,541	12%
Pension Contributions	11,961	11,476	485	4%
Payroll Taxes	21,881	21,205	676	3%
Medical Exams & License Fees	30,000	22,000	8,000	36%
Employment Advertising	10,000	10,000	0	0%
Training, Travel & Meetings	5,000	5,000	0	0%
<i>Hiring & Training Subtotal</i>	<u>\$397,869</u>	<u>\$376,195</u>	<u>\$21,674</u>	<u>6%</u>
<i>RISK & SAFETY</i>				
<u>Wages & Benefits</u>				
Staff	\$110,188	\$159,079	(\$48,891)	-31%
Supervisors	318,491	310,732	7,759	2%
Driver Accident Pay	1,974	1,938	36	2%
Paid Absences	59,186	68,773	(9,587)	-14%
Health Benefits	117,216	123,372	(6,156)	-5%
Pension Contributions	44,012	48,544	(4,532)	-9%
Payroll Taxes	38,353	42,437	(4,084)	-10%
<i>Wages & Benefits Subtotal</i>	<u>\$689,420</u>	<u>\$754,875</u>	<u>(\$65,455)</u>	<u>-9%</u>

Route Operations Detail FY 2021-22

	Draft	Approved	<u>Budget Change</u>	
	FY 2021-22	FY 2020-21	Amount	%
	<u>Budget</u>	<u>Budget</u>		
<i>RISK & SAFETY (cont'd)</i>				
<u>Public Liability</u>				
Professional Services	\$165,895	\$164,823	\$1,072	1%
Insurance	443,956	416,574	27,382	7%
Current Year Incident Payouts	50,000	50,000	0	0%
Current Year Incident Reserves	100,000	100,000	0	0%
Prior Years Incident Payouts	25,000	25,000	0	0%
Change in Prior Years Reserves	(25,000)	(25,000)	0	0%
Public Liability Subtotal	\$759,851	\$731,397	\$28,454	4%
<u>Workers' Compensation</u>				
Professional Services	\$303,881	\$303,040	\$841	0%
Insurance	162,707	143,917	18,790	13%
Current Year Incident Payouts	50,000	50,000	0	0%
Current Year Incident Reserves	250,000	250,000	0	0%
Prior Years Incident Payouts	400,000	400,000	0	0%
Change in Prior Years Reserves	(200,000)	0	(200,000)	n/a
Miscellaneous Risk & Safety	20,000	20,000	0	0%
Workers' Comp Subtotal	\$986,588	\$1,166,957	(180,369)	-15%
<i>Risk & Safety Subtotal</i>	<u>\$2,435,859</u>	<u>\$2,653,229</u>	<u>(\$217,370)</u>	<u>-8%</u>
<u>TRANSPORTATION SUBSIDIES</u>				
ADA Paratransit Service	\$1,010,274	\$1,001,560	\$8,714	1%
Pandemic-Related Loss Relief	200,000	366,000	(166,000)	-45%
<i>Transportation Subsidies Sbtl</i>	<u>\$1,210,274</u>	<u>\$1,367,560</u>	<u>(\$157,286)</u>	<u>-12%</u>
<i>Total Route Operations</i>	<u>\$16,365,574</u>	<u>\$15,740,258</u>	<u>\$625,316</u>	<u>4%</u>

Vehicle Maintenance Detail

FY 2021-22

	Draft	Approved	Budget Change	
	FY 2021-22 Budget	FY 2020-21 Budget	Amount	%
MECHANICS				
Mechanics	\$795,010	\$652,443	\$142,567	22%
Less Mechanic Capital Labor	(32,134)	(31,165)	(969)	3%
Mechanics-OT	71,292	57,788	13,504	23%
Paid Absences	107,471	87,930	19,541	22%
Health Benefits	221,481	178,431	43,050	24%
Pension Contributions	98,153	80,765	17,388	22%
Payroll Taxes	76,496	62,984	13,512	21%
Uniforms	18,000	18,000	0	0%
Tool Allowance	14,300	12,100	2,200	18%
<i>Mechanics Subtotal</i>	<i>\$1,370,069</i>	<i>\$1,119,276</i>	<i>\$250,793</i>	<i>22%</i>
CLEANERS & FUELERS				
Service Workers	\$480,499	\$430,371	\$50,128	12%
Paid Absences	59,974	72,378	(12,404)	-17%
Health Benefits	187,407	158,155	29,252	18%
Pension Contributions	75,794	64,810	10,984	17%
Payroll Taxes	43,068	40,238	2,830	7%
Uniforms	6,864	6,240	624	10%
Medical Exams & License Fees	3,000	3,000	0	0%
<i>Cleaners & Fuelers Subtotal</i>	<i>\$856,606</i>	<i>\$775,192</i>	<i>\$81,414</i>	<i>11%</i>
SUPERVISION				
Staff	\$528,182	\$451,142	\$77,040	17%
Paid Absences	73,759	63,929	9,830	15%
Health Benefits	155,381	123,411	31,970	26%
Pension Contributions	59,834	51,147	8,687	17%
Payroll Taxes	47,055	40,460	6,595	16%
Training, Travel & Meetings	10,000	10,000	0	0%
<i>Supervision Subtotal</i>	<i>\$874,211</i>	<i>\$740,089</i>	<i>\$134,122</i>	<i>18%</i>
VEHICLE CONSUMABLES				
Bus Fuel	\$1,232,483	\$1,242,565	(\$10,082)	-1%
Oil & Lubricants	139,896	128,779	11,117	9%
Electric Vehicle Power	80,000	60,000	20,000	33%
Tire Lease	156,101	139,098	17,003	12%
Tire Mounting	12,000	9,120	2,880	32%
<i>Vehicle Consumables Subtotal</i>	<i>\$1,620,480</i>	<i>\$1,579,562</i>	<i>\$40,918</i>	<i>3%</i>
VEHICLE PARTS & SUPPLIES				
Bus Parts Issued	\$600,000	\$587,100	\$12,900	2%
Shop Supplies	77,250	77,250	0	0%
Bus Servicing Supplies	15,450	15,450	0	0%
Hazmat Disposal & Compliance	20,600	20,600	0	0%
<i>Veh. Parts & Supplies Subtotal</i>	<i>\$713,300</i>	<i>\$700,400</i>	<i>\$12,900</i>	<i>2%</i>

Vehicle Maintenance Detail FY 2021-22

	Draft	Approved	<u>Budget Change</u>	
	FY 2021-22 Budget	FY 2020-21 Budget	Amount	%
<i>VENDOR BUS REPAIRS</i>				
Vandalism Repairs	\$5,000	\$5,000	\$0	0%
Accident Damage Repairs	5,000	5,000	0	0%
Accident Claim Collections	(15,000)	(15,000)	0	0%
Other Vendor Repairs	60,000	60,000	0	0%
<i>Vendor Bus Repairs Subtotal</i>	<u>\$55,000</u>	<u>\$55,000</u>	<u>\$0</u>	<u>0%</u>
<i>RISK & SAFETY</i>				
Workers' Comp Services	\$15,994	\$15,949	\$45	0%
Workers' Comp Insurance	8,564	7,575	989	13%
Current Year Incident Payouts	10,000	10,000	0	0%
Current Year Incident Reserve:	25,000	25,000	0	0%
Prior Years Incident Payouts	50,000	50,000	0	0%
Change in Prior Years Reserves	25,000	25,000	0	0%
<i>Risk & Safety Subtotal</i>	<u>\$134,558</u>	<u>\$133,524</u>	<u>\$1,034</u>	<u>1%</u>
<i>Total Vehicle Maintenance</i>	<u>\$5,624,224</u>	<u>\$5,103,043</u>	<u>\$521,181</u>	<u>10%</u>

Passenger Accommodations Detail

FY 2021-22

	Draft	Approved	<u>Budget Change</u>	
	FY 2021-22	FY 2020-21	Amount	%
	Budget	Budget		
<i>PASSENGER FACILITIES</i>				
<u>Wages & Benefits</u>				
Supervisors	\$164,250	\$160,249	\$4,001	2%
TC Advisors	121,653	114,599	7,054	6%
Staff	45,909	41,532	4,377	11%
Paid Absences	43,861	35,760	8,101	23%
Health Benefits	126,737	115,769	10,968	9%
Pension Contributions	28,005	27,470	535	2%
Payroll Taxes	29,870	28,225	1,645	6%
Wages & Benefits Subtotal	\$560,285	\$523,604	\$36,681	7%
<u>Buildings & Grounds</u>				
TC Contract Maintenance	\$80,819	\$98,200	(\$17,381)	-18%
TC Repairs/Supplies	5,000	5,000	0	0%
Bus Stop Repairs/Supplies	5,000	5,000	0	0%
TC Property Insurance	16,581	13,534	3,047	23%
Buildings & Grounds Subtotal	\$107,400	\$121,734	(\$14,334)	-12%
<i>Passenger Facilities Subtotal</i>	<i>\$667,685</i>	<i>\$645,338</i>	<i>\$22,347</i>	<i>3%</i>
<i>TRANSIT DEVELOPMENT</i>				
Staff	\$232,646	\$226,187	\$6,459	3%
Paid Absences	33,904	29,631	4,273	14%
Health Benefits	83,123	66,528	16,595	25%
Pension Contributions	26,655	25,582	1,073	4%
Payroll Taxes	20,930	20,183	747	4%
Training, Travel & Meetings	3,000	3,000	0	0%
Planning Services & Supplies	5,000	118,000	(113,000)	-96%
<i>Transit Development Subtotal</i>	<i>\$405,258</i>	<i>\$489,111</i>	<i>(\$83,853)</i>	<i>-17%</i>
<i>MARKETING & COMMUNITY RELATIONS</i>				
<u>Wages & Benefits</u>				
Staff	\$106,390	\$68,609	\$37,781	55%
Paid Absences	14,820	16,137	(1,317)	-8%
Health Benefits	24,794	21,981	2,813	13%
Pension Contributions	12,121	8,243	3,878	47%
Payroll Taxes	9,504	6,657	2,847	43%
Wages & Benefits Subtotal	167,629	121,627	46,002	38%
<u>Outside Services</u>				
Media Ad Placement	\$16,000	5,000	\$11,000	220%
Brochures & Publications	10,000	5,000	5,000	100%
Market Research	2,500	2,500	0	0%
Promotional Giveaways	5,000	5,000	0	0%
Bus/Shuttle Decorations	0	1,500	(1,500)	-100%
Other Promotions	75,000	25,000	50,000	200%
Route Schedules & Information	65,000	42,000	23,000	55%
Training, Travel & Meetings	3,000	3,000	0	0%
Outside Services Subtotal	\$176,500	\$89,000	\$87,500	98%
<i>Marketing & Comm. Relations</i>	<i>\$344,129</i>	<i>\$210,627</i>	<i>\$133,502</i>	<i>63%</i>

Passenger Accommodations Detail

FY 2021-22

	Draft FY 2021-22 Budget	Approved FY 2020-21 Budget	<u>Budget Change</u>	
			Amount	%
<i>FARE REVENUE COLLECTION</i>				
<u>Wages & Benefits</u>				
Staff	\$123,642	\$121,132	\$2,510	2%
Paid Absences	26,025	25,391	634	2%
Health Benefits	65,783	58,446	7,337	13%
Pension Contributions	14,967	14,652	315	2%
Payroll Taxes	11,757	11,559	198	2%
Wages & Benefits Subtotal	<u>\$242,174</u>	<u>\$231,180</u>	<u>\$10,994</u>	5%
<u>Outside Services</u>				
Fare Processing	\$65,000	\$43,800	\$21,200	48%
Farebox Parts & Repairs	15,000	15,000	0	0%
Tickets, Tokens & Transfers	5,000	5,000	0	0%
Outside Services Subtotal	<u>\$85,000</u>	<u>\$63,800</u>	<u>\$21,200</u>	33%
<i>Fare Revenue Collection Sbtl</i>	<u>\$327,174</u>	<u>\$294,980</u>	<u>\$32,194</u>	11%
<i>Total Pssngr Accommodations</i>	<u>\$1,744,246</u>	<u>\$1,640,056</u>	<u>\$104,190</u>	6%

General Overhead Detail FY 2021-22

	Draft	Approved	<u>Budget Change</u>	
	FY 2021-22	FY 2020-21	Amount	%
	Budget	Budget		
<i>FINANCE</i>				
Staff	\$400,403	\$297,602	102,801	35%
Paid Absences	50,504	37,120	13,384	36%
Health Benefits	154,862	93,501	61,361	66%
Pension Contributions	36,091	33,472	2,619	8%
Payroll Taxes	35,264	26,219	9,045	34%
Financial Audit Services	47,200	47,200	0	0%
<i>Finance Subtotal</i>	<u>\$724,324</u>	<u>\$535,114</u>	<u>\$189,210</u>	35%
<i>PERSONNEL</i>				
Staff	\$135,899	\$138,521	(\$2,622)	-2%
Paid Absences	14,456	18,637	(4,181)	-22%
Health Benefits	57,885	45,455	12,430	27%
Pension Contributions	15,036	9,669	5,367	56%
Payroll Taxes	11,810	12,461	(651)	-5%
<i>Personnel Subtotal</i>	<u>\$235,086</u>	<u>\$224,743</u>	<u>\$10,343</u>	5%
<i>UTILITIES</i>				
Phone & Data Communications	\$86,052	\$89,600	(\$3,548)	-4%
Power, Water & Refuse	160,590	160,000	590	0%
Two-Way Radios	15,000	15,000	0	0%
<i>Utilities Subtotal</i>	<u>\$261,642</u>	<u>\$264,600</u>	<u>(\$2,958)</u>	-1%
<i>OPERATING FACILITIES</i>				
<u>Wages & Benefits</u>				
Staff	\$63,019	\$61,512	\$1,507	2%
Paid Absences	8,142	7,923	219	3%
Health Benefits	12,356	10,952	1,404	13%
Pension Contributions	7,116	6,943	173	2%
Payroll Taxes	5,598	5,487	111	2%
<i>Wages & Benefits Subtotal</i>	<u>\$96,231</u>	<u>\$92,817</u>	<u>\$3,414</u>	4%
<u>Service Vehicles</u>				
Parts & Repairs	\$15,000	\$15,000	\$0	0%
Fuel	31,800	40,000	(8,200)	-21%
<i>Service Vehicles Subtotal</i>	<u>\$46,800</u>	<u>\$55,000</u>	<u>(\$8,200)</u>	-15%
<u>Buildings & Grounds</u>				
Contract Maintenance	\$107,680	\$107,680	\$0	0%
Overpass Site Maintenance	20,000	10,000	10,000	100%
B&G Repairs/Supplies	100,000	100,000	0	0%
Property Insurance	72,790	59,420	13,370	23%
<i>Buildings & Grounds Subtotal</i>	<u>\$300,470</u>	<u>\$277,100</u>	<u>\$23,370</u>	8%
<i>Operating Facilities Subtotal</i>	<u>\$443,501</u>	<u>\$424,917</u>	<u>\$18,584</u>	4%

General Overhead Detail FY 2021-22

	Draft FY 2021-22 Budget	Approved FY 2020-21 Budget	<u>Budget Change</u>	
			Amount	%
<i>DISTRICT ADMINISTRATION</i>				
<u>Wages & Benefits</u>				
Staff	\$596,421	\$651,679	(\$55,258)	-8%
Paid Absences	198,095	118,032	80,063	68%
Health Benefits	215,934	181,809	34,125	19%
Pension Contributions	97,925	91,431	6,494	7%
Payroll Taxes	65,159	60,222	4,937	8%
Wages & Benefits Subtotal	\$1,173,534	\$1,103,173	\$70,361	6%
<u>Administrative Services</u>				
Directors Fees	\$10,800	\$10,000	\$800	8%
Public Officials Insurance	106,687	88,845	17,842	20%
Legal Counsel	80,000	75,000	5,000	7%
Pension Administration	3,000	3,000	0	0%
Office Equipment Maintenance	215,000	215,000	0	0%
Miscellaneous Services	100,000	100,000	0	0%
Office & Computer Supplies	45,000	35,000	10,000	29%
Dues & Subscriptions	55,000	55,000	0	0%
Conferences, Meetings, Training	5,000	5,000	0	0%
Employee Relations	30,000	30,000	0	0%
Retiree Health Insurance	70,000	70,000	0	0%
Mandated Fees & Permits	40,000	40,000	0	0%
Bus Ad Revenue Program	0	0	0	n/a
Misc. Expenses & Losses	30,000	30,000	0	0%
Bad Debts	10,000	10,000	0	0%
Covid-19 Expenses	300,000	300,000	0	0%
Admin. Services Subtotal	\$1,100,487	\$1,066,845	\$33,642	3%
<i>District Admin. Subtotal</i>	<u>\$2,274,021</u>	<u>\$2,170,018</u>	<u>\$104,003</u>	5%
<i>Total General Overhead</i>	<u>\$3,938,574</u>	<u>\$3,619,392</u>	<u>\$319,182</u>	9%

Capital Budget Detail

FY 2021-22

	Total FY 21-22 Budget	=	New FY 21-22 Projects	+	Carryover FY 20-21 Projects	Approved FY 20-21 Budget
<i>REVENUE VEHICLE PURCHASES</i>						
40' Electric Buses	\$4,780,000		\$0		\$4,780,000	\$4,780,000
30' Electric Buses	0		0		0	175,000
30' Electric Capital Lease (6)	380,000		380,000		0	380,000
Microtransit Vans	654,000		0		654,000	654,000
Paratransit Vans (4)	223,000		223,000		0	0
Subtotal	<u>\$6,037,000</u>		<u>\$603,000</u>		<u>\$5,434,000</u>	<u>\$5,989,000</u>
<i>REVENUE VEHICLE IMPROVEMENTS</i>						
Fleet Renewal Campaign	\$2,471,000		\$2,471,000		\$0	\$1,725,000
COVID-19 Safety Improvements	1,500,000		1,500,000		0	700,000
Ongoing Component Replacements	125,000		125,000		0	150,000
Subtotal	<u>\$4,096,000</u>		<u>\$4,096,000</u>		<u>\$0</u>	<u>\$2,575,000</u>
<i>OPERATING FACILITIES</i>						
T2 Facility Improvements	\$1,700,000		\$1,700,000		\$0	\$1,500,000
T1 Facility Improvements	208,000		208,000		0	50,000
Electric Bus Infrastructure	50,000		50,000		0	1,400,000
Facilities Master/Other Plans	0		0		0	35,000
Calle Real Development	150,000		150,000		0	150,000
Subtotal	<u>\$2,108,000</u>		<u>\$2,108,000</u>		<u>\$0</u>	<u>\$3,135,000</u>
<i>PASSENGER FACILITIES</i>						
Passenger Facility Improvements	\$25,000		\$25,000		\$0	\$735,000
Bus Stop Improvements	500,000		500,000		0	250,000
Subtotal	<u>\$525,000</u>		<u>\$525,000</u>		<u>\$0</u>	<u>\$985,000</u>
<i>INTELLIGENT TRANSPORTATION SYS.</i>						
AVL & ITS Systems	\$79,000		\$79,000		\$0	\$75,000
Fare Collection & Payment Systems	100,000		100,000		0	50,000
Subtotal	<u>\$179,000</u>		<u>\$179,000</u>		<u>\$0</u>	<u>\$125,000</u>
<i>INFORMATION SYSTEMS</i>						
Business Software	\$1,500,000		\$1,500,000		\$0	\$50,000
IT Systems & Security	110,000		110,000		0	100,000
Subtotal	<u>\$1,610,000</u>		<u>\$1,610,000</u>		<u>\$0</u>	<u>\$150,000</u>
<i>OTHER EQUIPMENT</i>						
Shop Equipment	\$29,000		\$29,000		\$0	\$25,000
Service Vehicles	150,000		150,000		0	154,000
Office Equipment & Furniture	11,000		11,000		0	10,000
Subtotal	<u>\$190,000</u>		<u>\$190,000</u>		<u>\$0</u>	<u>\$189,000</u>
Total Capital Projects	<u>\$14,745,000</u>		<u>\$9,311,000</u>		<u>\$5,434,000</u>	<u>\$13,148,000</u>



BOARD OF DIRECTORS REPORT

MEETING DATE: MARCH 16, 2021 **AGENDA ITEM: #8**

DEPARTMENT: FINANCE

TYPE: ACTION ITEM

PREPARED BY: THAIS SAYAT

Signature

REVIEWED BY: GENERAL MANAGER

Signature

SUBJECT: RESOLUTION FOR FISCAL YEAR 2021-22 TRANSPORTATION DEVELOPMENT ACT CLAIM

RECOMMENDATION:

Staff is requesting that the Board adopt the attached resolution authorizing the General Manager to claim the Transportation Development Act (TDA) funds apportioned to Santa Barbara Metropolitan Transit District for Fiscal Year (FY) 2021-22.

DISCUSSION:

Staff is preparing the Santa Barbara Metropolitan Transit District's FY 2021-22 TDA claim forms. All claims must be submitted to the Santa Barbara County Association of Governments by April 1, 2021.

ATTACHMENT:

- Resolution 2021-01 for the FY 2021-22 Transportation Development Act Claim

RESOLUTION
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

IN THE MATTER OF AUTHORIZING THE FILING
OF A CLAIM WITH THE SANTA BARBARA
COUNTY ASSOCIATION OF GOVERNMENTS
FOR ALLOCATION OF TRANSPORTATION
DEVELOPMENT ACT FUNDS FOR FISCAL
YEAR 2021-22

RESOLUTION NO. 2021-01

WHEREAS, the Transportation Development Act (TDA), as amended (Public Utilities Code Section 99200 et seq.), provides for the allocation of funds from the Local Transportation Fund and the State Transit Assistance Fund, for use by eligible claimants for various transportation purposes; and

WHEREAS, pursuant to the provisions of the TDA, as amended, and pursuant to the applicable rules and regulations hereunder (21 Cal. Admin. Code Sections 6600 et seq.) a prospective claimant wishing to receive an allocation from the Local Transportation Fund or the State Transit Assistance Fund shall file its claim with the Santa Barbara County Association of Governments.

NOW, THEREFORE, BE IT RESOLVED that the General Manager, Jerry Estrada, is authorized to execute and file an appropriate claim pursuant to the terms of the Transportation Development Act, as amended, and pursuant to applicable rules and regulations promulgated there under, together with all necessary supporting documents, with the Santa Barbara County Association of Governments for an allocation of TDA funds in Fiscal Year 2021-22.

BE IT FURTHER RESOLVED that the authorized claim includes \$266,659 for regional and transportation planning and \$8,190,872 for transit purposes, plus STA funds to be allocated for mass transportation or local transportation planning.

BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to the Santa Barbara Association of Governments in conjunction with the filing of the claim.

PASSED AND ADOPTED by the Board of Directors of the Santa Barbara Metropolitan Transit District this 16th day of March 2021 by the following vote:

AYES: _____
NAYS: _____
ABSENT: _____

Chair, Board of Directors

ATTEST:

Secretary, Board of Directors



BOARD OF DIRECTORS REPORT

MEETING DATE: MARCH 16, 2021 **AGENDA ITEM: #9**
DEPARTMENT: GRANTS
TYPE: ACTION ITEM
PREPARED BY: STEVE MAAS & RYAN GRIPP _____
Signature
REVIEWED BY: GENERAL MANAGER _____
Signature
SUBJECT: LOW CARBON TRANSIT OPERATIONS PROGRAM RESOLUTION

RECOMMENDATION:

Staff recommends that the Board adopt Resolution 2021-02 authorizing General Manager Jerry Estrada to execute all required documents for an application to the California Department of Transportation (Caltrans) for FY 2021 California cap-and-trade funds from the Low Carbon Transit Operations Program (LCTOP), agreeing to comply with all conditions and requirements set forth in the Certification and Assurances, authorizing the allocation request, and authorizing the submittal to Caltrans of the project “MTD Terminal 1 (Haley/Salsipuedes Canopy) Electrification Infrastructure Upgrade.”

DISCUSSION:

Process

California cap-and-trade auction proceeds are appropriated to several programs, including the LCTOP, which is administered by Caltrans and the California Air Resources Board. All projects funded with auction proceeds must demonstrate greenhouse gas reduction. LCTOP provides formula funds to transit agencies such as MTD based on the agency’s percentage of statewide fare revenue, and to regional transportation planning agencies such as the Santa Barbara County Association of Governments (SBCAG) based on the area’s percentage of statewide population.

Staff proposes to submit an application to apply the available FY 2021 LCTOP funds towards the MTD Terminal 1 (Haley/Salsipuedes Canopy) Electrification Infrastructure Upgrade. Applications are due to Caltrans by April 9.

The SBCAG population-based FY 2021 LCTOP funds total \$464,835. For the previous year, MTD received more than 70% of SBCAG’s apportionment because the North County agencies only had one small \$40,000 LCTOP project. At that time, SBCAG informed MTD that we would get only \$40,000 in FY 2021. Thus, the SBCAG Board is expected to allocate \$40,000 of the SBCAG funds to MTD at their meeting of March 18. MTD will also apply the \$96,912 in MTD farebox revenue share of LCTOP funds to the project, for a total of \$136,912.

BOARD OF DIRECTORS REPORT

Project

In 2017, MTD upgraded its electric vehicle charging infrastructure under the Salsipuedes Street bus canopy and a portion of the Haley Street canopy to support the incoming 30' BYD battery-electric buses. The existing electrical infrastructure under those canopies at that time provided 208V power to the chargers associated with MTD's original fleet of electric shuttles. Of the 11 208V charge ports under the Salsipuedes canopy, all were converted to 480V to meet the specifications of the BYD bus chargers. However, of the 14 208V charge ports under the Haley Street canopy, only four ports were converted to 208V. The remaining 10 ports continued to be 208V capable, which was a strategic move at the time of the upgrade so MTD could operate both fleets during the onboarding of the new BYD buses and retirement of the old electric shuttles.

The LCTOP funding requested herein will be used to upgrade the remaining 10 208V charge ports to 480V (480V is the standard for the latest battery-electric bus charging equipment) so MTD has the necessary electrical infrastructure to support up to ten new 30'-35' battery-electric buses. The project would consist of eliminating an existing step-down transformer, running new conduit and cabling from the existing switchgear to the charge ports under the canopy, installation of new disconnects at each charge port, installation of new circuits at the panels, and other miscellaneous electrical upgrades.

The foregoing project, combined with the current SCE Charge Ready project for 14 new heavy-duty charge ports under the canopy next to the maintenance shop, will bring MTD's total heavy-duty charge port count to 39. When added to MTD's already sizeable light-duty charge port count of 14, MTD's total electric vehicle charge port count climbs to 53.

ATTACHMENTS:

- LCTOP Authorized Agent Form
- LCTOP Certifications and Assurances
- MTD Board Resolution 2021-02



FY 2020-2021 LCTOP
Authorized Agent

AS THE Chief Executive Officer
(Chief Executive Officer/Director/President/Secretary)

OF THE Santa Barbara Metropolitan 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.

Director of Finance and Administration Brad Davis OR
(Name and Title of Authorized Agent)

Grants & Compliance Manager Steve Maas OR
(Name and Title of Authorized Agent)

Finance Manager Thais Sayat OR
(Name and Title of Authorized Agent)

OR
(Name and Title of Authorized Agent)

Jerry Estrada General Manager
(Print Name) (Title)

(Signature)

Approved this 16 day of March, 2021



FY 2020-2021 LCTOP Certifications and Assurances

Lead Agency: Santa Barbara Metropolitan Transit District

Project Title: MTD Terminal 1 (Haley/Salsipuedes Canopy) Electrification Infrastructure Upgrade

Prepared by: Steve Maas

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).



FY 2020-2021 LCTOP

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.

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 Close Out 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.
 - d. Project Outcome Reporting as defined by CARB Funding Guidelines.
 - e. Jobs Reporting as defined by CARB Funding Guidelines.
2. Other Reporting Requirements: CARB develops and revises 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 CARB'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



FY 2020-2021 LCTOP

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 subject 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.

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



FY 2020-2021 LCTOP

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.

Jerry Estrada

(Print Authorized Agent)

General Manager

(Title)

(Signature)

(Date)



FY 2020-2021 LCTOP

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

RESOLUTION #2021-02

AUTHORIZATION FOR THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES AND AUTHORIZED AGENT FORMS FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)

FOR THE FOLLOWING PROJECT(S):

MTD Terminal 1 (Haley/Salsipuedes Canopy) Electrification Infrastructure Upgrade
99313: \$40,000; 99314: \$96,912

WHEREAS, the Santa Barbara Metropolitan Transit District (District) is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

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

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, the District wishes to delegate authorization to execute these documents and any amendments thereto to Jerry Estrada, General Manager; and

WHEREAS, the District wishes to implement the following LCTOP project(s) listed above,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that Jerry Estrada, General Manager be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District that it hereby authorizes the submittal of the following project nomination(s) and allocation request(s) to the Department in FY 2020-2021 LCTOP funds:

Project Name: MTD Terminal 1 (Haley/Salsipuedes Canopy) Electrification Infrastructure Upgrade
Amount of LCTOP funds requested: \$136,912

Short description of project: MTD will upgrade ten existing 208V charge ports to 480V

Benefit to a Priority Populations: The project will benefit a low-income community census tract

Amount to benefit Priority Populations: \$136,912

Contributing Sponsors (if applicable): Santa Barbara County Association of Governments



FY 2020-2021 LCTOP

PASSED AND ADOPTED by the Board of Directors of the Santa Barbara Metropolitan Transit District this 16th day of March 2021 by the following vote:

AYES: _____

NAYS: _____

ABSENT: _____

Chair, Board of Directors

ATTEST:

Secretary, Board of Directors



BOARD OF DIRECTORS REPORT

MEETING DATE: MARCH 16, 2021 **AGENDA ITEM: #10**

DEPARTMENT: GRANTS

TYPE: ACTION ITEM

PREPARED BY: STEVE MAAS

Signature

REVIEWED BY: GENERAL MANAGER

Signature

SUBJECT: RENEWAL OF CALTRANS MASTER AGREEMENT

RECOMMENDATION:

Staff recommends that the Board approve Resolution 2021-03 authorizing the General Manager to execute a "Master Agreement - State Funded Transit Projects" with Caltrans.

DISCUSSION:

State-funded transit projects require a local agency such as MTD to execute a Master Agreement with Caltrans. MTD's current Master Agreement will expire on July 3, 2021. Caltrans has provided a sample Master Agreement (attached), which is very similar to the existing agreement. If approved, this renewal will extend the Agreement for ten years from the date of adoption.

ATTACHMENTS:

- Board Resolution 2021-03
- Sample Caltrans Master Agreement

ATTACHMENT II

RESOLUTION #2021-03

AUTHORIZATION FOR THE EXECUTION OF A MASTER AGREEMENT AND PROGRAM SUPPLEMENTS FOR STATE-FUNDED TRANSIT PROJECTS

WHEREAS, the Santa Barbara Metropolitan Transit District may receive state funding from the California Department of Transportation (Department) now or sometime in the future for transit projects; and

WHEREAS, substantial revisions were made to the programming and funding process for the transportation projects programmed in the State Transportation Improvement Program, by Chapter 622 (SB 45) of the Statutes of 1997; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to execute an agreement with the Department before it can be reimbursed for project expenditures; and

WHEREAS, the Department utilizes Master Agreements for State-Funded Transit Projects, along with associated Program Supplements, for the purpose of administering and reimbursing state transit funds to local agencies; and

WHEREAS, the Santa Barbara Metropolitan Transit District wishes to delegate authorization to execute these agreements and any amendments thereto to the General Manager

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Barbara Metropolitan Transit District that the fund recipient agrees to comply with all conditions and requirements set forth in this agreement and applicable statutes, regulations and guidelines for all state-funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that the General Manager be authorized to execute the Master Agreement and all Program Supplements for State-Funded Transit Projects and any Amendments thereto with the California Department of Transportation.

PASSED AND ADOPTED by the Board of Directors of the Santa Barbara Metropolitan Transit District this 16th day of March 2021 by the following vote:

AYES: _____

NAYS: _____

ABSENT: _____

Chair, Board of Directors

ATTEST:

Secretary, Board of Directors

Master Agreement State Funded Transit Projects



California Department of Transportation

DIVISION OF RAIL AND MASS TRANSPORTATION
1120 N STREET, ROOM 3300
P. O. BOX 942874, MS-39
SACRAMENTO, CA 94274-0001
PHONE (916) 654-8012

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

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

**MASTER AGREEMENT
STATE FUNDED TRANSIT PROJECTS**

Effective Date of this Agreement: Month Date, Year (expiration of A01 or local agency signature date)

Termination Date of this Agreement: Month Date, Year (10 years from effective date)

Recipient: Santa Barbara Metropolitan Transit District

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

- ◆ **General Fund**
- ◆ **State Highway Account**
- ◆ **Public Transportation Account**
- ◆ **Clean Air and Transportation Improvement Act of 1990 (PROP. 116) Bond Fund**
- ◆ **Traffic Congestion Relief Fund (TCR), GC 14556.40**
- ◆ **Proposition 1A, the Safe, Reliable High-Speed Passenger Train Bond Act**
- ◆ **Road Repair and Accountability Act of 2017, Senate Bill 1**
- ◆ **Other State Funding Sources (Existing and Future), except the Transit and Intercity Rail Program (TIRCP)**

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

ARTICLE I - PROJECT ADMINISTRATION

Section 1. Program Supplement

A. General

- (1) This AGREEMENT shall have no force and effect with respect to any PROJECT unless and until a separate PROJECT specific “PROGRAM SUPPLEMENT – STATE FUNDED TRANSIT PROJECT(S),” hereinafter referred to as “PROGRAM SUPPLEMENT,” adopting all of the terms and conditions of this AGREEMENT has been fully executed by both **STATE** and **RECIPIENT**.

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

- a. **RECIPIENT** provides the necessary additional funding, or
 - b. A cost increase in **STATE**'s share of **PROJECT** funding is first requested by **RECIPIENT** (before the cost overrun occurs) and that increase is approved by **STATE** in the form of an Allocation Letter comprising the encumbrance document for that increased **STATE** funding level.
- (8) State programmed fund amounts may be increased to cover **PROJECT** cost increases only if:
- a. Such funds are available;
 - b. **STATE** concurs with that proposed increase; and
 - c. **STATE** issues an approved Allocation Letter, Fund Shift Letter, or a Time Extension Letter with additional funding as stated in an executed amendment to that **PROGRAM SUPPLEMENT**.
- (9) When additional State programmed funds are not available, **RECIPIENT** agrees that reimbursements of invoiced **PROJECT** costs paid to **RECIPIENT** will be limited to, and shall not exceed, the amounts already approved in the **PROGRAM SUPPLEMENT** containing the **STATE** approved encumbrance documents and that any increases in **PROJECT** costs above that **STATE** supported funding level must be defrayed by **RECIPIENT** with non-State funds.
- (10) For each approved **PROGRAM SUPPLEMENT**, **RECIPIENT** agrees to contribute at least the statutorily or other required local contribution of appropriate matching funds (other than State funds) if any matching funds are specified within the **PROGRAM SUPPLEMENT**, or any attachment thereto, toward the actual cost of the **PROJECT** or the amount, if any, specified in an executed SB 2800 (Streets and Highways Code section 164.53) Agreement for local match fund credit, whichever is greater. **RECIPIENT** shall contribute not less than the required match amount toward the cost of the **PROJECT** in accordance with a schedule of payments as shown in a Project Financial Plan prepared by **RECIPIENT** as part of a **PROGRAM SUPPLEMENT**.
- (11) Upon the stated expiration date of this **AGREEMENT**, any **PROGRAM SUPPLEMENTS** executed under this **AGREEMENT** for a **PROJECT** with work yet to be completed pursuant to the approved Project Schedule shall be deemed to extend the term of this **AGREEMENT** only to conform to the specific **PROJECT** termination or completion date contemplated by the applicable **PROGRAM SUPPLEMENT** to allow that uncompleted **PROJECT** to be administered under the extended terms and conditions of this **AGREEMENT**.
- (12) Local Agency is limited to reimbursement of Design and Engineering cost not to exceed 10 percent of the total Project costs herein and Project Management (i.e., administration work and overhead) costs of 5 percent of Project costs herein. Total project cost includes the cost of a project for all phases (Plans, Specifications, and Estimates (PS&E), Project Approval and Environmental Document (PA&ED) Right-of-Way

(ROW), and Construction (CON) including rolling stock) of a Project from start to finish.

B. Project Overrun

- (1) If **RECIPIENT** and **STATE** determine, at any time during the performance of a **PROJECT**, that the **PROJECT** budget may be exceeded, **RECIPIENT** shall take the following steps:
 - a. Notify the designated **STATE** representative of the nature and projected extent of the overrun and, within a reasonable period thereafter, identify and quantify potential cost savings or other measures which **RECIPIENT** will institute to bring the Project Budget into balance; and
 - b. Schedule the projected overrun for discussion at the next Quarterly Review meeting; and
 - c. Identify the source of additional **RECIPIENT** or other third party funds that can be made available to complete **PROJECT**.

C. Scope of Work

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

D. Program Supplement Amendments

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

Section 2. Allowable Costs and Payments

A. *Allowable Costs and Progress Payment Vouchers*

- (1) Not more frequently than once a month, but at least quarterly, **RECIPIENT** will prepare and submit to **STATE** (directed to the attention of the appropriate State District Transit Representative) signed Progress Payment Vouchers for actual PROJECT costs incurred and paid for by **RECIPIENT** consistent with the Scope of Work document in the PROGRAM SUPPLEMENT and **STATE** shall pay those uncontested allowable costs once the voucher is approved. If no costs were incurred during any given quarter, **RECIPIENT** is exempt from submitting a signed Progress Payment Voucher; but is still required to present a progress report at each Quarterly Review.
- (2) **STATE** shall not be required to reimburse more funds, cumulatively, per quarter of any fiscal year greater than the sums identified and included in the PROJECT Financial Plan. However, accelerated reimbursement of PROJECT funds in excess of the amounts indicated in the Project Financial Plan, cumulatively by fiscal year, may be allowed at the sole discretion of **STATE** if such funds are available for encumbrance to fulfill that need.
- (3) Each such voucher will report the total of PROJECT expenditures from all sources (including those of **RECIPIENT** and third parties) and will specify the percent of State reimbursement requested and the fund source. The voucher should also summarize State money requested by PROJECT component (environmental and permits, plans specifications, and estimates (PS&E); right of way; construction; rolling stock; or--if bond funded--private activity usage) and phase, and shall be accompanied by a report describing the overall work status and progress on PROJECT tasks. If applicable, the first voucher shall also be accompanied by a report describing any tasks specified in the PROGRAM SUPPLEMENT which were accomplished prior to the Effective Date of this AGREEMENT or the PROGRAM SUPPLEMENT with costs to be credited toward any required local contribution described in Article II, Section 1 of this Agreement (but only if expended pursuant to any applicable prior executed Agreement for Local Match Fund Credit between **RECIPIENT** and **STATE**).
- (4) An Indirect Cost Rate Proposal and/or Central Service Cost Allocation plan and related documentation approved under cognizant agency regulations are to be provided to **STATE** (Caltrans Audits & Investigations) annually for their review, and approval and filing prior to ADMINISTERING AGENCY seeking reimbursement of indirect costs incurred within each fiscal year being claimed for reimbursement.

B. *Advance Payments (TCR Projects Only)*

- (1) Advance reimbursements or payments by **STATE** are not allowed except in the case of TCR funded Projects, and only then when expressly authorized by the CTC.
- (2) In order to receive a CTC approved TCR payment advance, **RECIPIENT** must provide duplicate signed invoices to **STATE** requesting payment of that authorized advance.

- (3) For TCR Projects approved for advanced payment allocation by the CTC, said advance payment shall be deposited by **RECIPIENT** in an interest bearing account held by institutions with long-term credit ratings of “AA” or better from at least two nationally recognized credit rating agencies, or in instruments issued by and secured by the full faith and credit of the U.S. Government or by an agency of the U.S. Government. No TCR interest earnings may be spent on the PROJECT. Interest earned shall be recorded and documented from the time the TCR funds are first deposited in **RECIPIENT**’s account until all the approved TCR advance funds have been expended or returned to **STATE** together with all accrued interest. Interest earned shall be reported to **STATE**’s Project Coordinator on an annual basis and upon the final PROJECT payment when interest earnings, overpayments, and unexpended advanced TCR funds shall be returned to **STATE** no later than thirty (30) days after PROJECT completion or termination of the PROGRAM SUPPLEMENT, whichever is first in time.
- (4) Advanced funds are to be expended only as indicated in the approved TCR Application. **RECIPIENT** must be able to document the expenditures/disbursement of funds advanced to only pay for actual allowable PROJECT costs incurred.
- (5) Except as expressly allowed hereinbelow, non-TCR funds and TCR project funds not authorized for advance payment can only be released by **STATE** as reimbursement of actual allowable PROJECT costs already incurred and paid for by **RECIPIENT** no earlier than the effective date of this AGREEMENT and not incurred beyond the AGREEMENT/PROGRAM SUPPLEMENT Termination Date.
- (6) Where advance payments are authorized in a PROGRAM SUPPLEMENT, **RECIPIENT** must report and document the expenditure/disbursement of funds advanced to pay for actual eligible PROJECT costs incurred, at least quarterly, using a Progress Payment Voucher to be approved by **STATE**’s District Project Administrator.

C. Expedited Payments

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

D. Advance Expenditure of Local Funds

Government Code section 14529.17 (AB 872) allows public agencies to expend their own funds on certain programmed projects prior to the CTC’s allocation of funds, and, upon receipt of CTC

approval, to then seek reimbursement for those allowable prior expenditures following execution of a PROGRAM SUPPLEMENT wherein **STATE** acknowledges and accepts those statutorily authorized prior expenditures as a credit towards a required **RECIPIENT** match, (if any) or as eligible PROJECT expenditures for reimbursement.

E. Travel Reimbursement

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

F. Final Invoice

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

ARTICLE II – GENERAL PROVISIONS

Section 1. Funding

A. Local Match Funds

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

- (1) Except where specifically allowed by the applicable PROGRAM SUPPLEMENT, reimbursement of and credits for local matching funds will be made or allowed only for work performed after the Effective Date of a PROGRAM SUPPLEMENT and prior to the Termination Date unless permitted as local match PROJECT expenditures made prior to the effective date of the PROGRAM SUPPLEMENT pursuant to Government Code section 14529.17 or by an executed SB 2800 Agreement for Local Match Fund Credit.

- (2) **RECIPIENT** agrees to contribute at least the statutorily or other required local contribution of matching funds (other than State or federal funds), if any is specified within the PROGRAM SUPPLEMENT or any attachment thereto, toward the actual cost of the PROJECT or the amount, if any, specified in any executed SB 2800 (Streets and Highways Code Section 164.53) Agreement for local match fund credit, whichever is greater. **RECIPIENT** shall contribute not less than its required match amount toward the PROJECT cost in accordance with a schedule of payments as shown in the Project Financial Plan prepared by **RECIPIENT** and approved by **STATE** as part of a PROGRAM SUPPLEMENT.

B. *Funding Contingencies*

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

C. *Funds Movement*

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

Section 2. Audits and Reports

A. *Cost Principles*

- (1) **RECIPIENT** agrees to comply with Title 2 Code of Federal Regulations 200 (2 CFR 200), Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.
- (2) **RECIPIENT** agrees, and will assure that its contractors and subcontractors will be obligated to agree to follow 2 CFR 200 and it shall be used to determine the allowability of individual Project cost items. Every sub-recipient receiving Project funds as a contractor or sub-contractor under this agreement shall comply with 2 CFR 200.

- (3) Any PROJECT costs for which **RECIPIENT** has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR 200, ~~Chapter 1, Part 31 or 49 CFR, Part 18~~, are subject to repayment by **RECIPIENT** to **STATE**. Should **RECIPIENT** fail to reimburse moneys due **STATE** within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, **STATE** is authorized to intercept and withhold future payments due **RECIPIENT** from **STATE** or any third-party source, including but not limited to, the State Treasurer, the State Controller and the CTC.

B. *Record Retention*

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

records, and documents that are pertinent to a PROJECT for audits, examinations, excerpts, and transactions, and **RECIPIENT** shall furnish copies thereof if requested.

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

C. *Quarterly Review*

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

Section 3. Special Requirements

A. *California Transportation Commission (CTC) Resolutions*

- (1) **RECIPIENT** shall adhere to applicable CTC policies, as may be adopted or amended from time to time, governing eligibility, project management, use of funds including, but not limited to the “Timely Use of Funds” as stated in Resolution G-06-04, adopted April 26, 2006, addressing the expenditure and reimbursement of TCR funds and Resolution G-09-11, adopted October 14, 2009, to provide guidance for the use of Proposition 116 and STIP funds. All CTC resolutions, and/or successor resolutions in place at the time a PROGRAM SUPPLEMENT is executed, shall be applicable to all state funded projects including, but not limited to Prop 116, STIP, TCR funds, Proposition 1A, and the Road Repair and Accountability Act of 2017, respectively.

- (2) **RECIPIENT** shall be bound to the terms and conditions of this AGREEMENT; the PROJECT application contained in the PROGRAM SUPPLEMENT (as applicable); and CTC Resolutions G-06-04, G-09-11 and/or their respective successors in place at the time the PROGRAM SUPPLEMENT is signed (as applicable) and all restrictions, rights, duties and obligations established therein on behalf of **STATE** and CTC shall accrue to the benefit of the CTC and shall thereafter be subject to any necessary enforcement action by CTC or **STATE**. All terms and conditions stated in the aforesaid CTC Resolutions and CTC-approved Guidelines in place at the time the PROGRAM SUPPLEMENT is signed (if applicable) shall also be considered to be binding provisions of this AGREEMENT.
- (3) **RECIPIENT** shall conform to any and all permit and mitigation duties associated with PROJECT as well as all environmental obligations established in CTC Resolution G-91-2 and/or its successors in place at the time a PROGRAM SUPPLEMENT is signed, as applicable, at the expense of **RECIPIENT** and/or the responsible party and without any further financial contributions or obligations on the part of **STATE** unless a separate PROGRAM SUPPLEMENT expressly provides funding for the specific purpose of hazardous materials remediation.
- (4) **RECIPIENT** acknowledges when the PROGRAM SUPPLEMENT is executed the **RECIPIENT** is to comply with all CTC resolutions as adopted or currently amended as well as the guidelines, and policies applicable to state funded programs (or projects) including, but not limited to, Prop 116, STIP, TCR, Proposition 1A, and the Road Repair and Accountability Act of 2017.

B. *RECIPIENT Resolution*

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

C. *Termination*

- (1) **STATE** reserves the right to terminate funding for any PROGRAM SUPPLEMENT upon written notice to **RECIPIENT** in the event that **RECIPIENT** fails to proceed with PROJECT work in accordance with the PROGRAM SUPPLEMENT, the bonding

requirements, if applicable, or otherwise violates the conditions of this AGREEMENT and/or the PROGRAM SUPPLEMENT or the funding allocation such that substantial performance is significantly endangered.

- (2) No such termination shall become effective if, within thirty (30) days after receipt of a Notice of Termination, **RECIPIENT** either cures the default involved or, if not reasonably susceptible of cure within said thirty (30)-day period, **RECIPIENT** proceeds thereafter to complete the cure in a manner and time line acceptable to **STATE**. Any such termination shall be accomplished by delivery to **RECIPIENT** of a Notice of Termination, which notice shall become effective not less than thirty (30) days after receipt, specifying the reason for the termination, the extent to which funding of work under this AGREEMENT is terminated and the date upon which such termination becomes effective, if beyond thirty (30) days after receipt. During the period before the effective termination date, **RECIPIENT** and **STATE** shall meet to attempt to resolve any dispute.
- (3) Following a fund encumbrance made pursuant to a PROGRAM SUPPLEMENT, if **RECIPIENT** fails to expend TCR/GENERAL FUND monies by June 30 of any applicable Fiscal Year that those funds would revert, those funds will be deemed withdrawn and will no longer be available to reimburse PROJECT work unless those funds are specifically made available beyond the end of that Fiscal Year through re-appropriation or other equivalent action of the Legislature and written notice of that action is provided to **RECIPIENT** by **STATE**.
- (4) In the event **STATE** terminates a PROGRAM SUPPLEMENT for convenience and not for a default on the part of **RECIPIENT** as is contemplated in C (1) and (2) above of this Section 3, **RECIPIENT** shall be reimbursed its authorized costs up to **STATE**'s proportionate and maximum share of allowable PROJECT costs incurred to the date of **RECIPIENT**'s receipt of that notice of termination, including any unavoidable costs reasonably and necessarily incurred up to and following that termination date by **RECIPIENT** to effect such termination following receipt of that termination notice.

D. Third Party Contracting

- (1) **RECIPIENT** shall not award a construction contract over \$10,000 or other contracts over \$25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code Sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of **STATE**. Contracts awarded by **RECIPIENT**, if intended as local match credit, must meet the requirements set forth in this AGREEMENT regarding local match funds.
- (2) Any subcontract entered into by **RECIPIENT** as a result of this AGREEMENT shall contain the provisions of ARTICLE II – GENERAL PROVISIONS, Section 2. Audits and Reports and shall mandate that travel and per diem reimbursements and third-party

contract reimbursements to subcontractors will be allowable as PROJECT costs only after those costs are incurred and paid for by the subcontractors.

- (3) To be eligible for local match credit, **RECIPIENT** must ensure that local match funds used for the PROJECT meet the General Provisions requirements outlined in this ARTICLE II in the same manner as required of all other PROJECT expenditures.
- (4) In addition to the above, the preaward requirements of third party contractor/consultants with local transit agencies should be consistent with Local Program Procedures (LPP-00-05).

E. Change in Funds and Terms/Amendments

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

F. Project Ownership

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

including, but not limited to, buses, vans, rail passenger equipment and ferry vessels, shall be dedicated to that public transportation use for their full economic life cycle, which, for the purpose of this AGREEMENT, will be determined in accordance with standard national transit practices and applicable rules and guidelines, including any extensions of that life cycle achievable by reconstruction, rehabilitation or enhancements.

- (4) (a) Except as otherwise set forth in this Section 4, **STATE**, or any other **STATE**-assignee public body acting on behalf of the CTC, shall be entitled to a refund or credit (collectively the Credit), at **STATE**'s sole option, equivalent to the proportionate **PROJECT** funding participation received by **RECIPIENT** from **STATE** if **RECIPIENT**, or a sub-recipient, as applicable, (i) ceases to utilize **PROJECT** for the original intended public transportation purposes or (ii) sells or transfers title to or control over **PROJECT**. If federal funds (meaning only those federal funds received directly by **RECIPIENT** and not federal funds derived through or from the State) have contributed to the **PROJECT**, **RECIPIENT** shall notify both **STATE** and the original federal source of those funds of the disposition of the **PROJECT** assets or the intended use of those sale or transfer receipts.
- (b) **STATE** shall also be entitled to an acquisition Credit for any future purchase or condemnation of all or portions of **PROJECT** by **STATE** or a designated representative or agent of **STATE**.
- (c) The Credit due **STATE** will be determined by the ratio of **STATE**'s funding when measured against the **RECIPIENT**'s funding participation (the Ratio). For purposes of this Section 4, the State's funding participation includes federal funds derived through or from **STATE**. That Ratio is to be applied to the then present fair market value of **PROJECT** property acquired or constructed as provided in (d) and (e) below.
- (d) For Mass Transit vehicles, this Credit [to be deducted from the then remaining equipment value] shall be equivalent to the percentage of the full extendable vehicle economic life cycle remaining, multiplied by the Ratio of funds provided for that equipment acquisition. For real property, this same funding Ratio shall be applied to the then present fair market value, as determined by **STATE**, of the **PROJECT** property acquired or improved under this AGREEMENT.
- (e) Such Credit due **STATE** as a refund shall not be required if **RECIPIENT** dedicates the proceeds of such sale or transfer exclusively to a new or replacement **STATE** approved public transit purpose, which replacement facility or vehicles will then also be subject to the identical use restrictions for that new public purpose and the Credit ratio due **STATE** should that replacement project or those replacement vehicles cease to be used for that intended described pre-approved public transit purpose.

- (1) In determining the present fair market value of property for purposes of calculating **STATE**'s Credit under this AGREEMENT, any real property portions of a PROJECT site contributed by **RECIPIENT** shall not be included. In determining **STATE**'s proportionate funding participation, **STATE**'s contributions to third parties (other than **RECIPIENT**) shall be included if those contributions are incorporated into the PROJECT.
- (2) Once **STATE** has received the Credit as provided for above because **RECIPIENT**, or a sub-recipient, as applicable, has (a) ceased to utilize the PROJECT for the described intended public transportation purpose(s) for which **STATE** funding was provided and **STATE** has not consented to that cessation of services or (b) sold or transferred title to or control over PROJECT to another party (absent **STATE** approval for the continued transit operation of the PROJECT by that successor party under an assignment of **RECIPIENT**'s duties and obligations), neither **RECIPIENT**, subrecipient, nor any party to whom **RECIPIENT** or subrecipient, as applicable, has transferred said title or control shall have any further obligation under this AGREEMENT to continue operation of PROJECT and/or PROJECT facilities for those described public transportation purposes, but may then use PROJECT and/or any of its facilities for any lawful purpose.
- (3) To the extent that **RECIPIENT** operates and maintains Intermodal Transfer Stations as any integral part of PROJECT, **RECIPIENT** shall maintain each station and all its appurtenances, including, but not limited to, restroom facilities, in good condition and repair in accordance with high standards of cleanliness (Public Utilities Code section 99317.8). Upon request of **STATE**, **RECIPIENT** shall also authorize State-funded bus services to use those stations and appurtenances without any charge to **STATE** or the bus operator. This permitted use will include the placement of signs and informational material designed to alert the public to the availability of the State-funded bus service (for the purpose of this paragraph, "State-funded bus service" means any bus service funded pursuant to Public Utilities Code section 99316).
- (4) Special conditions apply to any proposed sale or transfer or change of use as respects PROJECT property, facilities or equipment acquired with tax free State bond funds and **RECIPIENT** shall conform to those restrictions as set forth herein and in said bonds.

G. Disputes

STATE and **RECIPIENT** shall deal in good faith and attempt to resolve potential disputes informally. If the dispute persists, **RECIPIENT** shall submit to the **STATE**'s District Contract Manager or designee a written demand for a decision regarding the disposition of any dispute arising under this agreement. The District Contract Manager shall make a written decision regarding the dispute and will provide it to the fund **RECIPIENT**. The fund **RECIPIENT** shall have an opportunity to challenge the District Contract Manager's determination but must

make that challenge in writing within ten (10) working days to the Mass Transportation Program Manager or his/her designee. [If the fund **RECIPIENT** challenge is not made within the ten (10) day period, the District Contract Manager's decision shall become the final decision of the **STATE**.] **STATE** and **RECIPIENT** shall submit written, factual information and supporting data in support their respective positions. The decision of the Mass Transportation Program Manager or his/her designee shall be final, conclusive and binding regarding the dispute, unless **RECIPIENT** commences an action in court of competent jurisdiction to contest the decision in accordance with Division 3.6 of the California Government Code.

H. Hold Harmless and Indemnification

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

I. Labor Code Compliance

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

J. Non-Discrimination

- (1) In the performance of work under this AGREEMENT, **RECIPIENT**, its contractor(s) and all subcontractors, shall not unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age, marital status, family and medical care leave, pregnancy leave, and disability leave. **RECIPIENT**, its contractor(s) and all subcontractors shall ensure that the evaluation and treatment of their employees and

applicants for employment are free from such discrimination and harassment.

RECIPIENT, its contractor(s) and all subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900 et seq.), and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, section 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full. Each of **RECIPIENT**'s contractors and all subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreements, as appropriate.

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

K. *State Fire Marshal Building Standards Code*

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

L. *Americans with Disabilities Act*

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

M. *Access for Persons with Disabilities*

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

N. *Disabled Veterans Program Requirements*

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

O. *Environmental Process*

Completion of the PROJECT environmental process ("clearance") by **RECIPIENT** (and/or **STATE** if it affects a State facility within the meaning of the applicable statutes) is required prior to requesting PROJECT funds for right-of-way purchase or construction. No State agency may request funds nor shall any State agency, board or commission authorize expenditures of funds for any PROJECT effort, except for feasibility or planning studies, which may have a significant effect on the environment unless such a request is accompanied with all appropriate documentation of compliance with or exemption from the California Environmental Quality Act (CEQA) (including, if as appropriate, an environmental impact report, negative declaration, or notice of exemption) under California Public Resources Code section 21080(b) (10), (11), and (12) provides an exemption for a passenger rail project that institutes or increases passenger or commuter services on rail or highway rights-of-way already in use.

P. *Force Majeure*

Each party will be excused from performance of its obligations where such non-performance is caused by any extraordinary event beyond its reasonable control, such as any non-appealable order, rule or regulation of any federal or state governmental body, fire, flood, earthquake, storm, hurricane or other natural disaster, epidemic, pandemic, war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockage, embargo, labor dispute, strike, lockout or interruption, provided that the party excused hereunder shall use all reasonable efforts to minimize its non-performance and to overcome, remedy or remove such event in the shortest practical time.

Should a force majeure event occur which renders it impossible for a period of forty-five (45) or more consecutive days for either party to perform its obligations hereunder, the Parties agree to negotiate in good faith to amend the existing Master Agreement or Supplemental Agreement to deal with such event and to seek additional sources of funding to continue the operation of the Service.

ARTICLE III – SPECIAL PROVISIONS

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

A. General Bond Provisions

- (1) If **RECIPIENT** enters into a management contract with a private party (including AMTRAK) for operation of rail, ferry or other transportation services in connection with **PROJECT**, **RECIPIENT** will obtain prior approval from Bond Counsel acceptable to **STATE** that the terms of that management contract meet the requirements of Internal Revenue Service Revenue Procedure 97-13 (as supplemented or amended) or any successor thereto (dealing generally with guidelines for when management contracts may be deemed not to create a "private use" of bond-financed property) or are otherwise acceptable. **RECIPIENT** must also be prepared to certify, upon request of **STATE**, that the revenues which **RECIPIENT** (or its manager) will receive directly from the operation of transportation services in connection with **PROJECT** (but not including any subsidy of the transportation operation from taxes or other outside fund sources) are, for any fiscal year, less than the ordinary and necessary expenses directly attributable to the operation and maintenance of the transportation system (excluding any overhead or administrative costs of **RECIPIENT**).
- (2) Except as provided in this Article III, A (1), **STATE** and **RECIPIENT** agree that any costs of **PROJECT** acquired or constructed by **RECIPIENT** allocable to portions of **PROJECT** which are subject to any property interests held by a non-governmental person(s) in connection with business activities, such as easements, leases, or fee interests, not generally enjoyed by the public (hereinafter referred to as "Non-Governmentally Used Property" or "NUP") shall require the prior approval of **STATE** and the State Treasurer, as applicable. If **RECIPIENT** receives any revenues or profits from any NUP activities allowed pursuant to this Article (whether approved at this time or hereafter approved by **STATE**), **RECIPIENT** agrees that such revenues or profits shall be used exclusively for the public transportation services for which **PROJECT** was initially approved, either for capital improvements or operating costs. If **RECIPIENT** does not so dedicate those revenues or profits, a proportionate share shall (unless disapproved by Bond Counsel) be paid to **STATE** equivalent to the Ratio of **STATE**'s percentage of participation in **PROJECT**.
- (3) Notwithstanding the foregoing, **RECIPIENT** may be authorized to receive an allocation of bond proceeds for NUP activity, in an amount not to exceed the amount specified in the PROGRAM SUPPLEMENT, if **RECIPIENT** submits a certified bond certification questionnaire to the **STATE**, and both the **STATE** and the State Treasurer approve the private activities contained therein.
- (4) **RECIPIENT** shall not loan any portion of bond proceeds funding **PROJECT** to any private (including nonprofit) person or business. For this purpose, a "loan" includes

any arrangement that is the economic equivalent of a loan, regardless of how it is named.

- (5) Delivery by **STATE** of any bond funds is contingent on the sale of bonds by the State Treasurer. **STATE** shall not be held liable for any resulting damage or penalty to **RECIPIENT** in the event bond sales are delayed, canceled, or downsized or other **AGREEMENT** funds are restricted, limited or otherwise conditioned by acts of Congress, the Internal Revenue Service, the United States Department of Transportation, the Legislature, or the CTC.
- (6) **RECIPIENT** shall, for the purposes of any State bond funded right of way acquisition which will become a permanent part of **PROJECT** (such acquisitions exclude temporary construction easements, property allocated to matching funds, and excess property purchased with State funds whose resale proceeds are returned or credited to **STATE**), maintain ownership of such **PROJECT** property for a minimum of twenty years or until the bonds have matured, whichever occurs first, before transferring or selling such property (subject to all refunds or Credits due **STATE** as provided hereinabove).
- (7) Where **RECIPIENT**'s **PROJECT** includes a commuter rail **PROJECT** within the meaning of Proposition 116, **RECIPIENT** shall coordinate and share with other public transit operators any rail rights-of-way, common maintenance services and station facilities used for intercity and commuter rail. Intercity and commuter rail services shall be coordinated with each other, with other providers and with freight traffic to provide integrated rail passenger and freight services with minimal conflict.
- (8) **RECIPIENT** agrees that all passenger vehicles, rail, and water borne ferry equipment, and all facilities acquired or constructed with Proposition 116 bond funds shall be accessible to persons with physical disabilities, including wheelchair users, at all stops, stations and terminals, whether or not staffed.
- (9) NUP shall, for accounting and bookkeeping purposes, first be allocated to funding sources other than the State bond funds. For purposes of making such allocations, the costs attributable to NUP involving a sale, easement, lease or similar arrangement shall be determined on the basis of a fair allocation of value, which may include determinations based upon square meters/feet of the area encumbered by the NUP lease or easement relative to the total area acquired or constructed if all such area is of approximately equal value.
- (10) NUP will include, but is not limited to, property which is sold (including sales of air and subsurface rights), and property subject to easements, leases or similar rights. A rail right of way will not be treated as NUP solely as a result of a Freight Use Easement retained by the seller of the right of way to **RECIPIENT**, provided that the sales agreement appropriately excludes the Freight Use Easement from the property or rights being acquired. Further, notwithstanding anything in this Article III to the contrary, **RECIPIENT** may allocate grant funds to the cost of any NUP if (a) neither **RECIPIENT** nor any other governmental entity will receive, directly or indirectly, any

payments from or on behalf of the non-governmental user of the NUP, or (b) the payment from such user does not exceed the operation and maintenance costs fairly attributable or allocable to the non-governmental use of the NUP.

- (11) **RECIPIENT** shall request, in writing, **STATE**'s advance approval if **PROJECT** funds are to be allocated to any NUP except "incidental use" property described below. If property, the costs of which have previously been allocated to **PROJECT** funds, is to become NUP before the State bond funds are fully paid or redeemed, then **RECIPIENT** may allocate the costs of such property to another funding source as provided or obtain **STATE**'s approval that the allocation of the costs of such property to the bond funds may remain. It is anticipated that **STATE**'s approval will be granted if, taking into account the existing and expected uses of the proceeds of the State bonds, **STATE** determines that the continued tax-exempt status of the State bonds will not be adversely affected and that the use of the property is consistent with **PROJECT** and its described purpose.
- (12) For purposes of these fund source allocations, **RECIPIENT** does not have to consider NUP as including those "incidental uses" of **PROJECT** (for example, advertising billboards, vending machines, telephones, etc.) which meet the applicable requirements of federal tax regulations (IRS Notice 87-69 or any successor thereto). In general, such Notice requires that the incidental use not be physically separated from the rest of **PROJECT** and not comprise, in the aggregate, more than 2-1/2% of the total costs of **PROJECT**.

Section 2. TCRP PROJECTS

The TRAFFIC CONGESTION RELIEF (TCR) ACT OF 2000 (the "ACT"), was added (in Chapter 4.5, commencing with section 14556) to part 5.3 of Division 3 of Title 2 of the Government Code by AB 2928 and SB 406, as amended by SB 1662 and AB 1705. As directed by the ACT and the CTC established Guidelines (as set out in CTC Resolution G-06-04), and as those Guidelines may be amended prior to the execution of a future PROGRAM SUPPLEMENT, said Guidelines shall apply to each TCRP funded PROJECT. By this reference, those Guidelines are made an express part of this AGREEMENT and shall apply to each TCRP funded PROJECT. **RECIPIENT** will cause its specific TCRP mandated Resolution to be attached as part of any TCRP funded PROGRAM SUPPLEMENT as a condition precedent to the acceptance of TCR ACT funds for that PROJECT.

Section 3. PROJECT MANAGEMENT

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

- (2) PROGRAM SUPPLEMENT administrators for **STATE** shall be the applicable District Division Chief for Planning and for **RECIPIENT**, the designee named in the applicable PROGRAM SUPPLEMENT.

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

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

**RECIPIENT NAME:
SANTA BARBARA METROPOLITAN
TRANSIT DISTRICT**

BY: _____
KYLE GRADINGER, Chief
Division of Rail and Mass Transportation

BY: _____
Appropriate Name/Title
Chief Executive Officer

APPROVED AS TO FORM AND PROCEDURE

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

BY: _____
Attorney, California Department of
Transportation

ATTACHMENT I

CTC RESOLUTION G-91-2

Passed by the CTC on February 21, 1991

**CALIFORNIA TRANSPORTATION COMMISSION
RESOLUTION G-91-2**

**Commission Policy Resolution for Hazardous Waste Identification
and Cleanup for Rail Right-of-Way**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT II
(INSERT AGENCY BOARD RESOLUTION)

To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: March 16, 2021
Subject: General Manager's Report

Operations, Fleet and Facilities

Safety and Training Administrator Manny Castanon attended a weeklong class in San Luis Obispo, sponsored by the United States Department of Transportation - Transportation Safety Institute. The Transit System Security course is designed to accomplish the following for attendees: develop an increased knowledge of Transit System Security and how it relates to Safety Management Systems (SMS); gain new resources to reduce crime and improve customer and employee security; and learn how to use a uniform format for developing and implementing security policies and procedures through a System Security Plan with crime prevention as the major component. Included are basic security terms, the eight steps in the threat and vulnerability identification, and resolution process. We look forward to him returning and sharing all of this valuable information.

On January 18, 2021, CCW began the installation of the Vapor driver barriers. To date they have installed barriers in over 78 buses.

Stantec engineers performed a detailed assessment of the structures at Terminal 2 on March 10. The purpose of the assessment is to evaluate the structural integrity of the existing buildings on the site. The results will help shape MTD's approach to the existing structures on the site in the short- and long-term. After the structural assessment, Stantec technicians will perform land-surveying services. That effort will result in a base map that will be utilized for site re-development purposes.

Two SCE survey teams, one studying the topography and the other focused on underground conditions at the Charge Ready project site (Terminal 1), completed their work the last week of February. The surveying crew is currently developing the base map for the project. Once completed, SCE's design team will begin working on the formal design for the project.

Staff provided A-Z Bus Sales with a purchase order for three electric Ford Transit passenger vans under CALACT Contract No. 19-01. The vehicles will be used for MTD's upcoming microtransit service. According to A-Z Bus Sales, the lead time for delivery of the vehicles is approximately 7.5 months, which includes vehicle production at the Ford factory, the ADA equipment upfit at NorCal Vans, and installation of the electric propulsion system by Lightning eMotors.

Staff purchased the four remaining Chevrolet Bolts from a purchase order issued to Winner Chevrolet back in 2019. The new Bolts are due to arrive by the end of this month and will bring MTD's total count of Chevrolet Bolts to 14, which mirrors the number of active light-duty fleet chargers MTD has at Terminal 1.

The Federal Transit Administration (FTA) released its Solicitation of Project Proposals for the Low or No Emission (Low-No) Program. The Low-No Program provides funding for the purchase of zero- and low-emission transit buses, charging equipment, and infrastructure. MTD plans to submit an application and is contemplating partnering with one of the major bus manufactures on the project. Proposals are due to FTA by April 12, 2021.

Administration

Planning staff continues to stay in close communication with Santa Barbara Unified staff about secondary school reopening. Information on schedules and routes for boosters serving area junior highs and high schools have been posted on the MTD website and more information will be shared when a reopening date is announced.

Staff attended Zoom meetings of the Santa Barbara County Association of Governments' (SBCAG's) Joint Technical Advisory Committee (JTAC) and Technical Transportation Advisory Committee (TTAC) on March 4. JTAC received an update on proposed changes to the urbanized area definition used by the Census Bureau. Staff will continue to monitor this item closely, as it is possible that the proposed changes would affect the borders of the Santa Barbara urbanized area if implemented. JTAC also received updates on the ongoing update of the Regional Transportation Plan / Sustainable Communities Strategy (RTP/SCS). TTAC recommended that the SBCAG Board approve the Low Carbon Transit Operations Program (LCTOP) and State of Good Repair (SGR) projects proposed by staff.

Staff prepared the draft LCTOP allocation request spreadsheet, and forwarded it to SBCAG for their upcoming Board meeting. Staff also forwarded the draft to Caltrans for their review prior to submittal by April 9.

Staff is preparing the calendar year 2020 Drug and Alcohol testing Management Information System (MIS) data for submittal to the Federal Transit Administration (FTA) by March 15, as required. Staff also submitted the February monthly ridership and safety and security reports to FTA, as required.

As part of MTD's COVID-19 Safety Protocols, designated MTD Staff have completed a certification course for COVID-19 Contact Tracing. Rafael Cortez, Risk Administrator, Manny Castanon, Safety Administrator, and Mary Gregg, Chief Safety Officer, recently completed a five-hour course offered through John Hopkins University. Contact tracing is part of the process of supporting and warning contacts of exposure in order to stop chains of transmission. The course covered facts about infection with the SARS-CoV-2 coronavirus, which is causing the global pandemic, and COVID-19; identifying an infectious contact; case investigation, including how to overcome potential barriers; and ethical considerations relating to contact tracing, isolation and quarantine along with skills for effective communication.

A six-year contract was awarded to DFA-actuaries for OPEB actuarial valuation services for a total cost of \$25,500. The contract will cover three full biennial reports with measurement dates

of June 30 of 2021, 2023 and 2025; and three interim year reports for June 30 of 2022, 2024 and 2026. The new contract will provide cost savings relative to the price of prior year valuations.

MTD's Microsoft Exchange email server has received the security upgrades protecting against the "Hafnium" malware currently in the news. Notably, the District's current Palo Alto firewall security would have prevented the attack had it occurred prior to installation of the Microsoft security patches.

I'm pleased to share with the Board that my peers throughout the state elected me to serve as a member of the California Transit Association's (CTA) Executive Committee. Additionally, I will continue to serve as a member of the CTA's Small Operators and Zero Emission Bus Committees. I look forward to working with my colleagues from around the state to advocate for public transit via my participation with the CTA.