

AGENDA
Board of Directors Meeting
September 4, 2024

*******Start Time: 10:00 a.m. (CLOSED SESSION)*******
1170 W. 3rd Street, San Bernardino, CA 92410, 2nd Fl. (The Super Chief)

*****Convene Regular Meeting immediately following Closed Session*****

LOCATION
San Bernardino County Transportation Authority
First Floor Lobby Board Room
1170 W. 3rd Street, San Bernardino, CA 92410

TELECONFERENCING WILL BE AVAILABLE AT THE FOLLOWING LOCATION:

Needles City Hall
817 Third Street
Needles, CA 92363

Board of Directors

President

Ray Marquez, Council Member
City of Chino Hills

Vice-President

Rick Denison, Council Member
Town of Yucca Valley

Daniel Ramos, Mayor Pro Tem
City of Adelanto

Art Bishop, Mayor Pro Tem
Town of Apple Valley

Carmen Hernandez, Council Member
City of Barstow

Rick Herrick, Council Member
City of Big Bear Lake

Eunice Ulloa, Mayor
City of Chino

Frank Navarro, Mayor
City of Colton

Acquanetta Warren, Mayor
City of Fontana

Bill Hussey, Mayor
City of Grand Terrace

Rebekah Swanson, Mayor Pro Tem
City of Hesperia

Larry McCallon, Mayor Pro Tem
City of Highland

Ronald Dailey, Mayor Pro Tem
City of Loma Linda

John Dutrey, Mayor
City of Montclair

Janet Jernigan, Mayor
City of Needles

Alan Wapner, Council Member
City of Ontario

L. Dennis Michael, Mayor
City of Rancho Cucamonga

Paul Barich, Mayor Pro Tem
City of Redlands

Deborah Robertson, Mayor
City of Rialto

Helen Tran, Mayor
City of San Bernardino

Joel Klink, Mayor Pro Tem
City of Twentynine Palms

Rudy Zuniga, Council Member
City of Upland

Debra Jones, Council Member
City of Victorville

Bobby Duncan, Council Member
City of Yucaipa

Paul Cook, Supervisor
County of San Bernardino

Jesse Armendarez, Supervisor
County of San Bernardino

Dawn Rowe, Supervisor
County of San Bernardino

Curt Hagman, Supervisor
County of San Bernardino

Joe Baca, Jr., Supervisor
County of San Bernardino

Catalino Pining, Caltrans
Ex-Officio Member

Ray Wolfe, *Executive Director*

Julianna Tillquist, *General Counsel*

**San Bernardino County Transportation Authority
San Bernardino Council of Governments**

AGENDA

Board of Directors

September 4, 2024

*****10:00 a.m. (CLOSED SESSION)***
1170 W. 3rd St., 2nd Fl. (The Super Chief)
San Bernardino, CA**

CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

(Threatened) Pursuant to Government Code Section 54956(d)(2)

Based on existing facts and circumstances there is a significant exposure to litigation.

2. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1) -- 10 cases

- a. SBCTA--*In re: Lumbermen's Mutual Casualty Company, In Liquidation*
Office of Special Deputy Receiver, Docket No. 12 CH 24227
Circuit Court of Cook County, Illinois
- b. SBCTA--*Pulice Construction, Inc. v. SBCTA, et al.*
San Bernardino Superior Court Case No. CIVDS 2020473
- c. SBCTA--*SBCTA v. The Lane-Security Paving Joint Venture*
San Bernardino Superior Court Case No. CIVSB 2305070
- d. SBCTA--*SBCTA v. Kuzina Development, LLC*
San Bernardino Superior Court Case No. CIVDS 1829991; Fourth Dist. Court of
Appeal, Div. 1, Case No. D082760
- e. SBCTA--*Southwest Jet Fuel Co. v. California Department of Tax and Fee Administration*
Fresno Superior Court Case No. 22CECG01224; Fifth Dist. Court of Appeal Case No.
F087656
- f. SBCTA--*George Nersisian v. Paul Alvaranza, SBCTA, et al.*
San Bernardino Superior Court Case No. CIVSB 2305744
- g. SBCTA--*David Cotton v. Omnitrans, SBCTA, et al.*
San Bernardino Superior Court Case No. CIVSB 2316365
- h. SBCTA--*Family Fun Center, Upland, LLC v. Security Paving Company, Inc., Lane
Construction Corp., SBCTA, et al.*
San Bernardino Superior Court Case No. CIVSB 2326404
- i. SBCTA--*Rafael Ramirez v. City of Hesperia, County of San Bernardino, SBCTA, et al.*
San Bernardino Superior Court Case No. CIVSB 2332401
- j. SBCTA--*Jason Chiakowsky, Greyson Chiakowsky v. SCRRA, City of Redlands, County
of San Bernardino, San Bernardino County Transit [sic] Authority et al.*
San Bernardino Superior Court Case No. CIVSB 2402748

*****Convene Regular Meeting immediately following Closed Session***
1170 W. 3rd Street, 1st Floor Lobby Board Room, San Bernardino, CA**

TELECONFERENCING WILL BE AVAILABLE AT THE FOLLOWING LOCATION:

Needles City Hall, 817 Third Street, Needles, CA 92363

Items listed on the agenda are intended to give notice to members of the public of a general description of matters to be discussed or acted upon. The posting of the recommended actions does not indicate what action will be taken. The Board may take any action that it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

To obtain additional information on any items, please contact the staff person listed under each item. You are encouraged to obtain any clarifying information prior to the meeting to allow the Board to move expeditiously in its deliberations. Additional *“Meeting Procedures”* and agenda explanations are attached to the end of this agenda.

CALL TO ORDER

(Meeting Chaired by Ray Marquez)

- i. Pledge of Allegiance
- ii. Attendance
- iii. Announcements
Calendar of Events
- iv. Agenda Notices/Modifications

Pg. 17

Public Comment

Opportunity for members of the public to speak on any subject within the Board's jurisdiction.

Possible Conflict of Interest Issues

Note agenda item contractors, subcontractors and agents which may require member abstentions due to conflict of interest and financial interests. Board Member abstentions shall be stated under this item for recordation on the appropriate item.

Pg. 18

1. Information Relative to Possible Conflict of Interest

Note agenda items and contractors/subcontractors, which may require member abstentions due to possible conflicts of interest.

This item is prepared monthly for review by Board and Committee members.

INFORMATIONAL ITEMS

Items listed are receive and file items and are expected to be routine and non-controversial. Unlike the Consent Calendar, items listed as Informational Items do not require a vote.

Pg. 20

2. June and July 2024 Procurement Report

Receive the June 2024 and July 2024 Procurement Report.

Presenter: Jeffery Hill

This item was received by the General Policy Committee on August 14, 2024.

Pg. 27

3. Measure I Revenue

Receive report on Measure I receipts for Measure I 2010-2040.

Presenter: Lisa Lazzar

This item was received by the General Policy Committee on August 14, 2024.

- 4. Bi-Annual Fiscal Year 2023/2024 Railroad Right-of-Way Grants of Right of Use Report** Pg. 29
 Receive and file the second half of Fiscal Year 2023/2024 (January 2024 through June 2024) Right-of-Way Grants of Right of Use Report.
Presenter: Ryan Aschenbrenner
This item was received by the Transit Committee on August 15, 2024.
- 5. Transit and Rail Programs Contract Change Orders to On-Going Contracts** Pg. 31
 Receive and file Change Order Report.
Presenter: Victor Lopez
This item was received by the Transit Committee on August 15, 2024.
- 6. Project Delivery Contract Change Orders to On-Going Contracts** Pg. 33
 Receive and file Change Order Report.
Presenter: Kristi Harris
This item was received by the Board of Directors Metro Valley Study Session on August 15, 2024.
- 7. Board Member Appointment** Pg. 39
 Note the Presidential appointment of Mayor Pro Tem Art Bishop, Town of Apple Valley, to serve on the Legislative Policy Committee for the remainder of the two-year legislative session, with a term expiring December 31, 2024.
Presenter: Marleana Roman
This item is informational only. Per SBCTA Policy No. 10001, all Presidential appointments shall be announced at the Board of Directors meeting immediately following the appointments for the purpose of advising the Board of Directors of the status of committee membership and representation.

CONSENT CALENDAR

The Consent Calendar will be acted upon as a single motion. Items listed on the Consent Calendar are expected to be routine and non-controversial. These items have been discussed at Policy Committee meetings and made available for public review as noted in the agenda. No public comment will be allowed on the Consent Calendar, unless the item was not previously reviewed at a policy committee. Items on the Consent Calendar may be removed for discussion by Board Member Request. Items pulled from the consent calendar will be brought up immediately following the vote on the Consent Calendar.

Consent - Administrative Matters

- 8. Additional Reports for Measure I Compliance Audits for Fiscal Year 2020/2021 and 2022/2023** Pg. 40
 Review and make a finding that the City of Adelanto Measure I expenditures for Fiscal Year 2020/2021 and that the Town of Apple Valley, City of Needles and City of Rialto Measure I expenditures for Fiscal Year 2022/2023, are consistent with the provisions of the Measure I Expenditure Plan and Ordinance No. 04-01.
Presenter: Lisa Lazzar
This item was reviewed and unanimously recommended for approval by the General Policy Committee on August 14, 2024.

- 9. Additional Transportation Development Act Audits for Fiscal Year 2020/2021 and Fiscal Year 2022/2023** Pg. 134
- Review and receive the City of Adelanto Transportation Development Act Audit Reports for Fiscal Year 2020/2021 and the Town of Apple Valley, City of Needles, and City of Rialto Transportation Development Act Audit Reports for Fiscal Year 2022/2023.
Presenter: Lisa Lazzar
- This item was received by the Transit Committee on August 15, 2024.**
- 10. Revise Policy No. 10111 - Work Requirements, Leaves, and Absences** Pg. 215
- That the Board, acting as the San Bernardino County Transportation Authority (SBCTA):
- A. Approve revisions to SBCTA Policy No. 10111 – Work Requirements, Leaves, and Absences Policy.
- B. Approve a Budget Amendment to increase Task No. 0154 – Fringe-Holiday in the amount of \$47,000.
- Presenter: Colleen Franco**
- This item was reviewed and unanimously recommended for approval by the General Policy Committee on August 14, 2024. SBCTA General Counsel has reviewed this item and the draft policy revisions.**
- 11. New Policy No. 10104-3 - Ergonomics Policy and Procedure** Pg. 261
- That the Board, acting as the San Bernardino County Transportation Authority:
- Approve Policy No. 10104-3 – Ergonomics Policy and Procedure.
- Presenter: Jennifer Joo**
- This item was reviewed and unanimously recommended for approval by the General Policy Committee on August 14, 2024. In accordance with recommendation made at Committee, Section IV.A. of the policy has been revised to provide that supervisors are responsible for providing employees with training. SBCTA General Counsel has reviewed this item and the draft policy.**
- Consent - Air Quality/Traveler Services**
- 12. Agreement No. 24-1003125 with the California Highway Patrol for Freeway Service Patrol** Pg. 264
- That the Board, acting as the San Bernardino County Transportation Authority (SBCTA):
- Authorize the Executive Director, or his designee, to finalize and execute Agreement No. 24-1003125 with the California Highway Patrol (CHP) for a five-year term beginning November 1, 2024 through October 31, 2029, in the amount of \$3,063,952 for daily oversight of the state and locally funded Freeway Service Patrol (FSP) Program and FSP CHP oversight for construction activity which includes the FSP Express Lanes Project areas, subject to approval as to form by SBCTA General Counsel.
- Presenter: Kelly Lynn**
- This item was reviewed and unanimously recommended for approval by the General Policy Committee on August 14, 2024. SBCTA General Counsel, Enterprise Risk Manager, and Procurement Manager have reviewed this item and the draft amendment.**

13. Amendment No. 1 to Contract No. 23-1002947 with Royal Coaches Auto Body & Towing Pg. 279

That the Board, acting as the San Bernardino County Transportation Authority:

Approve Amendment No. 1 to Contract No. 23-1002947 with Royal Coaches Auto Body & Towing to provide Construction Freeway Service Patrol (CFSP) “extra work” service on Beat No. 23, to increase the contract amount by \$541,398 for a new not-to-exceed amount of \$5,573,908, to be funded with Measure I Valley Freeway Program funds for CFSP service support in Program 40 Project Delivery. **Presenter: Rana Semaan**

This item was reviewed and recommended for approval (9-0-1; Abstained: Baca) by the General Policy Committee on August 14, 2024. SBCTA General Counsel, Enterprise Risk Manager, and Procurement Manager have reviewed this item and the draft amendment.

Consent - Project Delivery

14. Interstate 10 Mount Vernon Avenue Interchange Improvement Project Cooperative Agreement Amendments with California Department of Transportation and City of Colton Pg. 285

That the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. Authorize the Executive Director, or his designee, to execute Amendment No. 4 to Cooperative Agreement No. 18-1001904, with the City of Colton for the Interstate 10 (I-10) Mount Vernon Avenue Interchange Improvement Project (Project) to update the Project cost for a new total of \$94,124,490, consisting of \$4,837,429 City Developer Impact Fees and \$89,287,061 Measure I Funds, and extend the expiration date to December 31, 2031, upon approval as to form by SBCTA General Counsel.

B. Authorize the Executive Director, or his designee, to execute Amendment No. 1 to Cooperative Agreement No. 23-1002893, with the California Department of Transportation (Caltrans), to update construction cost, increase Department Furnished Materials to \$1,050,000, and add Landscape Maintenance language for the Project, upon approval as to form by SBCTA General Counsel. **Presenter: Juan Lizarde**

This item was reviewed and recommended for approval (19-0-0) with a quorum of the Board present at the Board of Directors Metro Valley Study Session on August 15, 2024. SBCTA General Counsel and Enterprise Risk Manager have reviewed this item and the draft amendments.

15. State Route 210 Waterman Avenue Interchange Project - Amendment No. 2 to Cooperative Agreement No. 22-1002720 with the City of San Bernardino Pg. 300

That the Board, acting as the San Bernardino County Transportation Authority:

Approve Amendment No. 2 to Cooperative Agreement No. 22-1002720 with the City of San Bernardino for the State Route 210 Waterman Avenue Interchange Project, increasing the total project cost by \$1,773,658, funded by Measure I Valley Interchange Program contribution of \$1,450,852 and City of San Bernardino Development Impact Fees of \$322,806, for a new not-to-exceed receivable amount of \$1,948,934, to be funded with City of San Bernardino local funds.

Presenter: Paul Melocoton

This item was reviewed and recommended for approval (19-0-0) with a quorum of the Board present at the Board of Directors Metro Valley Study Session on August 15, 2024. SBCTA General Counsel, Enterprise Risk Manager, and Procurement Manager have reviewed this item and the draft amendment.

16. Progress Briefing Report through June 2024

Pg. 307

Receive the Major Projects Status Report for the period through June 2024.

Presenter: Kristi Harris

This item was received by the Board of Directors Metro Valley Study Session on August 15, 2024.

Consent - Regional/Subregional Planning

17. San Bernardino County Transportation Authority Evacuation and Resilience Center Design Study

Pg. 309

That the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. Adopt Resolution No. 25-006, authorizing the Executive Director, or his designee, to negotiate and execute, subject to approval as to form by General Counsel, Contract No. 25-1003185, a Restricted Grant Agreement between SBCTA and the California Department of Transportation for SBCTA to receive an amount not-to-exceed \$725,000 for the development of the SBCTA Evacuation and Resilience Center Design (ERCD) Study.

B. Authorize the Executive Director, or his designee, to release Request for Proposals No. 25-1003186 for the development of the SBCTA ERCD Study.

C. Approve a budget amendment to the Fiscal Year 2024/2025 Budget, Task No. 0404, increasing the budget by \$725,000 to be funded by the Sustainable Transportation Planning Grant Program – Climate Adaptation Planning grant.

Presenter: Mairany Anaya

This item was reviewed and unanimously recommended for approval by the General Policy Committee on August 14, 2024. General Counsel has reviewed this item and the draft resolution.

18. Update on the Measure I Valley Freeway Interchange Phasing Program

Pg. 364

That the Board, acting as the San Bernardino County Transportation Authority:

Reduce the set-aside of Measure I Valley Freeway Interchange Phasing Program funds to \$23 million from the original \$40 million authorized for the program in December 2016. These remaining funds shall be accessible for the following projects, based on requests previously received from the respective cities: Interstate 10/Wildwood Canyon Interchange in the City of Yucaipa, State Route (SR) 210/Waterman Avenue Interchange in the City of San Bernardino, SR-210/5th Street Interchange in the City of Highland, and the SR-60/Euclid Avenue Interchange in the City of Ontario.

Presenter: Steve Smith

This item was reviewed and recommended for approval (19-0-0) with a quorum of the Board present at the Board of Directors Metro Valley Study Session on August 15, 2024.

Consent - Transit

19. San Bernardino County Multimodal Transportation Quarterly Update for Fiscal Year 2023/2024 Third Quarter

Pg. 368

Receive and file the Third Quarter San Bernardino County Multimodal Transportation Quarterly Update for Fiscal Year 2023/2024.

Presenter: Nancy Strickert

This item was received by the Transit Committee on August 15, 2024.

- 20. Omnitrans Specialized Transportation Services for Consolidated Transportation Services Agency Budget for Fiscal Year 2024/2025** Pg. 397

That the Board, acting as the San Bernardino County Transportation Authority:

Approve the Omnitrans Specialized Transportation Services Budget for Consolidated Transportation Services Agency activities for Fiscal Year 2024/2025.

Presenter: Nancy Strickert

This item was reviewed and unanimously recommended for approval by the Transit Committee on August 15, 2024.

- 21. Amendment No. 1 to Contract No. 24-1003152 with Nossaman, LLP for Legal Services for Ontario Connector Project** Pg. 402

That the Board, acting as the San Bernardino County Transportation Authority:

Approve Amendment No. 1 to Contract No. 24-1003152 with Nossaman, LLP for Legal Services for the Ontario International Airport Connector Project, increasing the contract amount by \$1,400,000, for a new not-to-exceed amount of \$1,500,000, to be funded with State Transit Assistance Funds.

Presenter: Victor Lopez

This item was reviewed and unanimously recommended for approval by the Transit Committee on August 15, 2024. SBCTA General Counsel, Procurement Manager, and Enterprise Risk Manager have reviewed this item and the draft amendment.

Consent - Legislative/Public Outreach

- 22. State Legislative Update** Pg. 407

Receive and file the August 2024 State Legislative Update.

Presenter: Otis Greer

This item was received by the Legislative Policy Committee on August 14, 2024.

- 23. Federal Legislative Update** Pg. 439

Receive and file the August 2024 Federal Legislative Update.

Presenter: Otis Greer

This item was received by the Legislative Policy Committee on August 14, 2024.

- 24. Homeowners Insurance Resolution** Pg. 442

That the Board, acting as the San Bernardino Council of Governments:

Adopt Resolution No. 25-007, requesting that the California Insurance Commissioner, State Legislature, and the Governor declare a state of emergency and take immediate emergency regulatory and legislative action to strengthen and stabilize California's marketplace for homeowners insurance and commercial property insurance.

Presenter: Otis Greer

This item was reviewed and unanimously recommended for approval by the Legislative Policy Committee on August 14, 2024. SBCOG General Counsel has reviewed this item and the draft resolution.

Consent Calendar Items Pulled for Discussion

Items removed from the Consent Calendar shall be taken under this item in the order they were presented on the agenda.

DISCUSSION ITEMS

Discussion - Project Delivery

25. Interstate 10 Corridor Freight and Express Lanes Project Contract 2 - Hearings to Consider Resolutions of Necessity for Property Interests Pg. 446

That the Board, acting as the San Bernardino County Transportation Authority:

A. Conduct public hearings to consider condemnation of real property required for the Interstate 10 Corridor Freight and Express Lanes Project - Contract 2 in the City of Ontario and unincorporated areas of San Bernardino County.

~~B. Upon completion of a public hearing, that the Board adopt Resolution of Necessity No. 25-001 authorizing and directing General Counsel, or her designee, to prepare, commence, and prosecute proceedings in eminent domain for the purpose of acquiring interests in real property from: Shea Center Ontario (Assessor's Parcel Numbers 0238-052-41, 0238-052-44 and 0238-052-46). The resolution must be approved by at least a two-thirds majority.~~

C. Upon completion of a public hearing, that the Board adopt Resolution of Necessity No. 25-002 authorizing and directing General Counsel, or her designee, to prepare, commence, and prosecute proceedings in eminent domain for the purpose of acquiring interests in real property from: VID Enterprises, LLC (Assessor's Parcel Number 0238-052-53). The resolution must be approved by at least a two-thirds majority.

D. Upon completion of a public hearing, that the Board adopt Resolution of Necessity No. 25-004 authorizing and directing General Counsel, or her designee, to prepare, commence, and prosecute proceedings in eminent domain for the purpose of acquiring interests in real property from: Erwin Weinhart (Assessor's Parcel Numbers 0252-142-28 and 0252-142-29). The resolution must be approved by at least a two-thirds majority.

~~E. Upon completion of a public hearing, that the Board adopt Resolution of Necessity No. 25-005 authorizing and directing General Counsel, or her designee, to prepare, commence, and prosecute proceedings in eminent domain for the purpose of acquiring interests in real property from: Ruben Zepeda (Assessor's Parcel Number 0252-142-19). The resolution must be approved by at least a two-thirds majority.~~

Presenter: Sal Chavez

This item was reviewed and recommended for approval (19-0-0) with a quorum of the Board present at the Board of Directors Metro Valley Study Session on August 15, 2024. SBCTA General Counsel has reviewed this item and the draft resolutions.

26. Award Construction Contract No. 23-1003032 for the Interstate 15 Corridor Freight and Express Lanes Project - Contract 1 Pg. 476

That the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. Allocate an additional \$49,824,348 in Measure I Freeway Program funds to the Interstate 15 Corridor Freight and Express Lanes Project - Contract 1 (Project) for a total allocation of \$197,775,217 to the Project.

B. Authorize the Executive Director, or his designee, to award and execute Contract No. 23-1003032 to the lowest responsive responsible bidder for construction of the Project, subject to supplemental allocation of Trade Corridor Enhancement Program funds by the California Transportation Commission (anticipated in October 2024), meeting all requirements of Invitation for Bids No. 23-1003032, and approval as to form by SBCTA General Counsel.

Agenda Item 26 (cont.)

C. Authorize the Executive Director, or his designee, to approve a contingency amount and an allowance for Supplemental Work and Agency Furnished Materials and Services, subject to award of Contract No. 23-1003032.

Presenter: Khalid Bazmi

This item has not received prior policy committee or technical advisory committee review. This item is being presented directly to the Board at its September 4, 2024 meeting, pursuant to Contracting and Procurement Policy No. 11000, Section V.B.2. d, as this is a construction contract award to the lowest responsive responsible bidder. SBCTA General Counsel, Procurement Manager, and Enterprise Risk Manager have reviewed this item, and will review the draft contract before it is awarded and executed.

Discussion - Administrative Matters

27. Local Agency Investment Fund Resolution

Pg. 480

That the Board, acting as the San Bernardino County Transportation Authority:

Adopt Resolution No. 25-008 authorizing Raymond W. Wolfe, Executive Director, Lisa Lazzar, Interim Chief Financial Officer, and Cristina Blackwood, Accounting Manager, to execute transfers with Local Agency Investment Fund.

Presenter: Lisa Lazzar

This item has not received prior policy committee or technical advisory committee review. Due to the timing of the departure of the Chief Financial Officer, there was not sufficient time to take this item to the General Policy Committee. SBCTA General Counsel has reviewed this item and the draft resolution.

Discussion - Transit

28. Amendment No. 1 to Cooperative Agreement No. 22-1002687 with the Southern California Regional Rail Authority for the Zero Emission Multiple Unit Initiative

Pg. 482

That the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. Approve Amendment No. 1 to Cooperative Agreement No. 22-1002687 with the Southern California Regional Rail Authority to support the Zero Emission Multiple Unit (ZEMU) Initiative, to add funding in an amount not-to-exceed \$2,424,100, for a total not-to-exceed amount of \$3,773,740, to be funded with Senate Bill (SB) 125 Transit and Intercity Rail Capital Program (TIRCP) and Valley State Transit Assistance – Population Share (STA-Pop) funds.

B. Approve an increase to contingency in the amount of \$242,410, to be funded with Valley STA-Pop funds, for a total not-to-exceed contingency amount of \$377,374 and authorize the Executive Director, or his designee, to release contingency.

C. Allocate \$2,100,000 in Valley STA-Pop Funds to the ZEMU effort to support the Positive Train Control algorithm development, testing crews, flagging, and staff costs related to the delivery of the ZEMU Initiative for a new project budget of \$62,322,861.

D. Approve a budget amendment increasing Task No. 0315, Transit Capital, in the amount of \$2,666,510 to be funded with \$2,100,000 in Valley STA-Pop Funds, and \$566,510 in SB 125 TIRCP funds.

Presenter: Joy Buenaflor

This item has not received prior policy committee or technical advisory committee review. Staff is taking this item directly to the Board in order to expedite issuance of the Positive Train Control software task order and the hiring of crews needed to support the ZEMU testing. SBCTA General Counsel and Enterprise Risk Manager have reviewed this item and the draft amendment.

29. Award Sole Source Maintenance Agreement No. 24-1003105 to Stadler US, Inc., Execute Assignment and Assumption Agreement No. 24-1003106 with Southern California Regional Rail Authority and Budget adjustments

Pg. 489

That the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. ~~Authorize the Executive Director, or his designee, to finalize and execute~~ **Approve Sole Source** Maintenance Agreement No. 24-1003105 with Stadler US, Inc., to maintain the Zero Emission Multiple Unit as part of the Arrow Service multiple unit fleet, as well as the three Diesel Multiple Unit vehicles currently in service, and the Arrow Maintenance Facility (AMF), and to provide materials management for the multiple unit fleet, ~~subject to approval as to form by General Counsel.~~ The agreement is effective through June 30, 2030, with three one-year option terms, for an amount not-to-exceed ~~\$59,519,537~~ **\$58,353,077**. The not-to-exceed amount includes ~~\$10,707,694~~ **\$10,838,660** of scheduled component overhauls and anticipated work not included in the base services for the multiple units and the AMF.

B. Authorize the Executive Director, or his designee, to execute Assignment and Assumption Agreement No. 24-1003106 with Southern California Regional Rail Authority (SCRRA) to transfer SBCTA's responsibilities under Agreement No. 24-1003105 to SCRRA.

C. Approve an increase to the SCRRA Budget for Fiscal Year (FY) 2024/2025 for Arrow Operations Operating assistance by ~~\$2,209,458~~ **\$1,811,988**, to be funded with Measure I Valley Metrolink/Rail Service Program funds, needed for mobilization, maintenance of the Multiple Units, and other anticipated costs under Agreement No. 24-1003105, for a total operating assistance allocation of ~~\$17,709,458~~ **\$17,311,988**.

D. Approve an increase to the SCRRA Budget for FY 2024/2025 for Arrow Operations New Capital assistance by ~~\$750,000~~ **\$884,970**, to be funded with Measure I Valley Metrolink/Rail Service Program funds, for a total New Capital assistance allocation of ~~\$2,250,000~~ **\$2,384,970**.

E. Approve the funding allocation to support funding for Recommendations C and D, totaling ~~\$2,850,458~~ **\$2,696,958**, to fund SBCTA's subsidy of the FY 2024/2025 Budget for Arrow Service using Measure I Valley Metrolink/Rail Service Program funds.

Presenter: Joy Buenaflor

This item was reviewed and unanimously recommended for approval by the Transit Committee on August 15, 2024. Changes to the item have been made since the Transit Committee approval as negotiations have successfully concluded. SBCTA General Counsel, Procurement Manager, and Enterprise Risk Manager have reviewed this item and the draft agreements.

Discussion - Council of Governments

30. Inland Regional Energy Network 2023 Annual Report Update

Pg. 642

Receive an update on the San Bernardino Council of Governments 2023 Inland Regional Energy Network Annual Report.

Presenter: Cheryl Chesnut

This item has not received prior policy committee or technical advisory committee review. This item is going directly to the board to provide the opportunity for all board members to collectively receive the I-REN program updates.

Discussion - Legislative/Public Outreach

31. Resolution No. 25-009 Honoring Joseph Tavaglione

Pg. 652

That the Board, acting as the San Bernardino County Transportation Authority:

Adopt Resolution No. 25-009, honoring Joseph Tavaglione, his life and the tremendous contributions he made to bettering transportation in San Bernardino County and throughout the State of California.

Presenter: Raymond Wolfe

This item has not received prior policy committee or technical advisory committee review. This item is being presented directly to the Board to acknowledge the recent passing of Joseph Tavaglione. SBCTA General Counsel has reviewed this item and the draft resolution.

Comments from Board Members

Brief Comments from Board Members

Executive Director's Comments

Brief Comments from the Executive Director

ADJOURNMENT

Additional Information

Attendance

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Acronym List

Pg. 660

Agency Reports

Mobile Source Air Pollution Reduction Review Committee Agency Report

Pg. 663

Committee Membership

Representatives on SCAG Committees

Pg. 665

Appointments to External Agencies

Pg. 666

Committee Membership

Pg. 668

Mission Statement

Mission Statement

Pg. 674

Meeting Procedures and Rules of Conduct

Meeting Procedures - The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Board of Directors in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the Board of Directors and Policy Committees.

Accessibility & Language Assistance - The meeting facility is accessible to persons with disabilities. A designated area is reserved with a microphone that is ADA accessible for public speaking. A designated section is available for wheelchairs in the west side of the boardroom gallery. If assistive listening devices, other auxiliary aids or language assistance services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk can be reached by phone at (909) 884-8276 or via email at clerkoftheboard@gosbcta.com and office is located at 1170 W. 3rd Street, 2nd Floor, San Bernardino, CA.

Service animals are permitted on SBCTA's premises. The ADA defines service animals as dogs or miniature horses that are individually trained to do work or perform tasks for people with disabilities. Under the ADA, service animals must be harnessed, leashed, or tethered, unless these devices interfere with the service animal's work, or the individual's disability prevents using these devices. In that case, the individual must maintain control of the animal through voice, signal, or other effective controls.

Accesibilidad y asistencia en otros idiomas - Las personas con discapacidad pueden acceder a la sala de reuniones. Se reserva una zona designada con un micrófono accesible que cumple con los requisitos de la ADA para hablar en público. Una sección designada está disponible para sillas de ruedas en el lado oeste de la galería de la sala de reuniones. Si se necesitan dispositivos de ayuda auditiva, otras ayudas auxiliares o servicios de asistencia en otros idiomas para participar en la reunión pública, las solicitudes deben presentarse al Secretario de la Junta al menos tres (3) días hábiles antes de la fecha de la reunión de la Junta. Puede comunicarse con el Secretario llamando al (909) 884-8276 o enviando un correo electrónico a clerkoftheboard@gosbcta.com. La oficina se encuentra en 1170 W. 3rd Street, 2nd Floor, San Bernardino, CA.

Los animales de servicio están permitidos en las instalaciones de SBCTA. La ADA define a los animales de servicio como perros o caballos miniatura que son entrenados individualmente para hacer trabajo o realizar tareas para personas con discapacidades. Según la ADA, los animales de servicio deben tener un arnés o ser atados, a menos que estos dispositivos interfieran con el trabajo del animal de servicio, o que la discapacidad de la persona impida el uso de estos dispositivos. En ese caso, la persona debe mantener el control del animal a través de su voz, señales u otros controles efectivos.

Agendas – All agendas are posted at www.gosbcta.com/board/meetings-agendas/ at least 72 hours in advance of the meeting. Staff reports related to agenda items may be reviewed online at that web address. Agendas are also posted at 1170 W. 3rd Street, 1st Floor, San Bernardino at least 72 hours in advance of the meeting.

Agenda Actions – Items listed on both the “Consent Calendar” and “Discussion” contain recommended actions. The Board of Directors will generally consider items in the order listed on the agenda. However, items may be considered in any order. New agenda items can be added and action taken as provided in the Ralph M. Brown Act Government Code Sec. 54954.2(b).

Closed Session Agenda Items – Consideration of closed session items excludes members of the public. These items include issues related to personnel, pending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the President of the Board or Committee Chair (“President”) will announce the subject matter of the closed session. If reportable action is taken in closed session, the President shall report the action to the public at the conclusion of the closed session.

Public Testimony on an Item – Members of the public are afforded an opportunity to speak on any listed item, except Board agenda items that were previously considered at a Policy Committee meeting where there was an opportunity for public comment. Individuals in attendance at SBCTA who desire to speak on an item may complete and turn in a "Request to Speak" form, specifying each item an individual wishes to speak on. Individuals may also indicate their desire to speak on an agenda item when the President asks for public comment. When recognized by the President, speakers should be prepared to step forward and announce their name for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The President or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations. Any individual who wishes to share written information with the Board may provide 35 copies to the Clerk of the Board for distribution. If providing written information for distribution to the Board, such information must be emailed to the Clerk of the Board, at clerkoftheboard@gosbcta.com, no later than 5:00 pm the day before the meeting in order to allow sufficient time to distribute the information. Information provided as public testimony is not read into the record by the Clerk. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda. Any consent item that is pulled for discussion shall be treated as a discussion item, allowing further public comment on those items.

Public Comment –An opportunity is also provided for members of the public to speak on any subject within the Board’s jurisdiction. Matters raised under “Public Comment” will not be acted upon at that meeting. See, “Public Testimony on an Item,” above.

Disruptive or Prohibited Conduct – If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the President may recess the meeting or order the person, group or groups of person willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive or prohibited conduct includes without limitation addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, bringing into the meeting any type of object that could be used as a weapon, including without limitation sticks affixed to signs, or otherwise preventing the Board from conducting its meeting in an orderly manner.

Your cooperation is appreciated!

**General Practices for Conducting Meetings
of
Board of Directors and Policy Committees**

Attendance.

- The President of the Board or Chair of a Policy Committee (Chair) has the option of taking attendance by Roll Call. If attendance is taken by Roll Call, the Clerk of the Board will call out by jurisdiction or supervisorial district. The Member or Alternate will respond by stating his/her name.
- A Member/Alternate who arrives after attendance is taken shall announce his/her name prior to voting on any item.
- A Member/Alternate who wishes to leave the meeting after attendance is taken but before remaining items are voted on shall announce his/her name and that he/she is leaving the meeting.

Basic Agenda Item Discussion.

- The Chair announces the agenda item number and states the subject.
- The Chair calls upon the appropriate staff member or Board Member to report on the item.
- The Chair asks members of the Board/Committee if they have any questions or comments on the item. General discussion ensues.
- The Chair calls for public comment based on “Request to Speak” forms which may be submitted.
- Following public comment, the Chair announces that public comment is closed and asks if there is any further discussion by members of the Board/Committee.
- The Chair calls for a motion from members of the Board/Committee. Upon a motion, the Chair announces the name of the member who makes the motion. Motions require a second by a member of the Board/Committee. Upon a second, the Chair announces the name of the Member who made the second, and the vote is taken.
- The “aye” votes in favor of the motion shall be made collectively. Any Member who wishes to oppose or abstain from voting on the motion shall individually and orally state the Member’s “nay” vote or abstention. Members present who do not individually and orally state their “nay” vote or abstention shall be deemed, and reported to the public, to have voted “aye” on the motion.
- Votes at teleconferenced meetings shall be by roll call, pursuant to the Brown Act, or, at any meeting, upon the demand of five official representatives present or at the discretion of the presiding officer.

The Vote as specified in the SBCTA Administrative Code and SANBAG Bylaws.

- Each Member of the Board of Directors shall have one vote. In the absence of the official representative, the Alternate shall be entitled to vote. (Note that Alternates may vote only at meetings of the Board of Directors, Metro Valley Study Session and Mountain/Desert Policy Committee.)

Amendment or Substitute Motion.

- Occasionally a Board Member offers a substitute motion before the vote on a previous motion. In instances where there is a motion and a second, the Chair shall ask the maker of the original motion if he or she would like to amend the motion to include the substitution or withdraw the motion on the floor. If the maker of the original motion does not want to amend or withdraw, the substitute motion is voted upon first, and if it fails, then the original motion is considered.
- Occasionally, a motion dies for lack of a second.

Call for the Question.

- At times, a Member of the Board/Committee may “Call for the Question.”
- Upon a “Call for the Question,” the Chair may order that the debate stop or may allow for limited further comment to provide clarity on the proceedings.
- Alternatively, and at the Chair’s discretion, the Chair may call for a vote of the Board/Committee to determine whether or not debate is stopped.
- The Chair re-states the motion before the Board/Committee and calls for the vote on the item.

The Chair.

- At all times, meetings are conducted in accordance with the Chair’s direction.
- These general practices provide guidelines for orderly conduct.
- From time to time, circumstances may require deviation from general practice (but not from the Brown Act or agency policy).
- Deviation from general practice is at the discretion of the Chair.

Courtesy and Decorum.

- These general practices provide for business of the Board/Committee to be conducted efficiently, fairly and with full participation.
- It is the responsibility of the Chair and Members to maintain common courtesy and decorum.

*Adopted By SANBAG Board of Directors January 2008
Revised March 2014
Revised May 4, 2016
Revised June 7, 2023*



Important Dates to Remember...

September 2024

SBCTA Meetings – Cancelled: None

SBCTA Meetings – Scheduled:

General Policy Committee	Sept 11	9:00 am	SBCTA Lobby, 1st Floor
Legislative Policy Committee	Sept 11	Immediately following GPC	SBCTA Lobby, 1st Floor
Transit Committee	Sept 12	9:00 am	SBCTA Lobby, 1st Floor
Metro Valley Study Session	Sept 12	Immediately following TC	SBCTA Lobby, 1st Floor
Mountain/Desert Policy Committee	Sept 13	9:30 am	Mojave Desert AQMD

Other Meetings/Events:

State Route 60/Central Ave. Interchange Dedication	Sept 6	1:00 pm	Chino City Hall
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SBCTA Offices will be CLOSED:

- **September 2nd, Labor Day**

For additional information, please call SBCTA at (909) 884-8276

Communication: Calendar of Events (Announcements)

Minute Action

AGENDA ITEM: 1

Date: *September 4, 2024*

Subject:

Information Relative to Possible Conflict of Interest

Recommendation:

Note agenda items and contractors/subcontractors, which may require member abstentions due to possible conflicts of interest.

Background:

In accordance with California Government Code 84308, members of the Board may not participate in any action concerning a contract where they have received a campaign contribution of more than \$250 in the prior twelve months from an entity or individual, except for the initial award of a competitively bid public works contract. This agenda contains recommendations for action relative to the following contractors:

Item No.	Contract No.	Principals & Agents	Subcontractors
12	24-1003125	California Highway Patrol	None
13	23-1002947-01	Royal Coaches Auto Body & Towing <i>William Salazar</i>	None
14	18-1001904-04	City of Colton	None
	23-1002893-01	California Department of Transportation	None
15	22-1002720-02	City of San Bernardino	None
17	25-1003185	California Department of Transportation	None
18	N/A	City of Yucaipa City of San Bernardino City of Highland City of Ontario	None
20	N/A	Omnitrans	None
21	24-1003152-01	Nossaman, LLP <i>Brent E. Butzin</i>	None

Item No. 25 – Interstate 10 Corridor Freight and Express Lanes Project – Contract 2 Preview of Hearing to Consider Resolution of Necessity

APN#	Principals & Agents
0238-052-53	VID Enterprises, LLC
0252-142-28	Erwin Weinhart
0252-142-29	Erwin Weinhart

Entity: San Bernardino Council of Governments, San Bernardino County Transportation Authority

Item No.	Contract No.	Principals & Agents	Subcontractors
26	23-1003032	Not Yet Known	None
28	22-1002687-01	Southern California Regional Rail Authority	None
29	24-1003105	Stadler US, Inc. <i>Martin Ritter</i>	None
	24-1003106	Southern California Regional Rail Authority	None

Financial Impact:

This item has no direct impact on the budget.

Reviewed By:

This item is prepared monthly for review by Board and Committee members.

Responsible Staff:

Approved
 Board of Directors
 Date: September 4, 2024

Witnessed By:

Minute Action

AGENDA ITEM: 2

Date: *September 4, 2024*

Subject:

June and July 2024 Procurement Report

Recommendation:

Receive the June 2024 and July 2024 Procurement Report.

Background:

The Board of Directors adopted the Contracting and Procurement Policy (Policy No. 11000) on January 3, 1997, and approved the last revision on January 4, 2023. The Board of Directors authorized the Executive Director, or his designee, to approve: a) contracts and purchase orders up to \$100,000; b) Contract Task Orders (CTO) up to \$500,000 and for CTOs originally \$500,000 or more, increasing the CTO amount up to \$250,000; c) amendments with a zero dollar value; d) amendments to exercise the option term if the option term was approved by the Board of Directors in the original contract; e) amendments that cumulatively do-not-exceed 50% of the original contract or purchase order value or \$100,000, whichever is less; f) amendments that do-not-exceed contingency amounts authorized by the Board of Directors; and g) release Request for Proposals (RFP), Request for Qualifications (RFQ), and Invitation for Bids (IFB) for proposed contracts from which funding has been approved and the solicitation has been listed in the Annual Budget, and are estimated not-to-exceed \$1,000,000.

The Board of Directors further authorized General Counsel to award and execute legal services contracts up to \$100,000 with outside counsel as needed, and authorized Department Directors to approve and execute Contingency Amendments that do-not-exceed contingency amounts authorized by the Board of Directors.

Lastly, the Board of Directors authorized CityCom Real Estate Services, Inc. (CityCom) to issue contracts and purchase orders.

Below is a summary of the actions taken by SBCTA authorized staff:

- Five new contracts were executed.
- Four contract amendments were executed.
- One CTO was executed.
- No CTO amendments were executed.
- Two contingency amendments were executed.
- Ten purchase orders were executed.
- One purchase order amendment was executed.
- No IFB's or RFP's were released.

Below is a summary of the actions taken by CityCom:

- No new contracts were executed.
- Two purchase orders were executed.

Entity: San Bernardino Council of Governments, San Bernardino County Transportation Authority

Board of Directors Agenda Item
 September 4, 2024
 Page 2

A list of all Contracts and Purchase Orders that were executed by the Executive Director, Department Director, and/or General Counsel during the month of June and July 2024 are presented herein as Attachment A, all RFPs and IFBs are presented in Attachment B, and all CityCom's contracts and purchase orders are presented in Attachment C.

Financial Impact:

This item is consistent with the adopted Budget for Fiscal Year 2024/2025. Presentation of the monthly procurement report demonstrates compliance with the Contracting and Procurement Policy.

Reviewed By:

This item was received by the General Policy Committee on August 14, 2024.

Responsible Staff:

Jeffery Hill, Project Controls Analyst III

Approved
 Board of Directors
 Date: September 4, 2024

Witnessed By:

San Bernardino Council of Governments
 San Bernardino County Transportation Authority

Attachment A - 1
June and July 2024 Contract/Amendment/CTO Actions

Type	Contract Number	Amendment/CTO	Vendor Name	Contract Description	Original Amount	Prior Amendments	Current Amendment	Total Amount	Total On-Call Contract Amount*
New Agreement	24-1003152		Nossaman LLP	Legal services relating to the ONT Connector Project.	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	N/A
New Agreement	24-1003153		Southern California Shredding, Inc.	Paper shredding services.	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00	N/A
New Agreement	24-1003174		Woodruff & Smart, APC	General Governmental legal services.	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00	N/A
New Agreement	24-1003109		Kaplan Kirsch, LLP	On-Call legal services.	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	N/A
New Agreement	24-1003182		Donovan Bros. Golf, Inc.	Banquet Hall rental and catering services for December 13, 2024; December 12, 2025, and December 11, 2026.	\$ 33,943.92	\$ -	\$ -	\$ 33,943.92	N/A
Contract Amendment	20-1002389	1	Whistleblower Security, Inc.	To increase the not-to-exceed amount for subscription that allows employees the ability to report ethical concerns anonymously.	\$ 6,375.00	\$ -	\$ 493.82	\$ 6,868.82	N/A
Contract Amendment	23-1002949	1	Best Best & Krieger LLP	To increase contract amount for legal services relating to government operations.	\$ 5,000.00	\$ -	\$ 50,000.00	\$ 55,000.00	N/A
Contract Amendment	23-1002949	2	Best Best & Krieger LLP	To increase hourly billing rates and provide for annual escalation tied to Consumer Price Index (CPI), upon request and approval, for the duration of the contract period.	\$ 5,000.00	\$ 50,000.00	\$ -	\$ 55,000.00	N/A
Contract Amendment	21-1002447	2	DesertXpress Enterprises, LLC	Memorandum of Understanding Contract to extend the term of the agreement through July 6, 2025.	\$ -	\$ -	\$ -	\$ -	N/A
CTO	23-1002904	CTO No. 8	Mott MacDonald Group, Inc.	Engineering services for the Santa Fe Depot Bus Stop Improvement Project.	\$ 145,437.00	\$ -	\$ -	\$ 145,437.00	\$20,000,000.00 (available \$8,940,536.99)

Attachment: June and July 2024 Procurement Report- PDF (10837 : June and July 2024 Procurement

*Total amount authorized for the associated on-call services bench which is typically shared with multiple vendors and controlled via contract task orders (CTO).

Attachment A - 2
June and July 2024 Contingency Released Actions

Contract No. & Contingency No.	Reason for Contingency Amendment (Include a Description of the Contingency Amendment)	Vendor Name	Original Contract Amount	Prior Amendments	Prior Contingencies	Current Contingencies	Amended Contract Amount
22-1002736 No. 1B	Additional project construction activity and support costs for Construction Freeway Service Patrol (CFSP) Support for I-10 Express Lanes Corridor Project for Beat No. 9.	Royal Coaches Auto Body & Towing	\$ 3,102,514.00	\$ -	\$ 510,000.00	\$ 26,604.12	\$ 3,639,118.12
22-1002727 No. 0A	Additional resources needed to meet project deadlines and additional coordination with Caltrans needed for the SR-210 Waterman Design Contract.	EXP U.S. Services, Inc.	\$ 644,666.32	\$ -	\$ -	\$ 64,466.63	\$ 709,132.95

Attachment: June and July 2024 Procurement Report- PDF (10837 : June and July 2024 Procurement

Attachment A - 3

June and July 2024 Purchase Order and Purchase Order Amendment Actions

Type	PO No.	PO Posting Date	Vendor Name	Description of Services	Original Purchase Order Amount	Prior Amendments	Current Amendment	Total Purchase Order Amount
New PO	4002483	6/30/24	Inland Empire 66ers Baseball, Club San Bernardino	SB Connect Marketing.	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00
New PO	4002484	6/19/24	Golden Star Technology, Inc.	MS surfaces, docks and type covers.	\$ 21,045.71	\$ -	\$ -	\$ 21,045.71
New PO	4002485	6/19/24	Lock & Leave Storage	Lock & leave callbox storage.	\$ 5,808.00	\$ -	\$ -	\$ 5,808.00
New PO	4002490	6/18/24	AT&T Mobility	FSP GPS tracking units Fiscal Year 2025.	\$ 11,700.00	\$ -	\$ -	\$ 11,700.00
New PO	4002491	6/19/24	Verizon Wireless	Callbox cellular services Fiscal Year 2024-2025.	\$ 16,900.00	\$ -	\$ -	\$ 16,900.00
New PO	4002494	6/12/24	Copperfasten Technologies, Limited	SpamTitan Renewal.	\$ 8,800.00	\$ -	\$ -	\$ 8,800.00
New PO	4002498	6/25/24	Beauchamp, Paula	SBCTA representative at MVSG litigation proceedings.	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00
New PO	4002498	6/23/24	Calolympic Safety	160 FSP Driver Safety Vests.	\$ 10,440.00	\$ -	\$ -	\$ 10,440.00
New PO	4002509	7/31/24	CityCom Real Estate Services	SB Depot HVAC upgrade phase II capital improvement HVAC.	\$ 3,847.87	\$ -	\$ -	\$ 3,847.87
New PO	4002505	7/2/24	Fifth Asset, Inc.	Lease and subscription based info tech agreement software.	\$ 80,000.00			\$ 80,000.00
PO Amendment	4002393		Unitrend	Zero-cost purchase order extension to the existing backup systems.	\$ -	\$ -	\$ -	\$ -

Attachment B
June and July 2024 RFP's, RFQ's and IFB's

Release Date	RFP/RFQ/IFB No.	Anticipated Dollar Amount	Anticipated Award Date	Description of Overall Program and Program Budget
None				

Attachment C

June and July 2024 CityCom's Issued Purchase Orders/Contracts

PO/Contract No.	Vendor Name	Description of Services	Total Amount
PO No. SBCTA50108	Weatherite Corp.	Replace VFD controller for pump room cooler.	\$ 6,996.14
PO No. SBCTA50206	Jubilee Plumbing Inc.	Replace damaged water heater on 2nd floor.	\$ 3,825.00

Minute Action

AGENDA ITEM: 3

Date: *September 4, 2024*

Subject:

Measure I Revenue

Recommendation:

Receive report on Measure I receipts for Measure I 2010-2040.

Background:

Sales tax revenue collections for Measure I 2010 through 2040 began on April 1, 2010. Cumulative total receipts as of June 30, 2024, were \$2,507,416,626.

Included is a summary of the current Measure I receipts by quarter and cumulative total since its inception. The quarterly receipts represent sales tax collection from the previous quarter's taxable sales. For example, receipts for April through June represent sales tax collections from January through March.

Measure I revenue for the 2023/2024 Fiscal Year Budget was estimated to be \$257,000,000. Actual Measure I receipts for Fiscal Year 2023/2024 April through June are \$60,102,892, in comparison to \$60,936,812 received during the quarter ending June 2022/2023, with a decrease of 1.37% due to a decrease in consumer spending in the County.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2024/2025.

Reviewed By:

This item was received by the General Policy Committee on August 14, 2024.

Responsible Staff:

Lisa Lazzar, Chief of Fiscal Resources

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

Entity: San Bernardino County Transportation Authority

Summary of SBCTA Measure I Receipts 2010-2040

Fiscal Year	July-September	October-December	January-March	April- June	Fiscal Year Total	Cumulative Total To Date
Receipts Prior to FY 2010/11						\$7,158,800
Fiscal Year 2010/11	28,188,907	29,207,950	28,808,766	29,397,456	115,603,079	\$122,761,879
Fiscal Year 2011/12	31,027,319	33,547,956	32,757,419	33,476,051	130,808,745	\$253,570,624
Fiscal Year 2012/13	34,279,449	35,076,980	34,336,570	34,309,171	138,002,171	\$391,572,794
Fiscal Year 2013/14	35,430,012	35,403,641	36,843,452	35,789,045	143,466,150	\$535,038,944
Fiscal Year 2014/15	37,253,007	38,007,716	38,225,122	37,132,591	150,618,437	\$685,657,380
Fiscal Year 2015/16	39,298,056	40,309,825	40,950,261	38,929,588	159,487,730	\$845,145,110
Fiscal Year 2016/17	41,123,141	40,742,242	41,465,217	39,801,939	163,132,539	\$1,008,277,649
Fiscal Year 2017/18	43,117,814	42,305,693	44,007,900	39,149,611	168,581,018	\$1,176,858,666
Fiscal Year 2018/19	41,560,927	49,358,825	46,035,191	43,531,556	180,486,500	\$1,357,345,167
Fiscal Year 2019/20	46,250,572	46,514,574	49,729,997	35,959,684	178,454,827	\$1,535,799,994
Fiscal Year 2020/21	48,366,423	51,588,776	52,728,566	56,391,035	209,074,800	\$1,744,874,794
Fiscal Year 2021/22	64,058,781	61,231,465	64,329,895	63,172,838	252,792,978	\$1,997,667,772
Fiscal Year 2022/23	64,538,748	66,271,275	66,140,449	60,936,812	257,887,284	\$2,255,555,056
Fiscal Year 2023/24	64,368,274	62,247,797	65,142,607	60,102,892	251,861,570	\$2,507,416,626
% Increase Over 22/23	-0.26%	-6.07%	-1.51%	-1.37%	-2.34%	

Attachment: MSI Receipts-PDF (10812 : Measure I Revenue - 4th Qtr 2023/2024)

Minute Action

AGENDA ITEM: 4

Date: *September 4, 2024*

Subject:

Bi-Annual Fiscal Year 2023/2024 Railroad Right-of-Way Grants of Right of Use Report

Recommendation:

Receive and file the second half of Fiscal Year 2023/2024 (January 2024 through June 2024) Right-of-Way Grants of Right of Use Report.

Background:

The San Bernardino County Transportation Authority Board of Directors (Board) adopted Real Property Policy No. 31602 on July 2, 2014 and approved revisions to Policy No. 31602 on March 6, 2019 and on October 6, 2021. In accordance with Real Property Policy No. 31602, Part VI, Policy Principles and Authority to Execute Grants of Right of Use, Section B, Approved Templates, the Board authorized the Executive Director, or his designee, to approve all Grants of Right of Use documents as approved to form by General Counsel.

Attachment A reports the Grants of Right of Use issued, amended, denied, and/or terminated in the second half of Fiscal Year 2023/2024 in accordance with the reporting requirements of Real Property Policy No. 31602, Part IX, Section H.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2024/2025. Presentation of the Bi-Annual Right-of-Way report demonstrates compliance with the Real Property Policy No. 31602.

Reviewed By:

This item was received by the Transit Committee on August 15, 2024.

Responsible Staff:

Ryan Aschenbrenner, Right of Way Manager

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

Entity: San Bernardino County Transportation Authority

Attachment A

Bi-annual Fiscal Year 2023-2024 (January 2024 to June 2024) Right-of-Way Grants of Use Report

Action	Vendor Name	Contract No.	Agreement Type	Minute Traq Item	Linked Agreements	Executed Date	Term	Application Fees	Annual Admin Fees	Use Fees	Amendment or Extension Fees	Waived Fees	Type Fees Waived	Waived Fee Comment
Issued	City of Redlands	24-1003142	Special Event Right of Entry Permit	10485	n/a	3/20/2024	4/28/2024	\$ 2,230	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Amended	City of Redlands	24-1003142	Special Event Right of Entry Permit	10494	n/a	4/26/2024	4/28/2024	\$ -	\$ -	\$ -	\$ 560	\$ -	n/a	n/a
Grand Total								\$ 2,230	\$ -	\$ -	\$ 560	\$ -		

Attachment: Bi-Annual Grant of Right of Way Use Report through 20240630 (10838 : Bi-Annual Fiscal Year

Minute Action

AGENDA ITEM: 5

Date: *September 4, 2024*

Subject:

Transit and Rail Programs Contract Change Orders to On-Going Contracts

Recommendation:

Receive and file Change Order Report.

Background:

The San Bernardino County Transportation Authority has three ongoing construction contracts and one vehicle procurement contract related to Transit and Rail Programs.

A. Contract No. 23-1002891 with Griffith Company for the West Valley Connector Project Mainline Construction has had no CCOs executed since the last report.

B. Contract No. 23-1002961 with Proterra Builders, Inc. for the Arrow Maintenance Facility (AMF) Hydrogen Fuel Upgrade: Equipment Procurement has had no CCOs executed since the last report.

C. Contract No. 23-1002922 with Metro Builders & Engineers Group, Ltd. for the AMF Hydrogen Fuel Upgrade: AMF Retrofit has had no CCOs executed since the last report.

D. Contract No. 20-1002310 with Stadler US, Inc. for Zero Emission Multiple Unit (ZEMU) Rail Vehicle Procurement has had no CCOs executed since the last report.

Financial Impact:

The Diesel Multiple Unit to ZEMU and West Valley Connector projects are included in the adopted Budget for Fiscal Year 2024/2025 and funded with Transit and Intercity Rail Capital Program, Measure I-Bus Rapid Transit, Federal Transit Administration, and Solutions to Congested Corridors Program funds, in Program 30, Transit.

Reviewed By:

This item was received by the Transit Committee on August 15, 2024.

Responsible Staff:

Victor Lopez, Director of Transit & Rail Programs

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

Entity: San Bernardino County Transportation Authority

Transit and Rail Programs Contracts Executed Change Orders		
Number	Description	Amount
West Valley Connector Mainline Construction Griffith Company (23-1002891)		
	CCO Total	\$0.00
	Approved Contingency	\$11,995,991.00
	Remaining Contingency	\$11,995,991.00
ZEMU - Arrow Maintenance Facility (AMF) Proterra Builders, Inc. (23-1002961)		
	Description	Amount
	CCO Total	\$0.00
	Approved Contingency	\$56,280.21
	Remaining Contingency	\$56,280.21
ZEMU - Arrow Maintenance Facility (AMF) Metro Builders & Engineers Group, Ltd. (23-1002922)		
	Description	Amount
	CCO Total	\$0.00
	Approved Contingency	\$962,657.10
	Remaining Contingency	\$962,657.10
ZEMU- Vehicle Procurement Stadler (20-1002310)		
	Description	Amount
	CCO Total	\$2,592,169.12
	Approved Contingency	\$3,487,482.12
	Remaining Contingency	\$895,313.00

Attachment: Contract Change Order 10173 July 2024 (10839 : Transit and Rail Programs Contract Change Orders to On-Going Contracts)

Minute Action

AGENDA ITEM: 6

Date: *September 4, 2024*

Subject:

Project Delivery Contract Change Orders to On-Going Contracts

Recommendation:

Receive and file Change Order Report.

Background:

San Bernardino County Transportation Authority (SBCTA) Department of Project Delivery has 12 on-going construction contracts, of which eight have had Construction Change Orders (CCO) approved since the last reporting to the Board of Directors Metro Valley Study Session on June 13, 2024. The CCOs are listed below:

A. Contract No. 19-1002078 with Guy F. Atkinson Construction, LLC, for the State Route (SR) 210 Lane Addition, Base Line Interchange and Pavement Rehabilitation Project:

- 1) CCO 41.2: Reconciliation of bid item 198, alternative pipe culvert. (\$250)
- 2) CCO 76.3: Correction to bid item 123 calculation to SBCTA. (-\$13,642.02)
- 3) CCO 101: Resolution to work character change exception. (-\$10,075.50)

B. Contract No. 19-1002196 with Security Paving Company, Inc., for the SR 60 Central Avenue Interchange Project: There are no newly executed CCOs since last report.

C. Contract No. 19-1002026 with Diversified Landscape Company, for the Interstate 215 (I-215) Segments 1, 2 and 3 Establish Existing Planting Project:

- 1) CCO 2.2: Extension of plant establishment period. (\$68,743.56)

D. Contract No. 17-1001599 with Lane-Security Paving Joint Venture, for the Interstate 10 (I-10) Corridor Contract 1 Design Build Contract:

- 1) CCO 1.1: Dispute review board budget increase amendment. (\$75,000)
- 2) CCO 109.1: Amended four-lane traffic configuration panel replacement. (\$0)
- 3) CCO 133: Toll rate dynamic message signs resistance to ground. (\$0)
- 4) CCO 137: Additional work private property drainage at Carmax. (\$50,000)
- 5) CCO 139: Settlement resolution Ontario water line. (\$215,000)
- 6) CCO 140: Final resolution enhanced temporary striping. (\$298,513)
- 7) CCO 141: Landscape scope revisions. (-\$8,922,182.78)
- 8) CCO 144: Replacement of existing delineators with traffic delineator drums. (\$149,772)
- 9) CCO 145: Mediation fees and costs, landscape and rock blanket matters. (\$50,000)

Entity: San Bernardino County Transportation Authority

Board of Directors Agenda Item

September 4, 2024

Page 2

E. Contract 23-1002869 with SEMA Construction, Inc., for I-10 Eastbound Truck Climbing Lane:

- 1) CCO 4: Federal trainee program. (\$9,600)
- 2) CCO 7: Dispute review board. (\$20,000)
- 3) CCO 13: Maintain existing electrical. (\$10,000)

F. Contract 16-1001461 with Pulice Construction, Inc., for the Monte Vista Avenue Grade Separation Project: There are no newly executed CCOs since last report.

G. Contract No. 18-1001966 with Traylor-Granite Joint Venture, for the Mount Vernon Avenue Viaduct Project Design Build:

- 1) CCO 9.1: Decommission and abandon water and sewer. (\$15,048.35)
- 2) CCO 31: Carwash bay demolition. (\$41,500)

H. Contract No. 20-1002290 with SEMA Construction, Inc., for the I-10 University Street Interchange Improvements Project: There are no newly executed CCOs since last report.

I. Contract No. 21-1002620 with Ortiz Enterprises, Inc., for the I-10 Alabama Street Interchange Improvements Project:

- 1) CCO 1.1: De-obligation of remaining funds for Storm Water Pollution Prevention Plan maintenance. (-\$16,980.16)
- 2) CCO 2.1: De-obligation of remaining funds for traffic control. (-\$4,400)
- 3) CCO 3.2: De-obligation of remaining funds for electrical system. (-\$1,346.90)
- 4) CCO 8.1: De-obligation of remaining funds for buried objects. (-\$7,200)

J. Contract No. 23-1002919 with Griffith Company, for the Construction of the Metrolink Active Transportation Program Phase II Project:

- 1) CCO 2: Dispute review advisor. (\$12,000)

K. Contract No. 22-1002784 with Security Paving Company, Inc., for the I-10 Cedar Avenue Improvement Project:

- 1) CCO 2.2: Maintain roadway and provide traffic control. (\$30,000)
- 2) CCO 16.1: Additional funds for buried man-made objects. (\$50,000)
- 3) CCO 28: Eliminate slope paving. (-\$95,571)
- 4) CCO 37: Delete Drainage System (DS) nine and additions to DS four and eight. (\$7,730.20)

L. Contract No. 22-1002780 with Skanska USA Civil West California District, Inc., for the North 1st Avenue Bridge Over BNSF Project: There are no newly executed CCOs since last report.

Financial Impact:

This item imposes no financial impact, as all CCOs are within previously approved contingency amounts under: Task No. 0830 Interchange Projects and Task No. 0820 Freeway Projects, Sub-Task No. 0887 SR 210 Lane Addition, Sub-Task No. 0823 I-10 Corridor Contract 1, Sub-Task No. 0827 Mount Vernon Viaduct, Sub-Task No. 0854 I-10 Eastbound Truck Climbing Lane, Sub-Task No. 0897 I-10 Cedar Avenue, Sub-Task No. 0838 I-215 Segments 1, 2 and 3 Establish Existing Planting Project, Sub-Task No. 0895 I-10 Alabama Street, and Sub-Task No. 0810 Metrolink ATP, Phase 2.

Reviewed By:

This item was received by the Board of Directors Metro Valley Study Session on August 15, 2024.

Responsible Staff:

Kristi Harris, Director of Project Delivery

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

Project Delivery Contracts Executed Change Orders		
Number	Description	Amount
SR 210 Lane Addition, Base Line Interchange and Pavement Rehabilitation (19-1002078)		
Number	Description	Amount
41.2	Reconciliation of bid item 198, alternative pipe culvert.	\$250.00
76.3	Correction to bid item 123 calculation to SBCTA.	(\$13,642.02)
101	Resolution to work character change exception.	(\$10,075.50)
	CCO Total	\$24,403,264.12
	Approved Contingency	\$34,927,790.07
	Remaining Contingency	\$10,524,525.95
SR 60 Central Avenue Interchange (19-1002196)		
Number	Description	Amount
	CCO Total	\$1,407,424.91
	Approved Contingency	\$2,912,039.00
	Remaining Contingency	\$1,504,614.09
I-215 Segments 1, 2 & 3 Establish Existing Planting (19-1002026)		
Number	Description	Amount
2.2	Extension of plant establishment period.	\$68,743.56
	CCO Total	\$138,743.56
	Approved Contingency	\$1,451,300.00
	Remaining Contingency	\$1,312,556.44
I-10 Corridor Contract 1 (17-1001599)		
Number	Description	Amount
1.1	Dispute review board budget increase amendment.	\$75,000.00
109.1	Amended 4-lane traffic configuration panel replacement.	\$0.00
133	Toll rate dynamic message signs resistance to ground.	\$0.00
137	Additional work private property drainage at Carmax.	\$50,000.00
139	Settlement resolution Ontario water line.	\$215,000.00
140	Final resolution enhanced temporary striping.	\$298,513.00
141	Landscape scope revisions.	(\$8,922,182.78)
144	Replacement of existing delineators with traffic delineator drums.	\$149,772.00
145	Mediation fees and costs, landscape and rock blanket matters.	\$50,000.00
	CCO Total	\$17,034,303.61
	Approved Contingency	\$51,369,000.00
	Remaining Contingency	\$34,334,696.39

Project Delivery Contracts Executed Change Orders		
Number	Description	Amount
I-10 Eastbound Truck Climbing Lane (23-1002869)		
Number	Description	Amount
4	Federal trainee program.	\$9,600.00
7	Dispute review board.	\$20,000.00
13	Maintain existing electrical.	\$10,000.00
CCO Total		\$443,174.07
Approved Contingency		\$3,731,253.00
Remaining Contingency		\$3,288,078.93
Monte Vista Avenue Grade Separation (16-1001461)		
Number	Description	Amount
CCO Total		\$869,302.95
Approved Contingency		\$2,498,958.60
Remaining Contingency		\$1,629,655.65
Mount Vernon Avenue Viaduct (18-1001966)		
Number	Description	Amount
9.1	Decommission and abandon water and sewer lines.	\$15,048.35
31	Carwash bay demolition.	\$41,500.00
CCO Total		\$14,384,645.24
Approved Contingency		\$17,230,000.00
Remaining Contingency		\$2,845,354.76
I-10 University Street Interchange Improvements (20-1002290)		
Number	Description	Amount
CCO Total		\$1,211,825.51
Approved Contingency		\$1,500,590.00
Remaining Contingency		\$288,764.49
I-10 Alabama Street Interchange Improvements (21-1002620)		
Number	Description	Amount
1.1	De-obligation of remaining funds for SWPPP maintenance.	(\$16,980.16)
2.1	De-obligation of remaining funds for traffic control.	(\$4,400.00)
3.2	De-obligation of remaining funds for electrical system.	(\$1,346.90)
8.1	De-obligation of remaining funds for buried objects.	(\$7,200.00)
CCO Total		\$962,933.21
Approved Contingency		\$1,338,886.33
Remaining Contingency		\$375,953.12

Project Delivery Contracts Executed Change Orders		
Number	Description	Amount
Metrolink Active Transportation Program Phase II Project (23-1002919)		
Number	Description	Amount
2	Dispute review advisor.	\$12,000.00
	CCO Total	\$12,000.00
	Approved Contingency	\$900,661.70
	Remaining Contingency	\$888,661.70
I-10 Cedar Avenue Improvement (22-1002784)		
Number	Description	Amount
2.2	Maintain roadway and provide traffic control.	\$30,000.00
16.1	Additional funds for buried man-made objects.	\$50,000.00
28	Eliminate slope paving.	(\$95,571.00)
37	Delete DS 9 and additions to DS 4 and 8.	\$7,730.20
	CCO Total	\$4,970,113.46
	Approved Contingency	\$8,098,400.00
	Remaining Contingency	\$3,128,286.54
North 1st Avenue Bridge Over BNSF (22-1002780)		
Number	Description	Amount
	CCO Total	\$1,044,048.77
	Approved Contingency	\$3,561,922.00
	Remaining Contingency	\$2,517,873.23

Minute Action

AGENDA ITEM: 7

Date: *September 4, 2024*

Subject:

Board Member Appointment

Recommendation:

Note the Presidential appointment of Mayor Pro Tem Art Bishop, Town of Apple Valley, to serve on the Legislative Policy Committee for the remainder of the two-year legislative session, with a term expiring December 31, 2024.

Background:

This item is to note the Presidential appointment of Mayor Pro Tem Art Bishop, Town of Apple Valley, to serve on the San Bernardino County Transportation Authority (SBCTA) Legislative Policy Committee (LPC) for the remaining duration of the State and Federal two-year legislative session, expiring December 31, 2024. According to Policy No. 10002, the Committee shall be composed of the President, Vice-President, Immediate Past President and four Board members appointed by the President: one East Valley member, one West Valley member, one Mountain/Desert member, and one County member. Members of this Committee shall serve for the duration of the State and Federal two-year legislative session in which they were appointed, with terms expiring December 31 of even-numbered years. Per Policy No. 10050, no stipend shall be paid for attendance at Legislative Policy Committee meetings.

SBCTA Policy No. 10001 authorizes the SBCTA President to make appointments to SBCTA Transit Policy Committee, Legislative Policy Committee, SCAG Policy Committees, CALCOG and other such regular or special committee appointments as may be approved by action of the Board of Directors. The policy states that Presidential appointments will be reported to the Board.

Financial Impact:

This item does not have a financial impact on the adopted Budget for Fiscal Year 2024/2025.

Reviewed By:

This item is informational only. Per SBCTA Policy No. 10001, all Presidential appointments shall be announced at the Board of Directors meeting immediately following the appointments for the purpose of advising the Board of Directors of the status of committee membership and representation.

Responsible Staff:

Marleana Roman, Clerk of the Board

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

Entity: San Bernardino Council of Governments, San Bernardino County Transportation Authority

Minute Action

AGENDA ITEM: 8

Date: *September 4, 2024*

Subject:

Additional Reports for Measure I Compliance Audits for Fiscal Year 2020/2021 and 2022/2023

Recommendation:

Review and make a finding that the City of Adelanto Measure I expenditures for Fiscal Year 2020/2021 and that the Town of Apple Valley, City of Needles and City of Rialto Measure I expenditures for Fiscal Year 2022/2023, are consistent with the provisions of the Measure I Expenditure Plan and Ordinance No. 04-01.

Background:

Each year San Bernardino County Transportation Authority (SBCTA) conducts an annual comprehensive financial audit of SBCTA and provides for audits of all local jurisdictions receiving Measure I (MSI) 2010-2040 Local Streets Program Funds, which are dedicated for transportation planning, design, construction, operation, and maintenance.

A financial examination is completed by an independent audit firm for activities during the previous Fiscal Year (FY), including internal control systems of checks and balances. The examination must encompass both project expenditures and projects for which funds were received but not expended. A listing of all projects comparing actual revenues and expenses to the MSI Five-Year Capital Improvement Plan (CIP) adopted by the local governing board and reported annually to SBCTA, must be included with any interest earned. The report shall also contain an examination of expenditures, a statement of revenue and expenses, and a balance sheet for each MSI 2010-2040 Local Streets Program Special Revenue fund.

SBCTA utilized on-call audit agreements with Conrad LLP and Crowe LLP (auditors) to conduct Compliance Audits of the MSI 2010-2040 Local Streets Program Funds for FY 2022/2023, and the City of Adelanto for FY 2020/2021. The auditors verified compliance with California Public Utilities Code 190300 and Ordinance No. 04-01 of the SBCTA Local Streets Program that funds shall not be used to supplant existing local discretionary funds being used for street and highway purposes, also known as Maintenance of Effort (MOE). The MOE base year level was determined based on the discretionary General Fund expenditures for transportation-related construction and maintenance activities in FY 2008/2009. The MOE base year level as approved by the SBCTA Board of Directors shall remain in effect until the expiration of MSI 2010-2040.

MSI 2010-2040 Local Streets Program Audit reports for the City of Adelanto for FY 2020/2021, and for the Town of Apple Valley, the City of Needles, and the City of Rialto for FY 2022/2023 have been provided to the Independent Taxpayer Oversight Committee via email for their review. The recommendation for this item is for the SBCTA Board of Directors (Board) members at the September 4, 2024, Board meeting to make a finding that MSI expenditures for the City of Adelanto for FY 2020/2021 and the Town of Apple Valley, the City of Needles, and the City of Rialto for FY 2022/2023 are consistent with the provisions of the MSI Expenditure Plan and Ordinance No. 04-01.

SBCTA has been withholding MSI 2010-2040 Local Streets Program revenue from the City of Adelanto as the reports for FY 2020/2021, FY 2021/2022, and FY 2022/2023 have been delayed. After the issuance of the FY 2020/2021 report, SBCTA released \$438,728.61 (plus interest) of the amount withheld.

Entity: San Bernardino County Transportation Authority

The audits resulted in the following findings:

City of Adelanto (City) for FY 2020/2021

- Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank reconciliations should be performed monthly, reviewed, and approved in a timely manner. During procedures over cash and investments, it was noted the City's bank reconciliation for June 2021 was not prepared until October 2023. The City did not perform a timely bank account reconciliation due to the City's lack of monthly closing procedures.

Corrective Action: The City has hired a team of accounting consultants to assist with monthly closing and other accounting services.

Management Letter:

- During the audit, it was noted that the MSI financial statements required multiple adjustments for the current and prior years. Additionally, the MSI final report for FY 2019/2020 did not agree with the MSI amounts reported on the Annual Comprehensive Financial Report (ACFR) for FY 2019/2020. The City should implement procedures to always reconcile the MSI financial statements and the ACFR to ensure they agree.

Corrective Action: The City acknowledges the deficiency and has hired an outside Certified Public Accountant (CPA) firm to assist with the reconciliation and review of all financial statements.

- During the audit, the auditors were made aware that the City management does not perform the following crucial activities:
 - Assess the risk that the City's financial statements might be materially misstated due to fraud, and that there are no controls in place to prevent and detect such occurrences.
 - Communicate to employees the importance of ethical behavior and appropriate business practices.
 - Comply with laws, regulations, and provisions of contracts, grant agreements, and City policies.

To address these deficiencies, it was recommended the City take the following actions:

- Risk Assessment and Fraud Prevention: Strengthen and implement procedures to assess the risk that could cause the financial statements to be materially misstated. This should include instituting robust controls to prevent and detect fraud. Regular risk assessments and updates to controls should be conducted to adapt to new and evolving risks.
- Ethical Behavior and Business Practices: Establish a formal process to communicate to employees the importance of ethical behavior and appropriate business practices. This could include regular training sessions, a code of conduct, and the implementation of a fraud hotline where employees can report unethical behavior anonymously.

- **Compliance with Laws and Regulations:** Ensure that all staff are educated on the laws, regulations, and provisions of contracts, grant agreements, and City policies applicable to their roles. Additionally, implement controls to ensure compliance with all applicable laws, regulations, and contractual provisions. Regular audits and compliance checks should be conducted to identify and address any areas of non-compliance promptly.

Corrective Action: 1) The City acknowledges the deficiency and has hired an outside CPA firm that will assist Management with the implementation and monitoring of strong prevention and detection of internal controls and procedures. 2) The City acknowledges the deficiency and will utilize the City's hired human resource firm to facilitate Ethical Behavior and Business Practices training with all City staff. 3) The City acknowledges the deficiency and has hired an outside CPA firm and a Municipal Financial Advisor that will remain as resources to the City, for a minimum of 12 months, to assist the City with future compliance.

Town of Apple Valley (Town) for FY 2022/2023

- Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank reconciliations should be performed monthly, reviewed, and approved in a timely manner. During procedures over cash and investments, it was noted the Town's bank reconciliation for June 2023 was not prepared until April 2024. The Town did not perform a timely bank reconciliation or interest allocation due to significant staffing losses just before the commencement of the FY 2022/2023 closing process. Additionally, the Town endured a forced bank transition during FY 2022/2023, as Union Bank merged with US Bank, and the Town was working diligently to sort out any residual issues resulting from this merger.

Corrective Action: With hiring efforts currently going on in Finance, bank reconciliations will be completed in a timely manner.

- The MSI Strategic Plan states that each local jurisdiction is required to annually adopt a Five-Year CIP which details the specific projects to be funded using MSI Local Pass-Through Funds. Expenditures of MSI Local Pass-Through Funds must be detailed in the Five-Year Capital Improvement Plan and adopted by resolution of the governing body.

The MSI Strategic Plan further states that the Five-Year CIP shall be the basis for the annual audit. For a project to be eligible for MSI funds, the project must be included in the current CIP. An amended CIP should be used in instances where projects are added to the CIP during the year. The Town utilized MSI monies to fund costs for certain projects and recorded all expenditures incurred on these projects in its MSI fund (Fund 2021). It was noted that the Townwide Parks Traffic Control Review project for \$38,751 was not included in the FY 2022/2023 Five-Year CIP approved by SBCTA.

Corrective Action: The Town's finance and engineering departments are committed to ensuring proper timely reporting of MSI funding. Both departments will work closely in the future to ensure all expenditures are accounted for and reported. The implementation of the Town's new financial management software will assist with ensuring invoices are coded correctly. In addition, staff will keep a record of forecasted MSI expenditures and

compare them to actuals before preparing year-end reports.

- Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Expenditures should be identified and recognized during the period incurred, and accruals posted to the general ledger when applicable.

Similarly, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period. During procedures over accounts payable and related disbursements, it was noted that one disbursement for \$11,181, was related to the period April 30, 2023 through May 27, 2023, but was not recorded within FY 2022/2023. As a result, an adjustment was proposed to increase expenditure and related accounts payable, to include this disbursement in the activity of the fund. During the auditors testing of revenue, it was noted that the MSI allocation for March 2023 in the amount of \$255,084, which was received in May 2023, was not recorded within FY 2022/2023.

Corrective Action: Accrual of revenue and expenditures will be carefully identified and reviewed to post them in the correct period.

The audit for the City of Needles and the City of Rialto for FY 2022/2023 resulted in no findings.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2024/2025.

Reviewed By:

This item was reviewed and unanimously recommended for approval by the General Policy Committee on August 14, 2024.

Responsible Staff:

Lisa Lazzar, Chief of Fiscal Resources

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Financial Statements

Fiscal Year Ended June 30, 2021

CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Fiscal Year Ended June 30, 2021

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Board of Directors
 San Bernardino County Transportation Authority
 San Bernardino, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Measure I Fund 1990-2010 and Measure I Fund 2010-2040 (Measure I Funds) of the City of Adelanto, California (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure I Funds of the City, as of June 30, 2021, and the change in financial position of the Measure I Funds of the City for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the Measure I Funds of the City and do not purport to, and do not present fairly, the financial position of the City as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis for the Measure I Funds that accounting principles generally accepted in the United States of America requires to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Measure I Funds of the City. The Schedule of Status of Funds by Project, listed as supplemental data in the table of contents, is presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Allocations Received and Expended, by Project Year is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements for the Measure I Funds of the City. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Allocations Received and Expended, by Project Year is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2024 on our consideration of the City's internal control over financial reporting for the Measure I Funds and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Lake Forest, California
June 11, 2024

CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Balance Sheets

June 30, 2021

	Measure I Fund <u>1990-2010</u>	Measure I Fund <u>2010-2040</u>
<u>Assets</u>		
Cash and investments (Note 3)	\$ 359,931	\$ 1,881,770
Due from other governments (Note 4)	-	303,350
Other receivables	<u>190</u>	<u>924</u>
 Total assets	 <u>\$ 360,121</u>	 <u>\$ 2,186,044</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>		
Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ 288</u>
Deferred Inflows of Resources		
Unavailable revenue	<u>-</u>	<u>303,350</u>
Fund balance - restricted	<u>360,121</u>	<u>1,882,406</u>
 Liabilities, deferred inflows of resources and fund balance	 <u>\$ 360,121</u>	 <u>\$ 2,186,044</u>

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)

See accompanying notes to financial statements

CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance

Fiscal Year Ended June 30, 2021

	<u>Measure I Fund</u> <u>1990-2010</u>	<u>Measure I Fund</u> <u>2010-2040</u>
Revenues:		
Measure I sales tax	\$ -	\$ 790,849
Interest income	<u>1,358</u>	<u>6,749</u>
Total revenues	<u>1,358</u>	<u>797,598</u>
Expenditures:		
Current		
Administrative cost	93	169
Street maintenance projects	<u>-</u>	<u>20,218</u>
Total expenditures	<u>93</u>	<u>20,387</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,265</u>	<u>777,211</u>
Fund balance at beginning of year	<u>358,856</u>	<u>1,105,195</u>
Fund balance at end of year	<u>\$ 360,121</u>	<u>\$ 1,882,406</u>

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)

See accompanying notes to financial statements

CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Notes to Financial Statements

Fiscal Year Ended June 30, 2021

(1) **General Information**

Reporting Entity

The financial statements are intended to reflect the financial position and changes in financial position of the Measure I Fund 1990-2010 and Measure I Fund 2010-2040 (Measure I Funds) of the City of Adelanto, California (the "City") only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Measure I

Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. In 2004, San Bernardino County voters approved the extension of the Measure I sales tax through 2040. See Note 5 for a detailed description of the Measure.

(2) **Summary of Significant Accounting Policies**

The accounting policies of the Measure I Funds of the City conform to accounting policies generally accepted in the United States of America. The following is a summary of significant accounting policies.

Fund Accounting

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The City accounts for the Measure I activities within its Measure I Special Revenue Fund.

Special revenue funds are used to account for the proceeds of revenue sources that are restricted or committed to expenditure for specified purposes.

Measurement Focus and Basis of Accounting

The special revenue funds of the City are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred.

Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current resources.

CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Notes to Financial Statements

Fiscal Year Ended June 30, 2021

(2) Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under Measure I possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under Measure I are recognized in the period when all eligibility requirements have been met.

Fund Balance

The components of the fund balances of governmental funds reflect the component classifications described below.

- Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance – includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed Fund Balance – includes amounts that can be used only for the specific purposes determined by a formal action of the City.
- Assigned Fund Balance – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.
- Unassigned Fund Balance – includes any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When restricted and unrestricted resources are available for expenditure for the same purpose, the City expends restricted resources before unrestricted resources. Within unrestricted resources, the fund balance is depleted in the order of committed, assigned, and unassigned.

CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Notes to Financial Statements

Fiscal Year Ended June 30, 2021

(2) **Summary of Significant Accounting Policies (Continued)**

Maintenance of Effort

In accordance with California Public Utilities Code 190300 and Ordinance No. 04-01 of the San Bernardino County Transportation Authority ("SBCTA"), Local Street Program funds shall not be used to supplant existing local discretionary funds being used for street and highway purposes. The maintenance of effort ("MOE") base year level was determined based upon the discretionary General Fund expenditures for transportation-related construction and maintenance activities in fiscal year 2008/2009. The MOE base year level as approved by the SBCTA Board of Directors shall remain in effect until the expiration of Measure I 2010-2040. General Fund expenditures in excess of the MOE base year level will carry over to subsequent fiscal years and can be applied in a future year to offset the amount the local agency may need to meet the MOE requirement. The City's determined MOE base level is \$168,321.

Deferred Inflows of Resources

Deferred inflows of resources-unavailable revenues represent revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available. Deferred inflows of resources in the financial statements represent amounts due from other governments at year-end, and not collected with a timeframe to finance current year expenditures.

(3) **Cash and Investments**

Cash and investments are pooled by the City to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds including the Measure I Funds based upon the average cash balance. The investment policies and the risks related to cash and investments, applicable to the Measure I Funds, are those of the City and are disclosed in the City's basic financial statements. The City's basic financial statements can be obtained at City Hall.

The Measure I Funds' cash and investments are reported at fair value. The fair value measurements are based on the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Measure I Funds' deposits and withdrawals in the City Investment Pool are made on the basis of \$1 and not fair value. Accordingly, the Measure I Funds' investment in the City Investment Pool is measured based on uncategorized inputs not defined as Level 1, Level 2, or Level 3.

The Measure I Funds' cash and investments as of June 30, 2021, was \$359,931 and \$1,881,770 for the Measure I 1990-2010 and Measure I 2010-2040 Funds, respectively.

CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Notes to Financial Statements

Fiscal Year Ended June 30, 2021

(4) Due from Other Governments

Receivables represent the Measure I sales tax revenues for the fiscal year received from SBCTA after June 30, 2021, in the amount of \$303,350 for the Measure I 2010-2040 Fund.

(5) Measure I Funds

The California State Legislature authorized county transportation authorities to enact local option sales tax measures for transportation improvements in the late 1980s, under provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code. In November 1989, San Bernardino County voters approved passage of Measure I, authorizing SBCTA to impose a half-cent retail transactions and use tax applicable in the incorporated and unincorporated areas of the County of San Bernardino for the 20-year period between April 1, 1990 and March 31, 2010. SBCTA is authorized to administer the programs described in the Measure. Early in the second decade of Measure I, it became apparent that continuation of the half cent sales tax would be critical to maintaining funding for transportation in San Bernardino County. SBCTA member jurisdictions and transportation stakeholders worked to identify transportation needs, and an expenditure plan was developed to serve as a basis for the renewal of Measure I. Ordinance No. 04-01 was placed before voters in November 2004, and Measure I was renewed. The new Measure I extends the half cent sales tax for 30 years, from April 1, 2010 through March 31, 2040. The new Measure is referred to as Measure I 2010-2040 to distinguish it from the first Measure I. The City accounts for these funding sources in separate Funds which are referred to as Measure I Funds 1990-2010 and Measure I Funds 2010-2040 in these financial statements.

Revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plan.

Measure I 2010-2040 has a return-to-source provision that states that funds shall be allocated to subareas in accordance with the actual revenue collected in each subarea. After deduction of required Board of Equalization fees and authorized administrative costs, revenues generated in each subarea are to be expended on projects of direct benefit to that subarea. Revenues are accounted for separately for each subarea and then allocated to specified project categories in each subarea. These project categories are termed "programs" in the Strategic Plan. Decisions on how revenues are expended within the subareas are made by the SBCTA Board of Directors based upon recommendations of local subarea representatives. Other than the projects identified in the Cajon Pass Expenditure Plan, revenues generated within a subarea can be expended outside of that subarea only upon approval of two-thirds (2/3) of the jurisdictions within the affected subarea. A proportional share of projected state and federal transportation funds is to be reserved for use solely within the Valley subarea and individual Mountain/Desert (Colorado River, Morongo Basin, Mountains, North Desert and Victor Valley) subareas.

CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Notes to Financial Statements

Fiscal Year Ended June 30, 2021

(5) **Measure I Funds (Continued)**

In the San Bernardino Valley subarea, Measure I 2010-2040 contains the following programs:

- Freeway Program
- Freeway Interchange Program
- Major Street Program
- Local Street Program
- Metrolink/Rail Program
- Express Bus/Bus Rapid Transit Program
- Senior and Disabled Transit Program
- Traffic Management Systems Program

In each of the Mountain/Desert subareas, Measure I 2010-2040 contains the following programs:

- Local Street Program
- Major Local Highway Program
- Senior and Disabled Transit Program

(6) **Restrictions**

Funds received pursuant to the Measure I Ordinance 04-01 and the Expenditure Plan, adopted by SBCTA relating to the expenditure of Measure I revenue may only be used for transportation improvement and traffic management programs authorized in the Measure I Five Year Capital Improvement Program.

(7) **Contingencies**

See the City's basic financial statements for disclosures related to contingencies including those relating to various legal actions, administrative proceedings, or claims in the ordinary course of operations.

CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Notes to Financial Statements

Fiscal Year Ended June 30, 2021

(8) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level.

Required Supplementary Information

CITY OF ADELANTO, CALIFORNIA

Measure I 1990-2010 Fund

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance From
	Original	Final		Final Budget Favorable (Unfavorable)
Revenues:				
Interest income	\$ -	\$ -	\$ 1,358	\$ 1,358
Total revenues	-	-	1,358	1,358
Expenditures:				
Current				
Administrative cost	-	-	93	(93)
Total expenditures	-	-	93	(93)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	1,265	\$ 1,265
Fund balance at beginning of year			358,856	
Fund balance at end of year			\$ 360,121	

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)

CITY OF ADELANTO, CALIFORNIA

Measure I 2010-2040 Fund

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance From
	Original	Final		Final Budget Favorable (Unfavorable)
Revenues:				
Measure I sales tax	\$ 540,000	\$ 540,000	\$ 790,849	\$ 250,849
Interest income	-	-	6,749	6,749
Total revenues	<u>540,000</u>	<u>540,000</u>	<u>797,598</u>	<u>257,598</u>
Expenditures:				
Current				
Administrative cost	-	65,000	169	64,831
Street Maintenance projects	250,000	250,000	20,218	229,782
Total expenditures	<u>250,000</u>	<u>315,000</u>	<u>20,387</u>	<u>294,613</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 290,000</u>	<u>\$ 225,000</u>	777,211	<u>\$ 552,211</u>
Fund balance at beginning of year			<u>1,105,195</u>	
Fund balance at end of year			<u>\$ 1,882,406</u>	

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)

Other Information

CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Program Status: Comparison of 5 Year Plan Project Budget to Current Year Expenditures

Fiscal Year Ended June 30, 2021

The Measure I Five Year Capital Improvement Plan for local streets was adopted by Council Resolution No. 20-57. Of the funds allocated under the Measure I Five Year Capital Improvement Plan, the following programs were affected during the current fiscal year:

Local Projects	5-Year Plan Project Estimate	Current Fiscal Year Expenditures	(Over)/Under Estimate
Named Projects:			
City Wide Pavement Management System	\$ 725,000	\$ 16,241	\$ 708,759
City Wide Street landscaping, Signage & Striping and Pedestrian Maintenance	<u>700,000</u>	<u>4,239</u>	<u>695,761</u>
		<u>\$ 20,480</u>	
Total expenditures reported in the Measure I 1990-2010 Fund		\$ 93	
Total expenditures reported in the Measure I 2010-2040 Fund		<u>20,387</u>	
Total expenditures at June 30, 2021		<u>\$ 20,480</u>	

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)

CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Maintenance of Effort: Comparison of Base Level Amount to Annual Expenditures

Fiscal Year Ended June 30, 2021

The maintenance of effort base level amount was determined based upon fiscal year 2008/09 spending levels. Excess/(deficient) amounts are carried forward in accordance with the Measure I Strategic Plan. Actual amounts expended in relation to the base level amount in each year subsequent to the base year are as follows:

Fiscal Year Ending June 30,	General Fund		Excess/ (Deficiency)	Cumulative Excess/ (Deficiency)
	Street and Highway Funds Utilized	Base Level Amount		
2010	\$ 889,864	\$ (168,321)	\$ 721,543	\$ 721,543
2011	962,438	(168,321)	794,117	1,515,660
2012	1,023,984	(168,321)	855,663	2,371,323
2013	1,069,894	(168,321)	901,573	3,272,896
2014	1,123,626	(168,321)	955,305	4,228,201
2015	1,073,907	(168,321)	905,586	5,133,787
2016	1,040,610	(168,321)	872,289	6,006,076
2017	1,100,361	(168,321)	932,040	6,938,116
2018	1,652,271	(168,321)	1,483,950	8,422,066
2019	623,205	(168,321)	454,884	8,876,950
2020	494,212	(168,321)	325,891	9,202,841



Board of Directors
 San Bernardino County Transportation Authority
 San Bernardino, California

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
 REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
 AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
 ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure I Fund 1990-2010 and Measure I Fund 2010-2040 (Measure I Funds) of the City of Adelanto, California (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated June 11, 2024. Our report included an emphasis of matter stating that the financial statements of the Measure I Funds do not purport to, and do not, present fairly the financial position of the City as of June 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's Measure I Fund financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal

Board of Directors
 San Bernardino County Transportation Authority
 San Bernardino, California

control, described in the accompanying schedule of findings and responses as item **2021-01** to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Measure I Funds of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including §6666 of Part 21 of the California Code of Regulations.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lake Forest, California
 June 11, 2024

CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Summary Schedule of Prior Audit Findings

Fiscal Year Ended June 30, 2021

**2021-01 Bank Account Reconciliation
Material Weakness*****Criteria:***

Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank account reconciliations should be performed monthly and reviewed and approved in a timely manner.

Condition:

During procedures over cash and investments, we noted the City's bank account reconciliation for June 2021 was not prepared until October 2023.

Cause:

The City did not perform a timely bank account reconciliation due to the City's lack of monthly closing procedures.

Effect:

The FY 2021 audit was delayed.

Recommendation:

We recommend that the City review the timing of its reconciliation procedures.

View of Responsible Officials:

The City agrees with the finding. The City has hired a team of accounting consultants in order to assist with monthly closing and other accounting services.

CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Summary Schedule of Prior Audit Findings

Fiscal Year Ended June 30, 2021

The status of the prior year findings for fiscal year ended June 30, 2020, are below.

<u>Finding No.</u>	<u>Description</u>	<u>Status</u>
2020-001	Financial Closing and Reporting Controls	Implemented
2020-002	Stale Checks	Implemented
2020-003	Timeliness of Bank Account Reconciliation	Not Implemented, refer to Finding 2021-01



June 11, 2024

Mr. Jessie Flores
 City of Adelanto
 11600 Air Expressway
 Adelanto, CA 92301

We have audited the financial statements of the Transportation Development Act (“TDA”), Article 8, Section 99400(a) Fund and Measure I Fund (collectively “Program Funds”), of the City of Adelanto (“City”), as of and for the year ended June 30, 2021, and have issued our report thereon dated June 11, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards, certain provisions of laws, regulations, contracts, and grant agreements, including §6666 of Part 21 of the California Code of Regulations, as well as certain information related to the planned scope and timing of our audit. Professional standards also require we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City Program Funds are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as

Mr. Jessie Flores
 City of Adelanto
 California

a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 11, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Program Fund's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to budgetary comparison information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on Schedule of Allocations Received and Expended, by Project Year, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Mr. Jessie Flores
 City of Adelanto
 California

We were not engaged to report on the *Program Status: Comparison of 5 Year Plan Project Budget to Current Year Expenditures and Maintenance of Effort: Comparison of Base Level Amount to Annual Expenditures*, which accompany the financial statements but are not RSI. Such information has not been subjected to the audit procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

We identified the following matters involving accounting principles, internal control, and compliance with Federal Acquisition Regulation that came to the auditor's attention.

Deficiency 1: During the course of the audit, we noted that the TDA and MSI financials required multiple adjustments for the current and prior years. Additionally, the TDA and MSI final report for FY 2020 did not agree with the TDA and MSI amounts reported on the Annual Comprehensive Financial Report ("ACFR") for FY 2020.

Recommendation: The City should implement procedures to always reconcile the TDA and MSI financial statements and the ACFR prior to issuance of the final reports to ensure they agree.

Deficiency 2: During the course of the audit, we were made aware that the City management does not perform the following crucial activities:

1. Assess the risk that the City's financial statements might be materially misstated due to fraud, and there are no controls in place to prevent and detect such occurrences.
2. Communicate to employees the importance of ethical behavior and appropriate business practices.
3. Comply with laws, regulations, and provisions of contracts, grant agreements, and City policies.

Recommendation:

To address these deficiencies, we recommend the City take the following actions:

1. **Risk Assessment and Fraud Prevention:** Strengthen and implement procedures to assess the risk that could cause the financial statements to be materially misstated. This should include instituting robust controls to prevent and detect fraud. Regular risk assessments and updates to controls should be conducted to adapt to new and evolving risks.
2. **Ethical Behavior and Business Practices:** Establish a formal process to communicate to employees the importance of ethical behavior and appropriate business practices. This could include regular training sessions, a code of conduct, and the implementation of a fraud hotline where employees can report unethical behavior anonymously.
3. **Compliance with Laws and Regulations:** Ensure that all staff are educated on the laws, regulations, and provisions of contracts, grant agreements, and City policies applicable to their roles. Additionally, implement controls to ensure compliance with all applicable laws, regulations, and contractual provisions. Regular audits and compliance checks should be conducted to identify and address any areas of non-compliance promptly.

By taking these steps, the City can enhance the integrity and reliability of its financial reporting, foster a culture of ethical behavior, and ensure compliance with all relevant legal and contractual obligations.

Mr. Jessie Flores
City of Adelanto
California

Restriction on Use

This information is intended solely for the use of those charged with governance and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Best regards,

Conrad LLP

Lake Forest, CA
June 11, 2024

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Financial Statements

Fiscal Year Ended June 30, 2023

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Fiscal Year Ended June 30, 2023

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Board of Directors
 San Bernardino County Transportation Authority
 San Bernardino, California

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of the Measure I Fund of the Town of Apple Valley, California (Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure I Fund of the Town, as of June 30, 2023, and the respective changes in financial position of the Measure I Fund of the Town for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the Measure I Fund of the Town and do not purport to, and do not present fairly, the financial position of the Town as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Measure I Fund of the Town’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the

Board of Directors
 San Bernardino County Transportation Authority
 San Bernardino, California

information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Measure I Fund of the Town. The *Program Status: Comparison of 5 Year Plan Project Budget to Current Year Expenditures* listed as Other Information in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2024 on our consideration of the Town's internal control over financial reporting for the Measure I Fund and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Conrad LLP

Lake Forest, California
 May 15, 2024

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Balance Sheet

Fiscal Year End June 30, 2023

Assets

Cash and investments (Note 3)	\$ 5,789,164
Taxes receivable (Note 4)	557,725
Due from other governments (Note 5)	<u>751,281</u>
Total assets	<u>\$ 7,098,170</u>

Liabilities, Deferred Inflows of Resources and Fund Balance

Liabilities	
Accounts payable	<u>\$ 373,091</u>
Deferred inflows of resources	
Unavailable revenue (Note 6)	<u>778,505</u>
Fund balance - restricted	<u>5,946,574</u>
Liabilities, deferred inflows of resources and fund balance	<u>\$ 7,098,170</u>

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Statement of Revenues, Expenditures,
and Change in Fund Balance

Fiscal Year Ended June 30, 2023

Revenues:	
Measure I sales tax	\$ 2,852,922
Interest income	56,650
Intergovernmental (Note 8)	1,095,272
Refunds, reimbursements, and rebates (Note 9)	<u>210,904</u>
Total revenues	<u>4,215,748</u>
Expenditures:	
Construction, maintenance, and engineering	<u>2,866,274</u>
Total expenditures	<u>2,866,274</u>
Excess (deficiency) of revenues over (under) expenditures	1,349,474
Fund balance at beginning of year	<u>4,597,100</u>
Fund balance at end of year	<u>\$ 5,946,574</u>

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Notes to Financial Statements

Fiscal Year Ended June 30, 2023

(1) **General Information**

Reporting Entity

The financial statements are intended to reflect the financial position and changes in the financial position of the Measure I Fund of the Town of Apple Valley, California (Town) only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the Town, as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Measure I

Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. In 2004, San Bernardino County voters approved the extension of the Measure I sales tax through 2040. See Note 4 for a detailed description of the Measure.

(2) **Summary of Significant Accounting Policies**

The accounting policies of the Measure I Fund of the Town conform to accounting policies generally accepted in the United States of America. The following is a summary of significant accounting policies.

Fund Accounting

The accounts of the Town are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The Town accounts for Measure I activities within its Measure I Special Revenue Fund.

Special revenue funds are used to account for the proceeds of revenue sources that are restricted or committed to expenditure for specified purposes.

Measurement Focus and Basis of Accounting

The special revenue funds of the Town are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred.

Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current resources.

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Notes to Financial Statements

Fiscal Year Ended June 30, 2023

(2) Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the Town. For the Town, funds received under Measure I possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under Measure I are recognized in the period when all eligibility requirements have been met.

Deferred inflows of resources-unavailable revenues represent revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available. Deferred inflows of resources in the financial statements represent amounts due from other governments at year-end, and not collected with a timeframe to finance current year expenditures.

Fund Balance

The components of the fund balances of governmental funds reflect the component classifications described below.

- Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance – includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed Fund Balance – includes amounts that can be used only for the specific purposes determined by a formal action of the Town.
- Assigned Fund Balance – includes amounts that are intended to be used by the Town for specific purposes, but do not meet the criteria to be classified as restricted or committed.

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Notes to Financial Statements

Fiscal Year Ended June 30, 2023

(2) **Summary of Significant Accounting Policies (Continued)**

- Unassigned Fund Balance – includes any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When restricted and unrestricted resources are available for expenditure for the same purpose, the Town expends restricted resources before unrestricted resources. Within unrestricted resources, the fund balance is depleted in the order of committed, assigned, and unassigned.

Maintenance of Effort

In accordance with California Public Utilities Code 190300 and Ordinance No. 04-01 of the San Bernardino County Transportation Authority (SBCTA), Local Street Program funds shall not be used to supplant existing local discretionary funds being used for street and highway purposes. The maintenance of effort (MOE) base year level was determined based upon the discretionary General Fund expenditures for transportation-related construction and maintenance activities in fiscal year 2008/2009. The MOE base year level as approved by the SBCTA Board of Directors shall remain in effect until the expiration of Measure I 2010-2040. General Fund expenditures in excess of the MOE base year level will carry over to subsequent fiscal years and can be applied in a future year to offset the amount the local agency may need to meet the MOE requirement. The Town's determined MOE base level is \$0.

Deferred Inflows of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, unavailable revenues, represents revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available.

(3) **Cash and Investments**

Cash and investments are pooled by the Town to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds including the Measure I Fund based upon the average cash balance. The investment policies and the risks related to cash and investments applicable to the Measure I Fund, are those of the Town and are disclosed in the Town's basic financial statements. The Town's basic financial statements can be obtained at Town Hall.

The Measure I Fund's cash and investments are reported at fair value. The fair value measurements are based on the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Notes to Financial Statements

Fiscal Year Ended June 30, 2023

(3) **Cash and Investments (Continued)**

inputs. The Measure I Fund’s deposits and withdrawals in the Town Investment Pool are made on the basis of \$1 and not fair value. Accordingly, the Measure I Fund’s investment in the Town Investment Pool is measured based on uncategorized inputs not defined as Level 1, Level 2, or Level 3.

The Measure I Fund’s cash and investments as of June 30, 2023 was \$5,789,164.

(4) **Taxes Receivable**

The taxes receivable of \$557,725 represent Measure I sales tax revenues for the fiscal year received from SBCTA after June 30, 2023.

(5) **Due from other Governments**

Due from other governments in the amount of \$751,281 represents the grants received from California Department of Transportation (Caltrans) for the fiscal year received from SBCTA after June 30, 2023.

(6) **Unavailable Revenue**

Unavailable revenue in the amount of \$778,505 represents the following:

<u>Government Agency</u>	<u>Amount</u>
Caltrans	\$ 751,281
SBCTA	<u>27,224</u>
 Total	 <u>\$ 778,505</u>

(7) **Measure I Fund**

The California State Legislature authorized county transportation authorities to enact local option sales tax measures for transportation improvements in the late 1980s, under provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code. In November 1989, San Bernardino County voters approved passage of Measure I, authorizing SBCTA to impose a half-cent retail transactions and use tax applicable in the incorporated and unincorporated areas of the County of San Bernardino for the 20-year period between April 1, 1990 and March 31, 2010. SBCTA is authorized to administer the programs described in the

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Notes to Financial Statements

Fiscal Year Ended June 30, 2023

(7) **Measure I Fund (Continued)**

Measure. Early in the second decade of Measure I, it became apparent that continuation of the half cent sales tax would be critical to maintaining funding for transportation in San Bernardino County. SBCTA member jurisdictions and transportation stakeholders worked to identify transportation needs, and an expenditure plan was developed to serve as a basis for the renewal of Measure I. Ordinance No. 04-01 was placed before voters in November 2004, and Measure I was renewed. The new Measure I extends the half cent sales tax for 30 years, from April 1, 2010 through March 31, 2040. The new Measure is referred to as Measure I 2010-2040 to distinguish it from the first Measure I.

Revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plan.

Measure I 2010-2040 has a return-to-source provision that states that funds shall be allocated to subareas in accordance with the actual revenue collected in each subarea. After deduction of required Board of Equalization fees and authorized administrative costs, revenues generated in each subarea are to be expended on projects of direct benefit to that subarea. Revenues are accounted for separately for each subarea and then allocated to specified project categories in each subarea. These project categories are termed “programs” in the Strategic Plan. Decisions on how revenues are expended within the subareas are made by the SBCTA Board of Directors based upon recommendations of local subarea representatives. Other than the projects identified in the Cajon Pass Expenditure Plan, revenues generated within a subarea can be expended outside of that subarea only upon approval of two-thirds (2/3) of the jurisdictions within the affected subarea. A proportional share of projected state and federal transportation funds is to be reserved for use solely within the Valley subarea and individual Mountain/Desert (Colorado River, Morongo Basin, Mountains, North Desert and Victor Valley) subareas. In the San Bernardino Valley subarea, Measure I 2010-2040 contains the following programs:

- Freeway Program
- Freeway Interchange Program
- Major Street Program
- Local Street Program
- Metrolink/Rail Program
- Express Bus/Bus Rapid Transit Program
- Senior and Disabled Transit Program
- Traffic Management Systems Program

In each of the Mountain/Desert subareas, Measure I 2010-2040 contains the following programs:

- Local Street Program
- Major Local Highway Program
- Senior and Disabled Transit Program

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Notes to Financial Statements

Fiscal Year Ended June 30, 2023

(8) Intergovernmental Revenues

The Town recorded intergovernmental revenue in the amount of \$1,095,272 in the Measure I Fund. This revenue is primarily attributed to grants from various agencies funding projects related to the Measure I program.

(9) Refunds, Reimbursements and Rebates

The Town recorded refunds, reimbursements, and rebates in the amount of \$210,904 in the Measure I Fund. This revenue is primarily attributed to grants from the California Department of Transportation related to projects recorded within the Measure I Fund.

(10) Restrictions

Funds received pursuant to the Measure I Ordinance 04-01 and the Expenditure Plan, adopted by SBCTA relating to the expenditure of Measure I revenue may only be used for transportation improvement and traffic management programs authorized in the Measure I Five Year Capital Improvement Program.

(11) Contingencies

See the Town's basic financial statements for disclosures related to contingencies including those relating to various legal actions, administrative proceedings, or claims in the ordinary course of operations.

(12) Budgetary Data

The Town adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level.

Required Supplementary Information

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2023

	Budget		Actual	Variance From
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Revenues:				
Measure I sales tax	\$ 2,913,900	\$ 2,913,900	\$ 2,852,922	\$ (60,978)
Interest income	25,000	25,000	56,650	31,650
Intergovernmental (Note 8)	296,795	296,795	1,095,272	798,477
Refunds, reimbursements, and rebates (Note 9)	-	869,823	210,904	(658,919)
Total revenues	<u>3,235,695</u>	<u>4,105,518</u>	<u>4,215,748</u>	<u>110,230</u>
Expenditures:				
Construction, maintenance, and engineering	<u>3,482,462</u>	<u>3,698,783</u>	<u>2,866,274</u>	<u>832,509</u>
Total expenditures	<u>3,482,462</u>	<u>3,698,783</u>	<u>2,866,274</u>	<u>832,509</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (246,767)</u>	<u>\$ 406,735</u>	1,349,474	<u>\$ 942,739</u>
Fund balance at beginning of year			<u>4,597,100</u>	
Fund balance at end of year			<u>\$ 5,946,574</u>	

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)

Other Information

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Program Status: Comparison of 5 Year Plan Project Budget to Current Year Expenditures

Fiscal Year Ended June 30, 2023

The Measure I Five Year Capital Improvement Plan for local streets was adopted by Council Resolution No. 2022-34 and the Amended Five-Year Capital Improvement Plan was adopted by Council Resolution No. 2023-31. Of the funds allocated under the Measure I Five Year Capital Improvement Plan, the following programs were affected during the current fiscal year:

Local Projects	5-Year Plan	Current Fiscal	(Over)/Under
	Project Estimate	Year Expenditures	Estimate
Apple Valley SR 18 Corridor Enhancement Plan	\$ 241,872	\$ 213,932	\$ 27,940
Bear Valley Bridge Rehabilitation (Mojave River Bridge)	5,847,010	1,207,951	4,639,059
Bear Valley Intersection Improvements	35,766	35,766	-
Central Road, from Bear Valley Road to Highway 18	2,091,333	102,515	1,988,818
Dale Evans Parkway at Waalew Road Realignment	19,649	19,649	-
Hwy 18 West End Widening Phase 2 (AV Rd to Tao Rd)	138,178	38,179	99,999
Navajo/Powhatten Road Signal	24,455	59,870	(35,415)
Paving Priorities	5,018,470	1,018,471	3,999,999
Traffic Control Device Deployment	4,177	4,177	-
Yucca Loma Elementary School Safe Routes to School Phase 2	760,105	113,105	647,000
Local Road Safety Plan (LRSP)*	-	13,908	(13,908)
Townwide Parks Traffic Control Review**	-	38,751	(38,751)
Total expenditures at June 30, 2023		<u>\$ 2,866,274</u>	

Notes:

*The Local Road Safety Plan (LRSP) is a listed project that was reduced to \$0 on the Town Amended CIP 2023-31. Towns can revise their 5 year estimates through a Town Council approved Amendment to their approved CIP.

** The Townwide Parks Traffic Control Review projects were not on the SBCTA approved amended Five-Year CIP, see Finding 2023 02.

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)



Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure I Fund of the Town of Apple Valley, California (Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated May 15, 2024. Our report included an emphasis of matter stating that the financial statements of the Measure I Funds do not purport to, and do not, present fairly the financial position of the Town as of June 30, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items **2023-01, 2023-02, and 2023-03** that we consider to be material weaknesses.

Board of Directors
 San Bernardino County Transportation Authority
 San Bernardino, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Measure I Fund of the Town are free from material misstatement, we performed tests of its compliance with requirements described in Measure I Ordinance (“Ordinance”) as specified in the agreement between the Town and San Bernardino County Transportation Authority (“SBCTA”) and certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards, including the requirements of the Ordinance as specified in the agreement between the Town and SBCTA and which are described in the accompanying schedule of findings and questioned costs as item **2023-02**.

Town of Apple Valley, California’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Town’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lake Forest, California
 May 15, 2024

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Schedule of Findings and Responses

Fiscal Year Ended June 30, 2023

2023-01 Bank Reconciliations Material Weakness

Criteria:

Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank reconciliations should be performed monthly and reviewed and approved in a timely manner.

Condition:

During procedures over cash and investments, we noted the Town's bank reconciliation for June 2023 was not prepared until April 2024. Further, the interest allocation to funds was not performed until April 2024.

Cause:

The Town did not perform a timely bank reconciliation or interest allocation due to significant staffing losses just prior to the commencement of the FY 2023 closing process. Additionally, the Town endured a forced bank transition during Q3/Q4 of fiscal year (FY) 2022/23, as Union Bank merged with US Bank, and the Town was working diligently to sort out any residual issues resulting from this merger.

Effect:

The audit was delayed.

Recommendation:

We recommend that the Town review the timing of its reconciliation procedures.

View of Responsible Officials:

In addition to staff turnovers, the Town's bank (Union Bank) merged with US Bank in May 2023. That merger created significant delay in performing and completing bank reconciliations, particularly during May and June of 2023. With hiring efforts currently going on in Finance, bank reconciliations will be completed in a timely manner.

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Schedule of Findings and Responses

Fiscal Year Ended June 30, 2023

2023-02 Expenditure Incurred on Projects Not Approved on the Five-Year CIP Material Weakness

Criteria:

The Measure I (“MSI”) Strategic Plan states that each local jurisdiction is required to annually adopt a 5-

Year Capital Improvement Plan which details the specific projects to be funded using Measure I Local Pass-Through Funds. Expenditures of Measure I Local Pass-Through Funds must be detailed in the Five-Year Capital Improvement Plan and adopted by resolution of the governing body.

The Measure I Strategic Plan further states that the 5-Year Capital Improvement Plan shall be the basis for the annual audit. For a project to be eligible for Measure I funds, the project must be included in the current CIP. An amended CIP should be used in instances where projects are added to the CIP during the year.

Condition:

The Town utilized Measure I monies to fund costs for certain projects and recorded all expenditures incurred on these projects in its Measure I fund (Fund 2021). We noted Townwide Parks Traffic Control Review project in the amount of \$38,751 was not included on the FY 2022/23 Five-Year Capital Improvement Plan approved by SBCTA (“CIP”).

Cause:

The Town failed to include a certain project in the approved CIP.

Effect:

Measure I resources were utilized for costs on a project that was not included in the current CIP.

Recommendation:

We recommend the Town enhance its procedures to ensure that projects that have activity are included in the current CIP. This can be achieved through submitting a revised CIP to SBCTA as necessary.

View of Responsible Officials:

This was overlooked during the Town's review of MSI I expenditures for the reporting period. The Town's finance and engineering departments are committed to ensuring proper timely reporting of MSI funding. Both departments will work closely in the future to ensure all expenditures are accounted for and reported. The implementation of the Town's new financial management software will assist with ensuring invoices are coded correctly. In addition, staff will keep a record of forecasted MSI expenditure and compare them to actuals prior to preparing yearend reports.

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Schedule of Findings and Responses

Fiscal Year Ended June 30, 2023

2023-03 Expenditure and Revenue Recorded in the Incorrect Period Material Weakness

Criteria:

Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Expenditures should be identified and recognized during the period incurred, and accruals posted to general ledger when applicable.

Similarly, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period.

Condition:

During procedures over accounts payable and related disbursements, we noted one disbursement in the amount of \$11,181, which related to the period April 30, 2023 through May 27 2023, but was not recorded within FY 2022/23 of the general ledger. As a result, we proposed an adjustment to increase expenditure and related accounts payable, to include this disbursement in the activity of the fund.

During our testing of revenue, we noted that the Measure I allocation for March 2023 in the amount of \$255,084, which was received in May 2023 was not recorded within FY 2022/23 of the general ledger.

Cause:

The Town did not properly reflect the expenditures, or verify the cutoff, and revenues for the year.

Effect:

The adjustment was proposed and posted to the Town fund's financials statements to include the expenditure of \$11,181 accrual and revenue of \$255,084.

Recommendation:

We recommend that the Town enhance its closing process to ensure that expenditures, related accruals, and revenue are recorded in the proper fiscal year.

View of Responsible Officials:

The expenditure incurred was received after the cut-off time of processing payments for FY23. Nevertheless, the charge should have been accrued to the old FY, it was corrected based on recommendation from the auditor. The revenue was a unique situation that got overlooked, it was also corrected based on auditor's recommendation. Accrual of revenue and expenditure will be carefully identified and reviewed to post them in the correct period.

TOWN OF APPLE VALLEY, CALIFORNIA

Measure I Fund

Summary Schedule of Prior Audit Findings

Fiscal Year Ended June 30, 2023

The status of the prior year findings for fiscal year ended June 30, 2022, are below.

Finding No.	Description	Status
2022-001	Expenditure not accrued correctly.	Not Implemented, Refer to 2023-03
2022-002	Timeliness of bank account reconciliation	Not Implemented, Refer to 2023-01
2022-003	Restatement of beginning fund balance/financial statement preparation	Implemented.

**CITY OF NEEDLES, CALIFORNIA
MEASURE I FUND**

FINANCIAL STATEMENTS

June 30, 2023

CITY OF NEEDLES, CALIFORNIA
 MEASURE I FUND
 San Bernardino, California

FINANCIAL STATEMENTS
 June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Measure I Fund of the City of Needles, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Measure I Fund of the City, as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure I Fund, a governmental fund, and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2023, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Additional Information

Management is responsible for the accompanying Program Status: Comparison of 5-Year Plan Project Budget to Current Year Expenditures and the Maintenance of Effort: Comparison of Base Level Amount to Annual Expenditures (the “additional information”), which is presented for purposes of additional analysis and is not a required part of the financial statements. Our opinion on the financial statements does not cover the additional information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the additional information and consider whether a material inconsistency exists between the additional information and the basic financial statements, or the additional information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the additional information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2024, on our consideration of the City’s internal control over financial reporting of the Measure I Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance, as it relates to the Measure I Fund.


Crowe LLP

Los Angeles, California
February 26, 2024

CITY OF NEEDLES, CALIFORNIA
MEASURE I FUND
BALANCE SHEET
June 30, 2023

	<u>2023</u>
ASSETS	
Cash and investments	\$ 509,487
Receivables	
Taxes	<u>52,253</u>
Total assets	<u><u>\$ 561,740</u></u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Deferred inflows of resources	
Unavailable revenues	\$ 17,930
Fund balance	
Restricted for transportation	<u>543,810</u>
Total deferred inflows of resources and fund balance	<u><u>\$ 561,740</u></u>

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)

See notes to financial statements.

CITY OF NEEDLES, CALIFORNIA
 MEASURE I FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
 Year ended June 30, 2023

	<u>2023</u>
Revenues	
Measure I sales tax	\$ 221,958
Other revenue	<u>13,125</u>
Total revenues	235,083
Expenditures	
Capital	
Maintenance	<u>-</u>
Net change in fund balance	235,083
Fund balance, beginning of year	<u>308,727</u>
Fund balance, end of year	<u><u>\$ 543,810</u></u>

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)

See notes to financial statements.

CITY OF NEEDLES, CALIFORNIA
MEASURE I FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – GENERAL INFORMATION

Reporting Entity: The financial statements are intended to reflect the financial position and changes in financial position of the Measure I Fund of the City of Needles, California (City) only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Measure I: Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. In 2004, San Bernardino County voters approved the extension of the Measure I sales tax through 2040. See Note 4 for a detailed description of the Measure.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting: The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The City accounts for the Measure I activities within its Measure I Special Revenue Fund.

Special revenue funds are used to account for the proceeds of revenue sources that are restricted or committed to expenditure for specified purposes.

Measurement Focus and Basis of Accounting: The special revenue funds of the City are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current resources.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fund Balance: Fund balance is reported according to the following classifications: nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

(Continued)

CITY OF NEEDLES, CALIFORNIA
MEASURE I FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

Cash and Investments: Cash and investments are pooled by the City to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds including the Measure I Fund based upon the average cash balance. The investment policies and the risks related to cash and investments, applicable to the Measure I Fund, are those of the City and are disclosed in the City's basic financial statements. The City's basic financial statements can be obtained at the City Administrative Office at 817 Third Street, Needles, California 92363.

The Measure I Fund's cash and investments are reported at fair value. The fair value measurements are based on the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Measure I Fund's deposits and withdrawals in the City Investment Pool are made on the basis of \$1 and not fair value. Accordingly, the Measure I Fund's investment in the City Investment Pool is measured based on uncategorized inputs not defined as Level 1, Level 2, or Level 3.

Maintenance of Effort: In accordance with California Public Utilities Code 190300 and Ordinance No. 04-01 of the San Bernardino County Transportation Authority (SBCTA), Local Street Program funds shall not be used to supplant existing local discretionary funds being used for street and highway purposes. The maintenance of effort (MOE) base year level was determined based upon the discretionary General Fund expenditures for transportation-related construction and maintenance activities in fiscal year 2008/2009. The MOE base year level as approved by the SBCTA Board of Directors shall remain in effect until the expiration of Measure I 2010-2040. General Fund expenditures in excess of the MOE base year level will carry over to subsequent fiscal years and can be applied in a future year to offset the amount the local agency may need to meet the MOE requirement. The City's determined MOE base level is \$426,582.

NOTE 3 – TAXES RECEIVABLE

Taxes receivable represents the Measure I sales tax revenues for the fiscal year received from SBCTA after June 30, 2023.

NOTE 4 – MEASURE I FUND

The California State Legislature authorized county transportation authorities to enact local option sales tax measures for transportation improvements in the late 1980s, under provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code. In November 1989, San Bernardino County voters approved passage of Measure I, authorizing SBCTA to impose a half-cent retail transactions and use tax applicable in the incorporated and unincorporated areas of the County of San Bernardino for the 20-year period between April 1, 1990 and March 31, 2010. SBCTA is authorized to administer the programs described in the Measure.

(Continued)

CITY OF NEEDLES, CALIFORNIA
MEASURE I FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 4 – MEASURE I FUND (Continued)

Early in the second decade of Measure I, it became apparent that continuation of the half cent sales tax would be critical to maintaining funding for transportation in San Bernardino County. SBCTA member jurisdictions and transportation stakeholders worked to identify transportation needs, and an expenditure plan was developed to serve as a basis for the renewal of Measure I. Ordinance No. 04-01 was placed before voters in November 2004, and Measure I was renewed. The new Measure I extends the half cent sales tax for 30 years, from April 1, 2010 through March 31, 2040. The new Measure is referred to as Measure I 2010-2040 to distinguish it from the first Measure I.

Revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plan.

Measure I 2010-2040 has a return-to-source provision that states that funds shall be allocated to subareas in accordance with the actual revenue collected in each subarea. After deduction of required Board of Equalization fees and authorized administrative costs, revenues generated in each subarea are to be expended on projects of direct benefit to that subarea. Revenues are accounted for separately for each subarea and then allocated to specified project categories in each subarea. These project categories are termed “programs” in the Strategic Plan. Decisions on how revenues are expended within the subareas are made by the SBCTA Board of Directors based upon recommendations of local subarea representatives. Other than the projects identified in the Cajon Pass Expenditure Plan, revenues generated within a subarea can be expended outside of that subarea only upon approval of two-thirds (2/3) of the jurisdictions within the affected subarea. A proportional share of projected state and federal transportation funds is to be reserved for use solely within the Valley subarea and individual Mountain/Desert (Colorado River, Morongo Basin, Mountains, North Desert and Victor Valley) subareas. In the San Bernardino Valley subarea, Measure I 2010-2040 contains the following programs:

- Freeway Program
- Freeway Interchange Program
- Major Street Program
- Local Street Program
- Metrolink/Rail Program
- Express Bus/Bus Rapid Transit Program
- Senior and Disabled Transit Program
- Traffic Management Systems Program

In each of the Mountain/Desert subareas, Measure I 2010-2040 contains the following programs:

- Local Street Program
- Major Local Highway Program
- Senior and Disabled Transit Program

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEEDLES, CALIFORNIA
 MEASURE I FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year ended June 30, 2023

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance From Final Budget Positive (Negative)
Revenues				
Measure I sales tax	\$ 175,000	\$ 175,000	\$ 221,958	\$ 46,958
Other revenue	-	-	13,125	13,125
Total revenues	<u>175,000</u>	<u>175,000</u>	<u>235,083</u>	<u>60,083</u>
Expenditures				
Capital				
Maintenance	<u>450,000</u>	<u>450,000</u>	-	<u>450,000</u>
Net change in fund balance	(275,000)	(275,000)	235,083	510,083
Fund balance, beginning of year	<u>308,727</u>	<u>308,727</u>	<u>308,727</u>	-
Fund balance, end of year	<u>\$ 33,727</u>	<u>\$ 33,727</u>	<u>\$ 543,810</u>	<u>\$ 510,083</u>

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)

See note to required supplementary information.

CITY OF NEEDLES, CALIFORNIA
MEASURE I FUND
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
Year ended June 30, 2023

NOTE 1 – BUDGETARY DATA

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America.

ADDITIONAL INFORMATION

CITY OF NEEDLES, CALIFORNIA
 MEASURE I FUND
 PROGRAM STATUS: COMPARISON OF 5-YEAR PLAN PROJECT BUDGET
 TO CURRENT YEAR EXPENDITURES
 Year ended June 30, 2023

The Measure I Five-Year Capital Improvement Plan for local streets was adopted by Council Resolution No. 2022-61. Of the funds allocated under the Measure I Five-Year Capital Improvement Plan, the following programs were affected during the current fiscal year:

<u>Local Projects</u>	<u>5-Year Plan Project Estimate</u>	<u>Current Fiscal Year Expenditures</u>	<u>Under/(Over) Estimate</u>
Phase 4b Street Improvement Plan	\$ 700,000	\$ -	\$ 700,000
Phase 5 Street Improvements Plan	1,200,000	<u>-</u>	1,200,000
Total expenditures as of June 30, 2023		<u><u>-</u></u>	

CITY OF NEEDLES, CALIFORNIA
 MEASURE I FUND
 MAINTENANCE OF EFFORT: COMPARISON OF BASE LEVEL AMOUNT
 TO ANNUAL EXPENDITURES
 Year ended June 30, 2023

The maintenance of effort base level amount was determined based upon fiscal year 2008/09 spending levels. Excess/(deficient) amounts are carried forward in accordance with the Measure I Strategic Plan. Actual amounts expended in relation to the base level amount in each year subsequent to the base year are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Street and Highway Funds Utilized</u>	<u>Base Level Amount</u>	<u>Excess/ Deficiency</u>	<u>Under/(Over) Estimate</u>
2010	\$ 460,850	\$ (426,582)	\$ 34,268	34,268
2011	516,266	(426,582)	89,684	123,952
2012	668,106	(426,582)	241,524	365,476
2013	420,225	(426,582)	(6,357)	359,119
2014	508,641	(426,582)	82,059	441,178
2015	402,467	(426,582)	(24,115)	417,063
2016	393,132	(426,582)	(33,450)	383,613
2017	477,672	(426,582)	51,090	434,703
2018	424,265	(426,582)	(2,317)	432,386
2019	398,199	(426,582)	(28,383)	404,003
2020	1,007,403	(426,582)	580,821	984,824
2021	1,434,183	(426,582)	1,007,601	1,992,425
2022	1,932,339	(426,582)	1,505,757	3,498,182

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Measure I Fund (Measure I Fund) of the City of Needles, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Measure I Fund's basic financial statements and have issued our report thereon dated February 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting of the Measure I Fund (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Measure I Fund of the City are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Crowe LLP

Los Angeles, California
February 26, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH MEASURE I COMPLIANCE
REQUIREMENTS AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on Compliance with the Measure I Ordinance

We have audited City of Needles' ("City") compliance with the types of compliance requirements described in Measure I Ordinance (the "Ordinance"), that could have a direct and material effect on the City's compliance with the Ordinance for the year ended June 30, 2023.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Ordinance for the year ended June 30, 2023.

Basis for Opinion on the Ordinance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Ordinance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Ordinance.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Ordinance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the Ordinance.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Ordinance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Ordinance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Ordinance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Ordinance will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the Ordinance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Ordinance. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Los Angeles, California
February 26, 2024

CITY OF RIALTO, CALIFORNIA

Measure I Fund

Financial Statements

Fiscal Year Ended June 30, 2023

CITY OF RIALTO, CALIFORNIA

Measure I Fund

Fiscal Year Ended June 30, 2023

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Board of Directors
 San Bernardino County Transportation Authority
 San Bernardino, California

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of the Measure I Fund of the City of Rialto, California ("City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure I Fund of the City, as of June 30, 2023, and the respective changes in financial position of the Measure I Fund of the City for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the Measure I Fund of the City and do not purport to, and do not present fairly, the financial position of the City as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Measure I Fund of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Measure I Fund of the City. The *Program Status: Comparison of 5 Year Plan Project Budget to Current Year Expenditures* listed as Other Information in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2024 on our consideration of the City's internal control over financial reporting for the Measure I Fund and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Lake Forest, California
March 11, 2024

CITY OF RIALTO, CALIFORNIA

Measure I Fund

Balance Sheets

June 30, 2023

Assets

Cash and investments (Note 3)	\$ 3,825,109
Receivables	
Taxes (Note 4)	<u>670,409</u>
 Total assets	 <u>\$ 4,495,518</u>

Liabilities, Deferred Inflows of Resources and Fund Balance

Liabilities

Accounts payable	\$ 407,316
Accrued payroll	<u>144</u>
 Total liabilities	 <u>407,460</u>

Deferred Inflows of Resources

Unavailable revenue (Note 5)	<u>233,032</u>
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Fund balance - restricted	<u>3,855,026</u>
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Liabilities, deferred inflows of resources and fund balance	<u>\$ 4,495,518</u>
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See accompanying notes to financial statements

CITY OF RIALTO, CALIFORNIA

Measure I Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Fiscal Year Ended June 30, 2023

Revenues:	
Measure I sales tax	\$ 2,518,763
Interest income	<u>140,380</u>
Total revenues	<u>2,659,143</u>
Expenditures:	
General government	<u>6,992,506</u>
Total expenditures	<u>6,992,506</u>
Excess (deficiency) of revenues over (under) expenditures	(4,333,363)
Fund balance at beginning of year	<u>8,188,389</u>
Fund balance at end of year	<u><u>\$ 3,855,026</u></u>

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)

See accompanying notes to financial statements

CITY OF RIALTO, CALIFORNIA

Measure I Fund

Notes to Financial Statements

Fiscal Year Ended June 30, 2023

(1) **General Information**

Reporting Entity

The financial statements are intended to reflect the financial position and changes in the financial position of the Measure I Fund of the City of Rialto, California (City) only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Measure I

Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. In 2004, San Bernardino County voters approved the extension of the Measure I sales tax through 2040. See Note 6 for a detailed description of the Measure.

(2) **Summary of Significant Accounting Policies**

The accounting policies of the Measure I Fund of the City conform to accounting policies generally accepted in the United States of America. The following is a summary of significant accounting policies.

Fund Accounting

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The City accounts for the Measure I activities within its Measure I Special Revenue Fund.

Special revenue funds are used to account for the proceeds of revenue sources that are restricted or committed to expenditure for specified purposes.

Measurement Focus and Basis of Accounting

The special revenue funds of the City are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred.

Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current resources.

CITY OF RIALTO, CALIFORNIA

Measure I Fund

Notes to Financial Statements

Fiscal Year Ended June 30, 2023

(2) Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under Measure I possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under Measure I are recognized in the period when all eligibility requirements have been met.

Deferred Inflows of Resources

Deferred inflows of resources-unavailable revenues represents revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available. Deferred inflows of resources in the financial statements represent amounts due from other governments at year-end, and not collected within a timeframe to finance current year expenditures.

Fund Balance

The components of the fund balances of governmental funds reflect the component classifications described below.

- *Nonspendable Fund Balance* – includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed Fund Balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the City.
- *Assigned Fund Balance* – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.

CITY OF RIALTO, CALIFORNIA

Measure I Fund

Notes to Financial Statements

Fiscal Year Ended June 30, 2023

(2) **Summary of Significant Accounting Policies (Continued)**

- *Unassigned Fund Balance* – includes any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When restricted and unrestricted resources are available for expenditure for the same purpose, the City expends restricted resources before unrestricted resources. Within unrestricted resources, the fund balance is depleted in the order of committed, assigned, and unassigned.

Maintenance of Effort

In accordance with California Public Utilities Code 190300 and Ordinance No. 04-01 of the San Bernardino County Transportation Authority (“SBCTA”), Local Street Program funds shall not be used to supplant existing local discretionary funds being used for street and highway purposes. The maintenance of effort (MOE) base year level was determined based upon the discretionary General Fund expenditures for transportation-related construction and maintenance activities in fiscal year 2008/2009. The MOE base year level as approved by the SBCTA Board of Directors shall remain in effect until the expiration of Measure I 2010-2040. General Fund expenditures in excess of the MOE base year level will carry over to subsequent fiscal years and can be applied in a future year to offset the amount the local agency may need to meet the MOE requirement. The City’s determined MOE base level is \$0.

(3) **Cash and Investments**

Cash and investments are pooled by the City to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds including the Measure I Fund based upon the average cash balance. The investment policies and the risks related to cash and investments, applicable to the Measure I Fund, are those of the City and are disclosed in the City’s basic financial statements. The City’s basic financial statements can be obtained at City Hall.

The Measure I Fund’s cash and investments are reported at fair value. The fair value measurements are based on the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Measure I Fund’s deposits and withdrawals in the City Investment Pool are made on the basis of \$1 and not fair value. Accordingly, the Measure I Fund’s investment in the City Investment Pool is measured based on uncategorized inputs not defined as Level 1, Level 2, or Level 3.

The Measure I Fund’s cash and investments as of June 30, 2023 was \$3,825,109.

CITY OF RIALTO, CALIFORNIA

Measure I Fund

Notes to Financial Statements

Fiscal Year Ended June 30, 2023

(4) Taxes Receivable

Taxes receivable in the amount of \$670,409 represent the Measure I sales tax revenues for the fiscal year received from SBCTA after June 30, 2023.

(5) Unavailable Revenue

Unavailable revenue in the amount of \$233,032 represents amounts owed to the Measure I fund from SBCTA for the June 2023 payments received after the availability period.

(6) Measure I Fund

The California State Legislature authorized county transportation authorities to enact local option sales tax measures for transportation improvements in the late 1980s, under provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code. In November 1989, San Bernardino County voters approved passage of Measure I, authorizing SBCTA to impose a half-cent retail transactions and use tax applicable in the incorporated and unincorporated areas of the County of San Bernardino for the 20-year period between April 1, 1990 and March 31, 2010. SBCTA is authorized to administer the programs described in the Measure.

Early in the second decade of Measure I, it became apparent that continuation of the half-cent sales tax would be critical to maintaining funding for transportation in San Bernardino County. SBCTA member jurisdictions and transportation stakeholders worked to identify transportation needs, and an expenditure plan was developed to serve as a basis for the renewal of Measure I. Ordinance No. 04-01 was placed before voters in November 2004, and Measure I was renewed. The new Measure I extends the half-cent sales tax for 30 years, from April 1, 2010 through March 31, 2040. The new Measure is referred to as Measure I 2010-2040 to distinguish it from the first Measure I.

Revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plan.

Measure I 2010-2040 has a return-to-source provision that states that funds shall be allocated to subareas in accordance with the actual revenue collected in each subarea. After deduction of required Board of Equalization fees and authorized administrative costs, revenues generated in each subarea are to be expended on projects of direct benefit to that subarea. Revenues are accounted for separately for each subarea and then allocated to specified project categories in each subarea. These project categories are termed "programs" in the Strategic Plan. Decisions on how revenues are expended within the subareas are made by the SBCTA Board of Directors based upon recommendations of local subarea representatives. Other than the projects identified in the Cajon Pass Expenditure Plan, revenues generated within a subarea can be expended outside of that subarea only upon approval of two-thirds (2/3) of the jurisdictions

CITY OF RIALTO, CALIFORNIA

Measure I Fund

Notes to Financial Statements

Fiscal Year Ended June 30, 2023

(6) **Measure I Fund (Continued)**

within the affected subarea. A proportional share of projected state and federal transportation funds is to be reserved for use solely within the Valley subarea and individual Mountain/Desert (Colorado River, Morongo Basin, Mountains, North Desert and Victor Valley) subareas. In the San Bernardino Valley subarea, Measure I 2010-2040 contains the following programs:

- Freeway Program
- Freeway Interchange Program
- Major Street Program
- Local Street Program
- Metrolink/Rail Program
- Express Bus/Bus Rapid Transit Program
- Senior and Disabled Transit Program
- Traffic Management Systems Program

In each of the Mountain/Desert subareas, Measure I 2010-2040 contains the following programs:

- Local Street Program
- Major Local Highway Program
- Senior and Disabled Transit Program

(7) **Restrictions**

Funds received pursuant to the Measure I Ordinance 04-01 and the Expenditure Plan, adopted by SBCTA relating to the expenditure of Measure I revenue may only be used for transportation improvement and traffic management programs authorized in the Measure I Five Year Capital Improvement Program.

(8) **Contingencies**

See the City's basic financial statements for disclosures related to contingencies including those relating to various legal actions, administrative proceedings, or claims in the ordinary course of operations.

(9) **Budgetary Data**

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control for the City is the Fund.

Required Supplementary Information

CITY OF RIALTO, CALIFORNIA

Measure I Fund

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2023

	Budget		Actual	Variance From
	Original	Final		Final Budget Favorable (Unfavorable)
Revenues:				
Measure I sales tax	\$ 2,200,000	\$ 2,200,000	\$ 2,518,763	\$ 318,763
Interest income	<u>180,880</u>	<u>180,880</u>	<u>140,380</u>	<u>(40,500)</u>
Total revenues	<u>2,380,880</u>	<u>2,380,880</u>	<u>2,659,143</u>	<u>278,263</u>
Expenditures:				
General government	<u>2,136,220</u>	<u>10,365,492</u>	<u>6,992,506</u>	<u>3,372,986</u>
Total expenditures	<u>2,136,220</u>	<u>10,365,492</u>	<u>6,992,506</u>	<u>3,372,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 244,660</u>	<u>\$ (7,984,612)</u>	<u>(4,333,363)</u>	<u>\$ 3,651,249</u>
Fund balance at beginning of year			<u>8,188,389</u>	
Fund balance at end of year			<u>\$ 3,855,026</u>	

Other Information

CITY OF RIALTO, CALIFORNIA

Measure I Fund

Program Status: Comparison of 5 Year Plan Project Budget to Current Year Expenditures

Fiscal Year Ended June 30, 2023

The Measure I Five Year Capital Improvement Plan for local streets was adopted by Council Resolution No. 7956. Of the funds allocated under the Measure I Five Year Capital Improvement Plan, the following programs were affected during the current fiscal year:

Local Projects	5-Year Plan	Current Fiscal	(Over)/Under
	Project Estimate	Year Expenditures	
SR2S-Cycle 10 Cedar Improvements	\$ 140,000	\$ 22,063	\$ 117,937
(HSIP7) Baseline Street Improvements (Medians)	94,001	11,676	82,325
(HSIP7) Class II Bike Lanes Merrill	2,488	11,168	(8,680)
City-Wide Speed Survey with Truck Counts	17,422	5,574	11,848
Street Overlay & Reconstruction Project- Riverside Avenue From I-10 to the Southern Boundary	4,877,295	5,133,317	(256,022)
Street Overlay Pepper Ave Joint Project with City Of San Bernardino (Lead) Street Pepper-Baseline/City Limits	1,287,769	11,089	1,276,680
ADA Transition Plan- Public Right of Way	350,000	324,361	25,639
Traffic Signal @ Ayala & Fitzgerald	200,000	23,654	176,346
Street Overlay & Reconstruction: Residential Community Road-Collector Street	200,000	84,623	115,377
Street Rehabilitation (Overlay) I-210 To Foothill	200,906	200,145	761
1193 W Merrill Avenue Widening	285,121	289,190	(4,069)
Merrill Avenue Safe Routes to School (SRTS) Improvements Project	815,564	76,528	739,036
Sycamore Avenue Safe Routes to School (SRTS) Project	457,616	100,177	357,439
Traffic Signal Installation: Willow/ San Bernardino Avenue	400,000	45,874	354,126
Traffic Signal Installation: Riverside Avenue/Senior Way	400,000	406,904	(6,904)
Pavement Management System Update	200,000	150,455	49,545
Categorical Projects			
Citywide Minor Street Improvements & Other Misc Costs (Grant Activities)	150,000	95,708	54,292
Total expenditures at June 30, 2023		<u>\$ 6,992,506</u>	

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)



Board of Directors
 San Bernardino County Transportation Authority
 San Bernardino, California

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
 REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
 AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
 ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure I Fund of the City of Rialto California ("City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated March 11, 2024. Our report included an emphasis of matter stating that the financial statements of the Measure I Funds do not purport to, and do not, present fairly the financial position of the City as of June 30, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Measure I Fund of the City are free from material misstatement, we performed tests of its compliance with requirements described in Measure I Ordinance (the "Ordinance") certain provisions of laws, regulations, contracts, and grant agreements, including requirements of the Ordinance as specified in the agreement between the City and San Bernardino County Transportation Authority ("SBCTA"), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, including the requirements of the Ordinance as specified in the agreement between the City and SBCTA.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lake Forest, California
March 11, 2024

CITY OF RIALTO, CALIFORNIA

Measure I Fund

Summary Schedule of Prior Audit Findings

Fiscal Year Ended June 30, 2023

Finding No.	Description	Status
2022-001	Restatement of Beginning Fund Balance	Implemented

Attachment: Combine MSI Reports - 4 agencies (10811 : MSI Compliance Audits for Fiscal Year 2020/2021 and 2022/2023)

Minute Action

AGENDA ITEM: 9

Date: *September 4, 2024*

Subject:

Additional Transportation Development Act Audits for Fiscal Year 2020/2021 and Fiscal Year 2022/2023

Recommendation:

Review and receive the City of Adelanto Transportation Development Act Audit Reports for Fiscal Year 2020/2021 and the Town of Apple Valley, City of Needles, and City of Rialto Transportation Development Act Audit Reports for Fiscal Year 2022/2023.

Background:

Each year San Bernardino County Transportation Authority (SBCTA) provides for audits of all local jurisdictions receiving Transportation Development Act (TDA) Funds, which are dedicated to support local transit service and investments, pedestrian and bicycle facilities, and local street improvement projects.

A financial examination is completed by an independent audit firm for activities during the previous fiscal year, including internal control systems of checks and balances. The examination must encompass both project expenditures and projects for which funds were allocated and expended. A listing of all the TDA projects comparing actual revenues and expenses to budgeted revenues and expenses must be included with any interest earned. In addition, the report must state if the local match for each project is met and the claimants complied with the TDA, the Uniform System of Accounts for Public Transit Operators, and/or the updated National Transit Database Reporting Manuals, when applicable. The report shall also contain an examination of expenditures, the statement of revenue and expenses, and a balance sheet for each TDA fund.

SBCTA utilized on-call audit agreements with Conrad LLP and Crowe LLP (auditors) to conduct Compliance Audits of the TDA Funds for a single-year period.

These auditors verified compliance with California Public Utilities Code 66343, California Code of Regulations Sections 6664, 6666, and/or 6667, Proposition 1B, California Transit Security Grant Program, federal Single Audit Act, and SBCTA Compliance Audit Guide.

The audits resulted in the following findings:

City of Adelanto (City) for FY 2020/2021

- Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank reconciliations should be performed monthly, reviewed, and approved in a timely manner. During procedures over cash and investments, it was noted that the City's bank reconciliation for June 2021 was not prepared until October 2023. The City did not perform a timely bank account reconciliation due to the City's lack of monthly closing procedures.

Corrective Action: The City has hired a team of accounting consultants to assist with monthly closing and other accounting services.

Entity: San Bernardino County Transportation Authority

Management Letter:

- During the audit, it was noted that the TDA financial statements required multiple adjustments for the current and prior years. Additionally, the TDA final report for FY 2019/2020 did not agree with the TDA amounts reported in the Annual Comprehensive Financial Report (ACFR) for FY 2019/2020. The City should implement procedures to reconcile the TDA financial statements and the ACFR to ensure they agree.

Corrective Action: The City acknowledges the deficiency and has hired an outside Certified Public Accountant (CPA) firm to assist with the reconciliation and review of all financial statements.

- During the audit, the auditors were made aware that the City management does not perform the following crucial activities:
 1. Assess the risk that the City's financial statements might be materially misstated due to fraud, and that there are no controls in place to prevent and detect such occurrences.
 2. Communicate to employees the importance of ethical behavior and appropriate business practices.
 3. Comply with laws, regulations, and provisions of contracts, grant agreements, and City policies.

To address these deficiencies, it was recommended the City take the following actions:

1. Risk Assessment and Fraud Prevention: Strengthen and implement procedures to assess the risk that could cause the financial statements to be materially misstated. This should include instituting robust controls to prevent and detect fraud. Regular risk assessments and updates to controls should be conducted to adapt to new and evolving risks.
2. Ethical Behavior and Business Practices: Establish a formal process to communicate to employees the importance of ethical behavior and appropriate business practices. This could include regular training sessions, a code of conduct, and the implementation of a fraud hotline where employees can report unethical behavior anonymously.
3. Compliance with Laws and Regulations: Ensure that all staff are educated on the laws, regulations, and provisions of contracts, grant agreements, and City policies applicable to their roles. Additionally, implement controls to ensure compliance with all applicable laws, regulations, and contractual provisions. Regular audits and compliance checks should be conducted to identify and address any areas of non-compliance promptly.

Corrective Action:

1. The City acknowledges the deficiency and has hired an outside CPA firm that will assist Management with the implementation and monitoring of strong prevention and detection internal controls and procedures.
2. The City acknowledges the deficiency and will utilize the City's hired Human Resources Firm to facilitate Ethical Behavior and Business Practices training with all City staff.

- 3. The City acknowledges the deficiency and has hired an outside CPA firm and a Municipal Financial Advisor that will remain as resources to the City, for a minimum of 12 months, to assist the City with future compliance.

Town of Apple Valley (Town) for FY 2022/2023

- Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank reconciliations should be performed monthly, reviewed, and approved in a timely manner. During procedures over cash and investments, it was noted that the Town’s bank reconciliation for June 2023 was not prepared until April 2024. Further, the interest allocation to funds was not performed until April 2024. The Town did not perform a timely bank reconciliation or interest allocation due to significant staffing losses just before the commencement of the FY 2022/2023 closing process. Additionally, the Town endured a forced bank transition during FY 2022/2023, as Union Bank merged with US Bank, and the Town was working diligently to sort out any residual issues resulting from this merger.

Corrective Action: With hiring efforts currently going on in Finance, bank reconciliations will be completed in a timely manner.

The audit for the City of Needles and the City of Rialto for FY 2022/2023 resulted in no findings.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2024/2025.

Reviewed By:

This item was received by the Transit Committee on August 15, 2024.

Responsible Staff:

Lisa Lazzar, Chief of Fiscal Resources

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Fiscal Years Ended June 30, 2021 and 2020

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Board of Directors
 San Bernardino County Transportation Authority
 San Bernardino, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 3 Fund ("TDA Fund") of the City of Adelanto, California ("City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the TDA Fund of the City, as of June 30, 2021, and the change in financial position of the TDA Fund of the City for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the TDA Fund of the City and do not purport to, and do not present fairly, the financial position of the City as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Prior Year Comparative Information

The financial statements of the City as of June 30, 2020, were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated January 31, 2022.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis for the TDA Fund that accounting principles generally accepted in the United States of America requires to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the TDA Fund of the City. The Schedule of Allocations Received and Expended, by Project Year, listed as supplemental data in the table of contents, is presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Allocations Received and Expended, by Project Year is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements for the TDA Fund of the City. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Allocations Received and Expended, by Project Year is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2024 on our consideration of the City's internal control over financial reporting for the TDA Fund and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Lake Forest, California
June 11, 2024

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Comparative Balance Sheets

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash and investments (Note 3)	\$ 1,393,917	\$ 1,389,230
Accounts receivable (Note 4)	449,930	449,930
Interest receivable	<u>795</u>	<u>-</u>
 Total assets	 <u>\$ 1,844,642</u>	 <u>\$ 1,839,160</u>
 <u>Deferred inflows of resources, and fund balance</u>		
Deferred inflows of resources		
Unearned revenue	<u>449,930</u>	<u>449,930</u>
Fund balance - restricted		
Restricted	<u>1,394,712</u>	<u>1,389,230</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 1,844,642</u>	 <u>\$ 1,839,160</u>

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

See accompanying notes to financial statements

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Comparative Statement of Revenues, Expenditures,
and Changes in Fund Balance

Fiscal Years Ended June 30, 2021 and 2020

	2021	2020
Revenues:		
Interest income	\$ 5,844	\$ 29,080
Total revenues	5,844	29,080
Expenditures:		
TDA expenditures	362	304
Total expenditures	362	304
Excess (deficiency) of revenues over (under) expenditures	5,482	28,776
Other financing sources (uses):		
Transfers out to the City of Adelanto (Note 5)	-	(20,000)
Total other financing sources (uses)	-	(20,000)
Net change in fund balance	5,482	8,776
Fund balance at beginning of year	1,389,230	1,380,454
Fund balance at end of year	\$ 1,394,712	\$ 1,389,230

See accompanying notes to financial statements

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

(1) General Information

The financial statements are intended to reflect the financial position and changes in financial position of the Transportation Development Act Article 8, Section 99400(a) Fund (TDA Fund) only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City of Adelanto, California (City), as of June 30, 2021 and 2020, and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Article 8a

San Bernardino County Transportation Authority (SBCTA) receives and passes through Article 8a funding to the local claimants for the purposes of local streets and roads in accordance with Section 99400 of the California Public Utilities Code, which may include those purposes necessary and convenient to the development, construction, and maintenance of the city or county's streets and highways network, which further includes planning and contributions to the transportation planning process, acquisition of real property, construction of facilities and buildings. The fund may also be used for passenger rail service operations and capital improvements.

Article 8a subdivision C further allows payments to counties, cities, and transit districts for their administrative and planning cost with respect to transportation services. A claimant may also receive payments for capital expenditures to acquire vehicles and related equipment, bus shelters, bus benches, and communication equipment for the transportation services.

Payment of Article 8a to any entity that provides public transportation services under contract with the local county, city, or transit district for any group with special transportation assistance needs must be determined by SBCTA.

(2) Summary of Significant Accounting Policies

The accounting policies of the TDA Article 8a Fund of the City conform to accounting principles generally accepted in the United States of America. The following is a summary of significant accounting policies:

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

(2) Summary of Significant Accounting Policies (Continued)

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves, and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City accounts for the activity of the Article 8a funds in its TDA Fund which is a Special Revenue Fund. Special Revenue Funds are used to account for and report on a particular source of revenue.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 90 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred.

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 8a possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 8a are recognized in the period when all eligibility requirements have been met.

Deferred Inflows of Resources

Deferred inflows of resources-unavailable revenues represent revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available. Deferred inflows of resources in the financial statements represent amounts due from other governments at year-end, and not collected with a timeframe to finance current year expenditures.

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

(2) Summary of Significant Accounting Policies (Continued)

Fund Balance

The components of the fund balances of governmental funds reflect the component classifications described below.

- Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance – includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed Fund Balance – includes amounts that can be used only for the specific purposes determined by a formal action of the City.
- Assigned Fund Balance – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.
- Unassigned Fund Balance – includes any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When restricted and unrestricted resources are available for expenditure for the same purpose, the City expends restricted resources before unrestricted resources. Within unrestricted resources, the fund balance is depleted in the order of committed, assigned, and unassigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

(3) Cash and Investments

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Fund's cash and investments as of June 30, 2021 and 2020 was \$1,393,917 and \$1,389,230, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Fund are those of the City and are included in the City's basic financial statements.

See the City's basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk, and concentration risk.

(4) Accounts Receivable

Accounts receivable of \$449,930 in both years 2021 and 2020 represent the TDA revenues which had not been received from SBCTA as of June 30, 2021 and 2020.

(5) Transfers out to the City of Adelanto

The City incurs street maintenance employee payroll costs in the City's General Fund. The TDA Article 8 Fund transfers amounts to the General Fund to fund its allocated portion of the payroll costs. The allocated charges were \$0 and \$20,000 as of June 30, 2021 and 2020, respectively.

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

(6) Restrictions

Funds received pursuant to the California Public Utilities Code §99400(a) (TDA Article 8a) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety education programs.

(7) Contingencies

See the City's basic financial statements for disclosures related to contingencies including those relating to various legal actions, administrative proceedings, or claims in the ordinary course of operations.

(8) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current fiscal year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

Required Supplemental Information

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
 Article 8, Section 99400(a) Public Utilities Code

Schedule of Revenues, Expenditures
 and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance From
	Original	Final		Final Budget Favorable (Unfavorable)
Revenues:				
Interest income	\$ -	\$ -	\$ 5,844	\$ 5,844
Total revenues	-	-	5,844	5,844
Expenditures:				
TDA expenditures	650,000	650,000	362	649,638
Total expenditures	650,000	650,000	362	649,638
Excess (deficiency) of revenues over (under) expenditures	\$ (650,000)	\$ (650,000)	5,482	\$ 655,482
Fund balance at beginning of year			1,389,230	
Fund balance at end of year			\$ 1,394,712	

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
TDA Allocation	\$ 449,930	\$ 449,930	\$ -	\$ (449,930)
Interest income	-	-	29,080	29,080
	<u>449,930</u>	<u>449,930</u>	<u>29,080</u>	<u>(420,850)</u>
Total revenues				
Expenditures:				
TDA expenditures	1,600,000	-	304	(304)
	<u>1,600,000</u>	<u>-</u>	<u>304</u>	<u>(304)</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(1,150,070)</u>	<u>449,930</u>	<u>28,776</u>	<u>(421,154)</u>
Other financing sources (uses):				
Transfers out	-	(20,000)	(20,000)	-
	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ (1,150,070)</u>	<u>\$ 429,930</u>	8,776	<u>\$ (421,154)</u>
Fund balance at beginning of year			<u>1,380,454</u>	
Fund balance at end of year			<u>\$ 1,389,230</u>	

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

Supplemental Information

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Schedule of Allocations Received and Expended, by Project Year

Fiscal Year Ended June 30, 2021

<u>Article</u>	<u>Project/Use</u>	<u>Year</u> <u>Allocated</u>	<u>Allocation</u> <u>Amount</u>	<u>Unspent</u> <u>Allocation at</u> <u>6/30/2020</u>	<u>Expenditures</u>	<u>Unspent</u> <u>Allocation at</u> <u>6/30/2021</u>
Article 8	Streets & Road Maintenance	2015 - 16	\$ 635,989	\$ 370,212	\$ 362	\$ 369,850
Article 8	Streets & Road Maintenance	2016 - 17	528,228	508,228	-	508,228
Article 8	Streets & Road Maintenance	2017 - 18	470,946	470,946	-	470,946
Article 8	Streets & Road Maintenance	2018 - 19	449,930	449,930	-	449,930
			<u>\$ 2,085,093</u>	<u>\$ 1,799,316</u>	<u>\$ 362</u>	<u>\$ 1,798,954</u>

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)



Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Transportation Development Act Local Transportation Fund pursuant to Article 8, Section 99400(a) ("TDA Fund") of the City of Adelanto, California ("City"), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, and have issued our report thereon dated June 11, 2024. Our report included an emphasis of matter stating that the financial statements of the TDA Funds do not purport to, and do not, present fairly the financial position of the City as of June 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's TDA Fund financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal

Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

control, described in the accompanying schedule of findings and responses as item **2021-01** to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including §6666 of Part 21 of the California Code of Regulations.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lake Forest, California
June 11, 2024

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Schedule of Findings and Responses

Fiscal Year Ended June 30, 2021

**2021-01 Bank Account Reconciliation
Material Weakness*****Criteria:***

Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank account reconciliations should be performed monthly and reviewed and approved in a timely manner.

Condition:

During procedures over cash and investments, we noted the City's bank account reconciliation for June 2021 was not prepared until October 2023.

Cause:

The City did not perform a timely bank account reconciliation due to the City's lack of monthly closing procedures.

Effect:

The FY 2021 audit was delayed.

Recommendation:

We recommend that the City review the timing of its reconciliation procedures.

View of Responsible Officials:

The City agrees with the finding. The City has hired a team of accounting consultants in order to assist with monthly closing and other accounting services.

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Summary Schedule of Prior Audit Findings

Fiscal Year Ended June 30, 2021

The status of the prior year findings for fiscal year ended June 30, 2020, are below.

<u>Finding No.</u>	<u>Description</u>	<u>Status</u>
2020-001	Financial Closing and Reporting Controls	Implemented
2020-002	Stale Checks	Implemented
2020-003	Timeliness of Bank Account Reconciliation	Not Implemented, refer to Finding 2021-01



June 11, 2024

Mr. Jessie Flores
 City of Adelanto
 11600 Air Expressway
 Adelanto, CA 92301

We have audited the financial statements of the Transportation Development Act (“TDA”), Article 8, Section 99400(a) Fund and Measure I Fund (collectively “Program Funds”), of the City of Adelanto (“City”), as of and for the year ended June 30, 2021, and have issued our report thereon dated June 11, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards, certain provisions of laws, regulations, contracts, and grant agreements, including §6666 of Part 21 of the California Code of Regulations, as well as certain information related to the planned scope and timing of our audit. Professional standards also require we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City Program Funds are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as

Mr. Jessie Flores
 City of Adelanto
 California

a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 11, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Program Fund's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to budgetary comparison information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on Schedule of Allocations Received and Expended, by Project Year, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Mr. Jessie Flores
 City of Adelanto
 California

We were not engaged to report on the *Program Status: Comparison of 5 Year Plan Project Budget to Current Year Expenditures and Maintenance of Effort: Comparison of Base Level Amount to Annual Expenditures*, which accompany the financial statements but are not RSI. Such information has not been subjected to the audit procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

We identified the following matters involving accounting principles, internal control, and compliance with Federal Acquisition Regulation that came to the auditor's attention.

Deficiency 1: During the course of the audit, we noted that the TDA and MSI financials required multiple adjustments for the current and prior years. Additionally, the TDA and MSI final report for FY 2020 did not agree with the TDA and MSI amounts reported on the Annual Comprehensive Financial Report ("ACFR") for FY 2020.

Recommendation: The City should implement procedures to always reconcile the TDA and MSI financial statements and the ACFR prior to issuance of the final reports to ensure they agree.

Deficiency 2: During the course of the audit, we were made aware that the City management does not perform the following crucial activities:

1. Assess the risk that the City's financial statements might be materially misstated due to fraud, and there are no controls in place to prevent and detect such occurrences.
2. Communicate to employees the importance of ethical behavior and appropriate business practices.
3. Comply with laws, regulations, and provisions of contracts, grant agreements, and City policies.

Recommendation:

To address these deficiencies, we recommend the City take the following actions:

1. **Risk Assessment and Fraud Prevention:** Strengthen and implement procedures to assess the risk that could cause the financial statements to be materially misstated. This should include instituting robust controls to prevent and detect fraud. Regular risk assessments and updates to controls should be conducted to adapt to new and evolving risks.
2. **Ethical Behavior and Business Practices:** Establish a formal process to communicate to employees the importance of ethical behavior and appropriate business practices. This could include regular training sessions, a code of conduct, and the implementation of a fraud hotline where employees can report unethical behavior anonymously.
3. **Compliance with Laws and Regulations:** Ensure that all staff are educated on the laws, regulations, and provisions of contracts, grant agreements, and City policies applicable to their roles. Additionally, implement controls to ensure compliance with all applicable laws, regulations, and contractual provisions. Regular audits and compliance checks should be conducted to identify and address any areas of non-compliance promptly.

By taking these steps, the City can enhance the integrity and reliability of its financial reporting, foster a culture of ethical behavior, and ensure compliance with all relevant legal and contractual obligations.

Mr. Jessie Flores
City of Adelanto
California

Restriction on Use

This information is intended solely for the use of those charged with governance and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Best regards,

Conrad LLP

Lake Forest, CA
June 11, 2024

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Fiscal Years Ended June 30, 2023 and 2022

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Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 8, Section 99400(a) Fund ("TDA Fund") of the Town of Apple Valley, California ("Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the TDA Fund of the Town, as of June 30, 2023, and the respective changes in financial position of the TDA Fund of the Town for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the TDA Fund of the Town and do not purport to, and do not present fairly, the financial position of the Town as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the TDA Fund of the Town’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Prior Year Comparative Information

The financial statements of the Town as of June 30, 2022, were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated February 17, 2023.

Board of Directors
 San Bernardino County Transportation Authority
 San Bernardino, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Management is responsible for the other information included in the annual report. The other information comprises the *Schedule of Allocations Received and Expended by Project Year* but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2024 on our consideration of the Town's internal control over financial reporting for the TDA Fund and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Conrad LLP

Lake Forest, California
 May 2, 2024

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Comparative Balance Sheets

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash and investments (Note 3)	\$ 1,331,462	\$ 897,966
Total assets	<u>\$ 1,331,462</u>	<u>\$ 897,966</u>
 <u>Liabilities and fund balance</u>		
Accounts Payable	\$ 23,078	\$ 784
Fund balance - restricted	<u>1,308,384</u>	<u>897,182</u>
Total liabilities and fund balance	<u>\$ 1,331,462</u>	<u>\$ 897,966</u>

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

See accompanying notes to financial statements

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Comparative Statement of Revenues, Expenditures,
and Changes in Fund Balance

Fiscal Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues:		
TDA Article 8a funds	\$ 432,256	\$ 30,535
Other revenues	-	29,863
Interest revenues	<u>10,232</u>	<u>2,664</u>
Total revenues	<u>442,488</u>	<u>63,062</u>
Expenditures:		
Construction, maintenance, and engineering	<u>31,286</u>	<u>16,771</u>
Total expenditures	<u>31,286</u>	<u>16,771</u>
Net change in fund balance	411,202	46,291
Fund balance at beginning of year	<u>897,182</u>	<u>850,891</u>
Fund balance at end of year	<u>\$ 1,308,384</u>	<u>\$ 897,182</u>

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

See accompanying notes to financial statements

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(1) **General Information**

The financial statements are intended to reflect the financial position and changes in financial position of the Transportation Development Act Article 8, Section 99400(a) Funds (TDA Funds). Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the Town of Apple Valley, California (Town), as of June 30, 2023 and 2022, and changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Article 8a

San Bernardino County Transportation Authority (SBCTA) receives and passes through Article 8 funding to the local claimants for the purposes of local streets and roads in accordance with Section 99400 of the California Public Utilities Code, which may include those purposes necessary and convenient to the development, construction, and maintenance of the city, town, or county's streets and highway networks, which further includes planning and contributions to the transportation planning process, acquisition of real property, construction of facilities and buildings. The fund may also be used for passenger rail service operations and capital improvements.

Article 8 subdivision C further allows payments to counties, cities, towns, and transit districts for their administrative and planning cost with respect to transportation services. A claimant may also receive payments for capital expenditures to acquire vehicles and related equipment, bus shelters, bus benches, and communication equipment for the transportation services.

Payment of Article 8 to any entity that provides public transportation services under contract with the local county, city, town, or transit district for any group with special transportation assistance needs must be determined by SBCTA.

(2) **Summary of Significant Accounting Policies**

The accounting policies of the TDA Article 8a Fund of the Town conform to accounting principles generally accepted in the United States of America. The following is a summary of significant accounting policies:

Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves, and equity segregated for the purpose of carrying out specific

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(2) **Summary of Significant Accounting Policies (Continued)**

activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The Town accounts for the activity of the Article 8a funds in its TDA Fund which is a Special Revenue Fund. Special Revenue Funds are used to account for and report on a particular source of revenue.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred.

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the Town. For the Town, funds received under TDA Article 8a possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 8a are recognized in the period when all eligibility requirements have been met.

Deferred Inflows of Resources

Deferred inflows of resources-unavailable revenues represent revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available. Deferred inflows of resources in the financial statements represent amounts due from other governments at year-end, and not collected with a timeframe to finance current year expenditures.

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(2) Summary of Significant Accounting Policies (Continued)

Fund Balance

The components of the fund balances of governmental funds reflect the component classifications described below.

- Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance – includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed Fund Balance – includes amounts that can be used only for the specific purposes determined by a formal action of the Town.
- Assigned Fund Balance – includes amounts that are intended to be used by the Town for specific purposes, but do not meet the criteria to be classified as restricted or committed.
- Unassigned Fund Balance – includes any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When restricted and unrestricted resources are available for expenditure for the same purpose, the Town expends restricted resources before unrestricted resources. Within unrestricted resources, the fund balance is depleted in the order of committed, assigned, and unassigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(3) **Cash and Investments**

The Town has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Fund's cash and investments as of June 30, 2023 and 2022 was \$1,331,462 and \$897,966, respectively.

The TDA Fund's cash is deposited in the Town's internal investment pool which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Fund are those of the Town and are included in the Town's basic financial statements.

See the Town's basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk, and concentration risk.

(4) **Restrictions**

Funds received pursuant to the California Public Utilities Code §99400(a) (TDA Article 8a) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety education programs.

(5) **Contingencies**

See the Town's basic financial statements for disclosures related to contingencies including those relating to various legal actions, administrative proceedings, or claims in the ordinary course of operations.

(6) **Budgetary Data**

The Town adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current fiscal year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

Required Supplemental Information

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
 Article 8, Section 99400(a) Public Utilities Code

Schedule of Revenues, Expenditures
 and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2023

	Budget		Actual	Variance From
	Original	Final		Final Budget Favorable (Unfavorable)
Revenues:				
TDA Article 8a funds	\$ 70,000	\$ 70,000	\$ 432,256	\$ 362,256
Interest revenues	<u>9,000</u>	<u>9,000</u>	<u>10,232</u>	<u>1,232</u>
Total revenues	<u>79,000</u>	<u>79,000</u>	<u>442,488</u>	<u>363,488</u>
Expenditures:				
Construction, maintenance, and engineering	<u>132,000</u>	<u>654,500</u>	<u>31,286</u>	<u>623,214</u>
Total expenditures	<u>132,000</u>	<u>654,500</u>	<u>31,286</u>	<u>623,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (53,000)</u>	<u>\$ (575,500)</u>	411,202	<u>\$ 986,702</u>
Fund balance at beginning of year			<u>897,182</u>	
Fund balance at end of year			<u>\$ 1,308,384</u>	

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
 Article 8, Section 99400(a) Public Utilities Code

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2022

	Budget		Actual	Variance From
	Original	Final		Final Budget Favorable (Unfavorable)
Revenues:				
TDA Article 8a funds	\$ 430,965	\$ 430,965	\$ 30,535	\$ (400,430)
Other revenues	-	-	29,863	29,863
Interest revenues	9,000	9,000	2,664	(6,336)
Total revenues	<u>439,965</u>	<u>439,965</u>	<u>63,062</u>	<u>(376,903)</u>
Expenditures:				
TDA expenditures	<u>436,000</u>	<u>436,000</u>	<u>16,771</u>	<u>419,229</u>
Total expenditures	<u>436,000</u>	<u>436,000</u>	<u>16,771</u>	<u>419,229</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,965</u>	<u>\$ 3,965</u>	46,291	<u>\$ 42,326</u>
Fund balance at beginning of year			<u>850,891</u>	
Fund balance at end of year			<u>\$ 897,182</u>	

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

Supplemental Information

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
 Article 8, Section 99400(a) Public Utilities Code

Schedule of Allocations Received and Expended, by Project Year

Fiscal Year Ended June 30, 2023

<u>Article</u>	<u>Project/Use</u>	<u>Year Allocated</u>	<u>Allocation Amount</u>	<u>Unspent Allocation at 6/30/2022</u>	<u>Expenditures</u>	<u>Unspent Allocation at 6/30/2023</u>
Article 8	Streets & Road Maintenance	2018-19	\$ 662,418	\$ 575,614	\$ 31,286	\$ 544,328
Article 8	Streets & Road Maintenance	2019-20	79,095	79,095	-	79,095
Article 8	Streets & Road Maintenance	2020-21	69,312	69,312	-	69,312
Article 8	Streets & Road Maintenance	2021-22	30,535	30,535	-	30,535
Article 8	Streets & Road Maintenance	2022-23	432,256	-	-	432,256
Total current year article 8 allocations			<u>\$ 1,273,616</u>	<u>\$ 754,556</u>	<u>\$ 31,286</u>	<u>\$ 1,155,526</u>

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)



Board of Directors
 San Bernardino County Transportation Authority
 San Bernardino, California

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
 AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
 AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
 ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Transportation Development Act Local Transportation Fund pursuant to Article 8, Section 99400(a) ("TDA Fund") of the Town of Apple Valley, California ("Town"), as of and for the year ended June 30, 2023 and the related notes to the financial statements, and have issued our report thereon dated May 2, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item **2023-01** that we consider to be material weaknesses.

Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the Town are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including §6666 of Part 21 of the California Code of Regulations.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Conrad LLP

Lake Forest, California
May 2, 2024

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Schedule of Findings and Responses

Fiscal Year Ended June 30, 2023

2023-01 Bank Reconciliations Material Weakness

Criteria:

Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank reconciliations should be performed monthly and reviewed and approved in a timely manner.

Condition:

During procedures over cash and investments, we noted the Town's bank reconciliation for June 2023 was not prepared until April 2024. Further, the interest allocation to funds was not performed until April 2024.

Cause:

The Town did not perform a timely bank reconciliation or interest allocation due to significant staffing losses just prior to the commencement of the FY 2023 closing process. Additionally, the Town endured a forced bank transition during Q3/Q4 of FY 2022-23, as Union Bank merged with US Bank, and the Town was working diligently to sort out any residual issues resulting from this merger.

Effect:

The audit was delayed.

Recommendation:

We recommend that the Town review the timing of its reconciliation procedures.

View of Responsible Officials:

In addition to staff turnovers, the Town's bank (Union Bank) merged with US Bank in May 2023, that merger created significant delay in performing and completing bank reconciliation, particularly during May and June of 2023. With hiring efforts currently going in Finance, bank reconciliations will be completed in a timely manner.

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Summary Schedule of Prior Audit Findings

Fiscal Year Ended June 30, 2023

The status of the prior year findings for fiscal year 2021/22 are below.

Finding No.	Description	Status
2022-001	Timeliness of Bank Account Reconciliation	Not Implemented, Refer to 2023-01

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

**CITY OF NEEDLES, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND**

FINANCIAL STATEMENTS

June 30, 2023 and 2022

CITY OF NEEDLES, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND

FINANCIAL STATEMENTS
June 30, 2023 and 2022

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REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT*
AUDITING STANDARDS..... 10

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Transportation Development Act (TDA) Article 3 Fund (TDA Fund) of the City of Needles, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of TDA Fund of the City, as of June 30, 2023, and the changes in its financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the TDA Fund of the City for the year ended June 30, 2022, were audited by other auditors, who expressed an unmodified opinion on those statements on December 22, 2022.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Fund, a governmental fund, and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2023, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

(Continued)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2024, on our consideration of the City's internal control over financial reporting of the TDA Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance, as it relates to the TDA Fund.



Crowe LLP

Los Angeles, California
February 26, 2024

CITY OF NEEDLES, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 BALANCE SHEETS
 June 30, 2023 and 2022

	Article 3	
	2023	2022
ASSETS		
Cash and investments	\$ 725	\$ 725
Total assets	\$ 725	\$ 725
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other City funds	\$ 725	\$ -
Fund balance (deficit)		
Unassigned	-	725
Total liabilities and fund balance	\$ -	\$ 725

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

See notes to financial statements.

CITY OF NEEDLES, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Years ended June 30, 2023 and 2022

	Article 3	
	<u>2023</u>	<u>2022</u>
Revenues		
TDA allocation	\$ -	\$ -
Total revenues	-	-
Expenditures		
Other expenditure	725	-
Total expenditures	725	-
Net change in fund balance	(725)	-
Fund balance (deficit), beginning of year	725	725
Fund balance (deficit), end of year	\$ -	\$ 725

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

See notes to financial statements.

CITY OF NEEDLES, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023 and 2022

NOTE 1 – GENERAL INFORMATION

The financial statements are intended to reflect the financial position and changes in financial position of the Transportation Development Act (TDA) Article 3 Fund only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City of Needles, California (City), as of June 30, 2023, and changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Article 3: The City has entered into a Cooperative Agreement (TDA 3 Agreement) with San Bernardino County Transportation Authority (SBCTA) to enhance bicycle and pedestrian facilities in accordance with Section 99234 of the California Public Utilities Code (Code). According to the Code, TDA Article 3 monies may only be used for facilities provided for the exclusive use of pedestrians and bicycles, including the construction and related engineering expenditures of those facilities, the maintenance of bicycle trails (that are closed to motorized traffic) and bicycle safety education programs. TDA Article 3 Funds may also be used for transportation-related projects that enhance quality of life through the design of pedestrian walkways and bicycle facilities. TDA Article 3 projects may be stand-alone projects, such as projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots and transit terminals where other funds are available. TDA Article 3 projects may also be add-ons to normal transportation projects, such as additional sidewalk and bike lanes on a bridge, enhanced pedestrian lighting, and median refuge islands for pedestrians

When an approved project is ready for construction, as evidenced by a contract award or commitment of the participating agency's resources, the participating agency submits a claim to SBCTA for disbursement of TDA Funds. The participating agency may submit the claim, either prior or subsequent to, incurring project expenditures. After review and approval of the claim, SBCTA issues the allocation disbursement instructions to the County Auditor Controller. Following instruction from SBCTA, funds are disbursed from the County Local Transportation Fund to the participating agency. In accordance with the agreement, the City is required to provide matching funds equal to 10% of the project costs. The City satisfied the 10% match in the fiscal year by utilizing City funding for 10% of the total project costs incurred.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting: The City accounts for the activity of the Article 3 TDA Fund in its Article 3 Fund, which is a special revenue fund.

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The City accounts for the TDA activities in separate general ledger accounts within its Article 3 special revenue fund.

Special revenue funds are used to account for the proceeds derived from specific revenue sources which are restricted or committed to expenditures for specified purposes.

(Continued)

CITY OF NEEDLES, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023 and 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting: The special revenue funds of the City are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred.

Cash and Investments: Cash and investments are pooled by the City to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds including the TDA Article 3 Fund based upon the average cash balance. The investment policies and the risks related to cash and investments, applicable to the Article 3 Fund, are those of the City and are disclosed in the City's basic financial statements. The City's basic financial statements can be obtained at City Hall. As of June 30, 2023 and 2022, the cash balance of the TDA Fund is \$725.

The TDA Article 3 Fund's cash and investments are reported at fair value. The fair value measurements are based on the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The TDA Article 3 Fund's deposits and withdrawals in the City Investment Pool are made on the basis of \$1 and not fair value. Accordingly, the TDA Article 3 Fund's investment in the City Investment Pool is measured based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balance: Fund balance is reported according to the following classifications: nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

NOTE 3 – DUE TO OTHER CITY FUNDS

Due to other City funds of \$750 in fiscal year 2023 represents the amount to be paid to the City general fund in fiscal year 2024 for non-TDA amounts previously received.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEEDLES, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – TDA ARTICLE 3 FUND
 Years ended June 30, 2023 and 2022

	Budget		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
June 30, 2023				
Revenues				
TDA allocation	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current				
Other expenditure	-	-	725	(725)
Total expenditures	-	-	725	(725)
Net change in fund balance	-	-	(725)	(725)
Fund balance, beginning of year	-	-	725	725
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -
June 30, 2022				
Revenues				
TDA allocation	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current				
TDA expenditures	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	725	725	725	-
Fund balance, end of year	\$ 725	\$ 725	\$ 725	\$ -

See note to required supplementary information.

CITY OF NEEDLES, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
Years ended June 30, 2023 and 2022

NOTE 1 – BUDGETARY DATA

The City did not adopt a budget for the TDA Article 3 Fund in 2023 and 2022.

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Transportation Development Act (TDA) Article 3 Fund (TDA Fund) of the City of Needles, California (City), as of and for the years ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the TDA Fund's basic financial statements and have issued our report thereon dated February 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting of the TDA Fund (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weakness or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section 6666 of Part 21 of the California Code of Regulations and the allocation instructions of the San Bernardino County Transportation Authority (SBCTA) noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including the requirements of Section 6666 of Part 21 of the California Code of Regulations and the allocation instructions of the SBCTA.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Los Angeles, California
February 26, 2024

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3, Section 99234 Public Utilities Code

Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3, Section 99234 Public Utilities Code

Fiscal Years Ended June 30, 2023 and 2022

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Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 3 Fund ("TDA Fund") of the City of Rialto, California ("City"), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the TDA Fund of the City, as of June 30, 2023 and 2022, and the respective changes in financial position of the TDA Fund of the City for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the TDA Fund of the City and do not purport to, and do not present fairly, the financial position of the City as of June 30, 2023 and 2022, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the TDA Fund of the City’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Prior Year Comparative Information

The financial statements of the City as of June 30, 2022, were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated March 17, 2023.

Board of Directors
 San Bernardino County Transportation Authority
 San Bernardino, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The *Schedule of Allocations Received and Expended, by Project Year* is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Schedule of Allocations Received and Expended, by Project Year* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2024 on our consideration of the City's internal control over financial reporting for the TDA Fund and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Lake Forest, California
 March 6, 2024

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3, Section 99234 Public Utilities Code

Comparative Balance Sheets

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Cash and investments (Note 3)	\$ 20,960	\$ -
Accounts receivable (Note 4)	-	387,021
 Total assets	 \$ 20,960	 \$ 387,021
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>		
Due to the City of Rialto (Note 5)	\$ -	\$ 205,192
Deferred inflows of resources		
Unavailable revenue	-	387,021
Fund (deficit) balance (Note 6)		
Restricted	20,960	-
Unassigned	-	(205,192)
 Total liabilities and fund balance	 \$ 20,960	 \$ 387,021

See accompanying notes to financial statements

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund Article 3, Section 99234 Public Utilities Code

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance

Fiscal Years Ended June 30, 2023 and 2022

	2023	2022
Revenues:		
TDA Article 3 funds	\$ 226,000	\$ -
Investment Income	212	-
Total revenues	226,212	-
Expenditures:		
Construction, maintenance, and engineering	-	226,000
Total expenditures	-	226,000
Excess (deficiency) of revenues over (under) expenditures	226,212	(226,000)
Other financing sources (uses):		
Transfers out - Administrative expenses	(60)	(64)
Total other financing sources (uses)	(60)	(64)
Net change in fund balance	226,152	(226,064)
Fund (deficit) balance at beginning of year	(205,192)	20,872
Fund (deficit) balance at end of year	\$ 20,960	\$ (205,192)

See accompanying notes to financial statements

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3, Section 99234 Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(1) **General Information**

The financial statements are intended to reflect the financial position and changes in financial position of the Transportation Development Act (TDA) Article 3 Fund only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City of Rialto, California (City), as of June 30, 2023 and 2022, and changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Article 3

The City has entered into a Cooperative Agreement (TDA 3 Agreement) with San Bernardino County Transportation Authority (SBCTA) to enhance bicycle and pedestrian facilities in accordance with Section 99234 of the California Public Utilities Code (Code). According to the Code, TDA Article 3 monies may only be used for facilities provided for the exclusive use of pedestrians and bicycles, including the construction and related engineering expenditures of those facilities, the maintenance of bicycle trails (that are closed to motorized traffic) and bicycle safety education programs. TDA Article 3 Funds may also be used for transportation-related projects that enhance quality of life through the design of pedestrian walkways and bicycle facilities. TDA Article 3 projects may be stand-alone projects, such as projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots and transit terminals where other funds are available. TDA Article 3 projects may also be add-ons to normal transportation projects, such as additional sidewalk and bike lanes on a bridge, enhanced pedestrian lighting, and median refuge islands for pedestrians.

When an approved project is ready for construction, as evidenced by a contract award or commitment of the participating agency's resources, the participating agency submits a claim to SBCTA for disbursement of TDA Funds. The participating agency may submit the claim, either prior or subsequent to, incurring project expenditures. After review and approval of the claim, SBCTA issues the allocation disbursement instructions to the County Auditor-Controller. Following instruction from SBCTA, funds are disbursed from the County Local Transportation Fund to the participating agency. In accordance with the agreement, the City is required to provide matching funds equal to 10% of the project costs. The City satisfied the 10% match in the fiscal year by utilizing City funding for 10% of the total project costs incurred.

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3. Section 99234 Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(2) Summary of Significant Accounting Policies

The accounting policies of the TDA Article 3 Fund of the City conform to accounting principles generally accepted in the United States of America. The following is a summary of significant accounting policies:

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves, and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City accounts for the activity of the Article 3 funds in its TDA Fund which is a Special Revenue Fund. Special Revenue Funds are used to account for and report on a particular source of revenue.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 90 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred.

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 3 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 3 are recognized in the period when all eligibility requirements have been met.

Deferred Inflows of Resources

Deferred inflows of resources-unavailable revenues represent revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available. Deferred inflows of resources in the financial statements represent amounts due from other governments at year-end, and not collected with a timeframe to finance current year expenditures.

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3. Section 99234 Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(2) **Summary of Significant Accounting Policies (Continued)**

Fund Balance

The components of the fund balances of governmental funds reflect the component classifications described below.

- *Nonspendable Fund Balance* – includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed Fund Balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the City.
- *Assigned Fund Balance* – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.
- *Unassigned Fund Balance* – includes any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When restricted and unrestricted resources are available for expenditure for the same purpose, the City expends restricted resources before unrestricted resources. Within unrestricted resources, the fund balance is depleted in the order of committed, assigned, and unassigned.

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3, Section 99234 Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(2) **Summary of Significant Accounting Policies (Continued)**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

(3) **Cash and Investments**

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Fund's cash and investments as of June 30, 2023 and 2022 was \$20,960 and \$0, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Fund are those of the City and are included in the City's basic financial statements.

See the City's basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk, and concentration risk.

(4) **Accounts Receivable**

Accounts receivable of \$0 and \$387,021 represent the TDA revenues which had not been received from SBCTA as of June 30, 2023 and 2022, respectively.

(5) **Due to the City of Rialto**

Due to the City of Rialto of \$0 and \$205,192 represents the amounts paid by the City on behalf of the TDA Fund for expenditures incurred for which reimbursements had not yet been received as of June 30, 2023 and June 30, 2022, respectively.

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3. Section 99234 Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(6) Fund Balance

The TDA Fund reported a fund balance of \$20,960 as of June 30, 2023, and a deficit fund balance of \$205,192 as of June 30, 2022. Article 3 revenues may be spent on projects, and then reimbursed after completion. As such, the timing difference between the expenditures and receipt of Article 3 revenues in fiscal year 2022 created a deficit fund balance. The obligation of the negative unassigned fund balance was paid by the fiscal year 2023 Article 3 revenues from SBTCFA.

(7) Restrictions

Funds received pursuant to the California Public Utilities Code §99234 (TDA Article 3) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety education programs.

(8) Contingencies

See the City's basic financial statements for disclosures related to contingencies including those relating to various legal actions, administrative proceedings, or claims in the ordinary course of operations.

(9) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level.

Required Supplemental Information

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
 Article 3, Section 99234 Public Utilities Code

Schedule of Revenues, Expenditures
 and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2023

	Budget		Actual	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
TDA Article 3 funds	\$ 265,460	\$ 1,433,948	\$ 226,000	\$ (1,207,948)
Investment Income	200	200	212	12
Total revenues	265,660	1,434,148	226,212	(1,207,936)
Expenditures:				
Construction, maintenance, and engineering	-	1,182,950	-	1,182,950
Total expenditures	-	1,182,950	-	1,182,950
Excess (deficiency) of revenues over (under) expenditures	265,660	251,198	226,212	(24,986)
Other financing sources (uses):				
Transfers out - Administrative expenses	(60)	(60)	(60)	-
Total other financing sources (uses)	(60)	(60)	(60)	-
Net change in fund balance	\$ 265,600	\$ 251,138	226,152	\$ (24,986)
Fund (deficit) balance at beginning of year			(205,192)	
Fund balance at end of year			\$ 20,960	

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
 Article 3, Section 99234 Public Utilities Code

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2022

	Budget		Actual	Variance From
	Original	Final		Final Budget Favorable (Unfavorable)
Revenues:				
TDA Article 3 funds	\$ -	\$ 1,168,518	\$ -	\$ (1,168,518)
Total revenues	-	1,168,518	-	(1,168,518)
Expenditures:				
Construction, maintenance, and engineering	-	1,408,949	226,000	1,182,949
Total expenditures	-	1,408,949	226,000	1,182,949
Excess (deficiency) of revenues over (under) expenditures	-	(240,431)	(226,000)	14,431
Other financing sources (uses):				
Transfers out - Administrative expenses	(64)	(64)	(64)	-
Total other financing sources (uses)	(64)	(64)	(64)	-
Net change in fund balance	\$ (64)	\$ (240,495)	(226,064)	\$ 14,431
Fund balance at beginning of year			20,872	
Fund (deficit) balance at end of year			\$ (205,192)	

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

Supplemental Information

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3, Section 99234 Public Utilities Code

Schedule of Allocations Received and Expended, by Project Year

Fiscal Year Ended June 30, 2023

<u>Article</u>	<u>Project/Use</u>	<u>Year</u> <u>Allocated</u>	<u>Allocation</u> <u>Amount</u>	<u>Unspent</u> <u>Allocation at</u> <u>06/30/2022</u>	<u>Expenditure</u>	<u>Unspent</u> <u>Allocation at</u> <u>06/30/2023</u>
Article 3	Easton Sidewalk Improvements	2019	\$ 226,000	\$ -	\$ -	\$ -
Article 3	Merrill Safe Routes to School	2021	639,405	639,405	-	639,405
Article 3	Sycamore Safe Routes to School	2021	457,616	457,616	-	457,616
Totals			<u>\$ 1,323,021</u>	<u>\$ 1,097,021</u>	<u>\$ -</u>	<u>\$ 1,097,021</u>

Attachment: Combine TDA Reports - 4 Agencies (10813 : TDA Audits for Fiscal Year 2020/2021 and



Board of Directors
 San Bernardino County Transportation Authority
 San Bernardino, California

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Transportation Development Act Local Transportation Fund pursuant to Article 3 ("TDA Fund") of the City of Rialto, California ("City"), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated March 6, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including §6666 of Part 21 of the California Code of Regulations.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lake Forest, California
March 6, 2024

Minute Action

AGENDA ITEM: 10

Date: *September 4, 2024*

Subject:

Revise Policy No. 10111 - Work Requirements, Leaves, and Absences

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. Approve revisions to SBCTA Policy No. 10111 – Work Requirements, Leaves, and Absences Policy.

B. Approve a Budget Amendment to increase Task No. 0154 – Fringe-Holiday in the amount of \$47,000.

Background:

This policy establishes standards related to work requirements, leaves, and absence practices of the San Bernardino County Transportation Authority. This revision is being presented to ensure compliance with all Federal, State, and Local leave laws and to clarify existing policy.

The policy document is attached and significant changes are summarized below. The changes are also noted in the Revision History found at the end of the policy.

- Revised Definitions Section IV of California Family Rights Act (CFRA) and Sick Leave to include “Designated Person.”
- Added definitions to Definitions Section IV for: Bereavement Leave, Designated Person, Reproductive Loss Event, and Reproductive Loss Leave.
- Revised Sick Leave section to comply with passing of Senate Bill (SB) 616 effective on January 1, 2024.
- Revised Administrative Leave and Holiday Leave to clarify payout of leave upon separation, retirement, or death of employee.
- Added Reproductive Loss Leave section to comply with passing of SB 848 effective on January 1, 2024.
- Clarified definitions under the Family Medical Leave Act section to clarify differences between Family and Medical Leave Act vs. CFRA regarding eligible family members.
- Added separate Bereavement Leave section to comply with Government Code Section 12945.7 and the amendments to CFRA regulations effective on January 1, 2023.
- Revised observed holiday listing to eliminate Columbus Day holiday observed on the second Monday in October and replaced with Juneteenth holiday observed on June 19th. It is the recommendation of staff that this holiday schedule modifications take effect in calendar year 2025. A budget amendment to increase Task No. 0154 Fringe-Holiday in the amount of \$47,000 is requested to accommodate the additional holiday in the fiscal year budget.

Financial Impact:

This item is not consistent with the adopted Budget for Fiscal Year 2024/2025. A budget amendment is required as described in Recommendation B and described in the Background section of this item.

Entity: San Bernardino County Transportation Authority

Board of Directors Agenda Item
September 4, 2024
Page 2

Reviewed By:

This item was reviewed and unanimously recommended for approval by the General Policy Committee on August 14, 2024. SBCTA General Counsel has reviewed this item and the draft policy revisions.

Responsible Staff:

Colleen Franco, Director of Management Services

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

San Bernardino County Transportation Authority	Policy	10111
Adopted by the Board of Directors April 3, 1991	Revised	04/03/19 09/04/24
Work Requirements, Leaves, and Absences	Revision No.	15 <u>16</u>

Important Notice: A hardcopy of this document may not be the document currently in effect. The current version is always the version on the SBCTA Intranet.

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[Purpose](#) | [Authorization](#) | [References](#) | [Definitions](#) | [Work Standards](#) | [Vacation Leave](#) | [Sick Leave](#) | [Medical Emergency Leave](#) | [Administrative Leave](#) | [Holiday Leave](#) | [Pregnancy Disability Leave](#) | [Reproductive Loss Leave](#) | [Family Medical Leave](#) | [Blood Donor Leave](#) | [Jury Duty and Witness Leave](#) | [Leave for Victims of Domestic Violence, Sexual Assault, and Stalking](#) | [Military Leave](#) | [Special Leave](#) | [Unauthorized Absence](#) | [Paid Administrative Leave](#) | [School Related Leave](#) | [Bereavement Leave](#) | [Revision History](#) |

I. PURPOSE

The purpose of this policy is to establish standards for work requirements, leaves, and absences.

II. AUTHORIZATION

The Executive Director is authorized to implement and interpret this policy on behalf of the agency.

III. REFERENCES

Policy 10107, Compensation Administration
 Policy 10110, Employment Status and Classification
 Policy 10112, Retirement Medical Trust Fund
 Policy 10120, Employee 9/80 Alternative Work Schedule Program
 Policy 10122-1, Flexible Benefit Plan

IV. DEFINITIONS

Note: Refer to Policy 10110 for definitions of exempt, non-exempt, regular, and temporary employees.

Administrative Leave: Administrative leave is a leave of absence with pay earned as a condition of employment as a regular exempt employee and is granted to compensate for additional hours worked.

Bereavement Leave: An authorized absence from work for up to five days for eligible employees in the event of a death in their immediate family.

California Family Rights Act (CFRA): The State law governing an employee's right to an unpaid leave of absence for a serious health condition of the employee, child, spouse, domestic partner, parent, parent-in-law, grandparent, grandchild, sibling, or someone else related by blood or in a family-like relationship ("designated person") ~~or immediate family member~~ of the employee, the birth of a child to an employee, the care of a newborn by the employee, or the placement of a child with an employee in connection with adoption or foster care.

Designated Person: Pursuant to CFRA, a Designated Person is defined as an individual related to the employee by blood or whose association with the employee is equivalent to a family relationship. Employees requesting sick time or CFRA leave to care for a Designated Person must identify the designated person at the time of request for leave.

Fair Labor Standards Act (FLSA): The Federal law that establishes minimum wage, overtime pay, recordkeeping, and child labor standards affecting employees.

Family Medical Leave Act (FMLA): The Federal law governing employees' right of unpaid leave of absence ~~for birth or placement of an adoptive or foster child, care for a spouse, child, or parent to bond with a new child, care for an immediate family member~~ with a serious health condition, or to obtain treatment and otherwise recover from an employee's own serious health condition, for military family leave for the care of a covered servicemember with a serious injury or illness, or due to a qualifying exigency arising out of the fact that the employee's spouse, child, or parent has been called up to active duty. The FMLA also provides guidelines regarding continuance of health care benefits during FMLA leave, if health care coverage is a benefit granted to the employee. FMLA also provides the guidelines for return to work status to the employee to the same or similar position.

Immediate Family Members: Defined as a relative of the employee to include the spouse, registered domestic partner, children (~~including adopted, stepchildren, foster children, or legal wards, and children of a registered domestic partner~~), parents (~~including adopted, stepparents, foster parents, and legal guardians of employee~~), ~~parent-in-law, grandchildren, mother, father, grandparents, grandchild, and siblings, brother, sister, and mother and father-in-law.~~

Medical Emergency Leave: Authorized absence from duty with pay due to emergency or catastrophic health conditions funded by the donation of sick leave from other SBCTA employees.

Military Leave: Military leave is defined as the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority and includes active duty, active duty for training, inactive duty for training (weekend drills), and full-time National Guard duty.

Normal Workday: The normal workday for full-time, regular employees not on an Alternative Work Schedule (AWS) will be 8-hours in a workday, Monday through Friday, excluding holidays. (refer to Policy 10120 for workday requirements for 9/80 AWS).

Pregnancy Disability Leave (PDL): Leave for an employee who is disabled because of pregnancy, childbirth, or related medical condition as defined by the Fair Employment and Housing Act. PDL is a right of employees regardless of time or status of employment. PDL also provides guidelines on return to work status for the employee to the same or similar position.

Reproductive Loss Leave: ~~Leave to which an employee is entitled following a reproductive loss event.~~

Rest Periods: A time when the employee is still at work but relieved of duty for a paid ten-minute break for each four-hour period worked.

Sick Leave: An authorized paid absence from work: ~~(1) for the diagnosis, care or treatment of an existing health condition of or preventive care for an employee; (2) to provide care or assistance to an or his or her immediate family member or Designated Person with an illness, injury, or medical condition, including assisting in obtaining professional diagnosis or treatment of a medical condition or preventative care; (3) Also, an authorized absence for an employee who is a victim of domestic violence, sexual assault, or stalking for the purposes set forth in per Section XVI below; or (4) for Bereavement Leave as defined in this policy. VII below.~~

Vacation Leave: Vacation leave is a benefit, earned as a condition of employment as a regular employee, to leave of absence with pay for the recreation and well-being of the employee. Vacation leave may be used for Bereavement Leave as defined in this policy.

Work Week: For the purpose of this policy, "week" and "workweek" mean the employee's usual or normal work schedule constituting a 40-hour time period, Monday through Friday, excluding holidays. (Refer to Policy 10120 for the definition of Workday and Work Week for 9/80 AWS.)

V. WORK STANDARDS, WORK SCHEDULES, BREAK AND LUNCH PERIODS

A. Work Standards

1. **Regular Employees.** The Executive Director is authorized to modify the established workday as deemed appropriate to accommodate special circumstances. The supervisor determines the workday for regular part-time employees.

a. Each employee is responsible for documenting actual hours worked on his/her timesheet, on a daily basis.

b. Supervisors must consider minimum staffing requirements of the agency when approving leaves or absences for any employee.

2. **Temporary Employees.** Temporary employees are assigned a schedule by their supervisor that best suits the situation for which they were hired. Temporary employee work hours may fluctuate based on workload and project schedules and will be assigned a work schedule to meet the needs of the agency. Work performed as overtime or compensatory time by temporary employees will be paid according to SBCTA policy on Compensatory Time Off/Overtime Pay. (Refer to Policy 10109 – Compensatory Time Off/Overtime Pay.)

B. Work Requirements

1. **Exempt Employees.** Exempt employees are required to account for a minimum of 80 hours per pay period (including leave hours used as sick, vacation, administrative, or holiday leave). It is expected that exempt employees will work, on the average, more than 80 hours per pay period. Exempt employees may, subject to provisions of this policy, adjust their normal workday to accommodate work requirements, external demands, and travel schedules. Exempt employees may also be asked to modify their schedule, delay their vacation, or work extra hours to ensure the office is manned when circumstances warrant the additional work time.

2. **Non-Exempt Employees.** Non-exempt employee schedules may be changed to meet agency needs.

Any work performed beyond the employee’s regular work day and/or as overtime or compensatory time requires pre-approval by the supervisor. Should overtime result from such work, it will be paid according to the SBCTA policy on Compensatory Time Off/Overtime Pay. (Refer to Policy 10109 – Compensatory Time Off/Overtime Pay.)

Employees earning compensatory time must use this accrual prior to taking vacation leave.

C. Break and Lunch Periods. All employees are afforded lunch and break periods. Non-exempt employees scheduled to work six or more hours in a workday will be scheduled for a one-hour lunch period, for which wages will not be paid. Supervisors may reduce the lunch period to less than one hour, but no less than 30 minutes, due to workload demands. Each non-exempt employee scheduled to work for at least four hours is entitled to a 10-minute break for every four hours worked. Overtime will be calculated to include the 10-minute break but will not be calculated to include a lunch period.

VI. VACATION LEAVE

Employees in regular full-time positions accrue vacation leave as listed in Table 1. Part-time regular employees accrue vacation leave at a pro-rated rate depending on hours worked and based upon the accrual applicable to regular full-time employees. Once a regular part-time employee reaches the pro-rated accrual cap, they stop earning vacation.

Vacation Leave, Table 1

Length of Service from Benefit Date	Full Time	
	Annual Vacation Allowance	Maximum Unused Balance Allowed
- From start of hire through year four (from 0 to 8,320 service hours)	80 hours	160 hours
- From year five through year 9 (from over 8,320 to 18,720 service hours)	120 hours	240 hours
- Greater than nine years (over 18,720 service hours)	160 hours	320 hours

- A. Vacation leave accrues from first day of hire but is not available for use by employee until three months after hire or upon completion of a probationary period (if applicable), at the discretion of the supervisor.
- B. All accrued vacation leave will be paid upon retirement, separation, or death of the employee at his or her rate of pay at the time of retirement, separation, or death.
- C. Unless approved by the Executive Director, employees who resign, separate, or retire from service, or are terminated shall not be allowed to use vacation leave to extend their employment past the last date of work.

- D. The Executive Director is authorized to credit new employees with prior public service based upon previous employment for purposes of setting the vacation accrual rate. The Executive Director is also authorized to credit new employees for contract service with SBCTA for the purpose of establishing vacation accrual rate.
- E. Excess vacation leave may be converted to cash. The minimum amount of vacation leave that can be converted to cash is 40 hours.
1. Employees wishing to convert vacation leave to cash must state in writing (using the "Leave Cash-Out Election Agreement" form for the upcoming calendar year) to Finance before December 31st of each calendar year, the total amount of vacation hours to be earned in the next calendar year that the employee wishes to convert to cash. The employee's election is irrevocable.
 2. A ten percent penalty on leave cash-outs will be imposed for any cash-out that is not irrevocably elected in the prior calendar year. This requirement is mandated by the Internal Revenue Code.
 3. An employee may convert vacation leave to cash on a quarterly basis provided that a minimum of 40 hours for regular full-time employees or half the annual accrual for part-time employees of vacation leave has been used during the previous 12 months.
 4. Only vacation leave accrued in the current calendar year is eligible to be converted to cash without penalty.

VII. SICK LEAVE

A. Eligibility. Sick leave is granted to regular and temporary employees. ~~Sick leave is paid leave from work that may be used for the following purposes:~~

~~Diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee or any of the following of the employee's family members: child of any age or dependency status; parent; parent-in-law; spouse; registered domestic partner; grandparent; grandchildren; or sibling.~~

~~For an employee who is a victim of domestic violence, sexual assault, or stalking to: i) obtain or attempt to obtain a temporary restraining order or other court assistance to help ensure the health safety or welfare of the employee or his or her child; or ii) obtain medical attention or psychological counseling; services from a shelter; program or crisis center; or participate in safety planning or other actions to increase safety.~~

~~Bereavement due to the death of an immediate family member.~~

Sick leave is not intended to be used for taking time off for recreation, to be an earned right to time off from work, or for the convenience of resting for the day other than as authorized by this policy. An employee is limited to one Designated Person per 12-month period for paid sick leave. It is the responsibility of supervisors to ensure employees use sick leave for its intended purpose.

B. Sick Leave Accrual

1. **Regular Full-Time:** Employees in regular full-time positions accrue 96 hours of sick leave per year. There is no limit on sick leave accumulation. Sick leave accrues from first day of hire and is available for immediate use for authorized purposes. ~~valid reasons as identified in par. VII.B.~~ Accrued sick leave carries over from year to year.
2. **Regular Part-Time:** Employees in regular part-time positions accrue sick leave in an amount prorated to the lower number of hours they work per pay period in paid status. There is no limit on sick leave accumulation. Sick leave accrues from first day of hire and is available for immediate use for valid ~~reasons as identified in par. VII.B.~~ authorized purposes. Accrued sick leave carries over from year to year.
3. **Temporary:** Temporary employees accrue sick leave at the rate of one hour per every 30 hours worked, beginning on July 1, 2015, or if hired after July 1, 2015, beginning upon commencement of employment. Accrued and unused sick leave carries over to the following year of employment, but sick leave accruals may not total more than 4880 hours or 610 work days/shifts, whichever is greater. Sick leave accrues from first day of hire but is not available for use until the 90th day of employment.

C. Protected Sick Leave. For full-time and part-time employees who are not temporary, one-half of the employee's accrued and available annual sick leave is protected and may be used for any of the purposes stated in this policy.

For temporary employees, up to ~~24~~40 hours, or ~~three~~five days, whichever is greater, of accrued and available sick leave each year is protected and may be used for any of the purposes stated in this policy. The year is measured beginning on July 1, 2015, or the employee's anniversary of hire date, whichever is later.

D. Sick Leave Request. To request to use sick leave if the need for leave is foreseeable, an employee must give the immediate supervisor reasonable advance written or oral notice. If the need for sick leave is not foreseeable, the employee shall provide written or oral notice of the need for the leave as soon as practicable. If the employee is required to be absent on sick leave for more than one day, the employee must keep the immediate supervisor informed each day as to the date the employee expects to return to work and the purpose of the leave. Failure to request sick leave as required by this policy without good reason, may result in the employee being treated as absent without leave.

E. Unused Sick Leave. Converting Unused Sick Leave to Vacation: Employees who have accrued in excess of 500 hours of sick leave may convert the unused portion of sick leave in excess of 500 hours to vacation leave, on the basis of 50 percent, that is, two hours of sick leave for one hour of vacation leave.

F. Sick Leave Upon Separation

1. Payout of Unused Sick Leave Upon Retirement, Separation, or Death: Refer to Policy 10112.
2. If the employee is rehired within one year of the date of separation, the previously accrued and unused sick leave will be reinstated and the employee will be entitled to accrue additional paid sick leave upon rehiring.
3. Unless approved by the Executive Director (or, in the case of employees under contract with the Board of Directors, and the President or Vice President), employees who resign, separate, retire from service, or are terminated, will not be allowed to use sick leave to extend their employment past the last date of work.

G. Medical Certification

1. An employee must present to his/her supervisor a "back to work" letter from the doctor when he/she has been sick and has been absent from work and on sick leave for more than five workdays (40 sick leave hours), has been exposed to a communicable disease, or has been hospitalized. In such instances and at the discretion of the Executive Director, the employee may be required to undergo an examination by a doctor designated by SBCTA prior to resuming work to determine the medical and physical fitness of the employee to perform the duties of the position. These requirements ensure that the employee is well enough to return to work and to perform his/her normally assigned duties.
2. When an employee is absent from work due to a family illness, death, or other reason not related to the employee's own health and on sick leave for more than three workdays (more than 24 sick leave hours), the employee must provide a valid form of authorization to his/her supervisor with the reason for absence and the use of sick leave. Examples of valid forms of authorization are a doctor's note explaining why the employee's presence was required for an immediate family member's illness, documentation of the illness or death of an immediate family member, etc.
3. An employee with a limited duty notice from his/her doctor must provide the doctor's notice to his/her supervisor on the first day back to work for possible reassignment from normal duties.

H. Worker's Compensation Benefits. In lieu of Worker's Compensation benefits and sick leave, employees receive full salary for the first authorized 40 hours off work following an occupational injury or illness. Thereafter, accumulated sick or other types of leave may be used to supplement temporary disability compensation amounts.

VIII. MEDICAL EMERGENCY LEAVE

- A. This policy allows employees to donate sick leave to another employee, under prescribed circumstances. Medical Emergency Leave is allowable for emergency or catastrophic health conditions associated with eligible sick leave as specified in paragraphs VII.A & B.
- B. Medical Emergency Leave provides for authorized absence with pay for emergency or catastrophic health conditions funded by donations of sick leave from employees to another employee.
1. Employees may, on a strictly voluntary and confidential basis, make an irrevocable pledge of sick leave to another employee approved for Medical Emergency Leave. Sick leave pledged by a donor will remain in the donor's balance until such time as it is used by the recipient. Unused pledges will be retained by the donor.
 2. Donor employees may pledge up to 40 hours per fiscal year provided a minimum balance of 80 sick leave hours is maintained.
 3. Sick leave may be pledged and used in increments of no less than 4 hours.
- C. Medical Emergency Leave shall be approved by the Executive Director, or his designee. An employee shall meet the following conditions to be considered eligible for approval of Medical Emergency Leave. The employee shall:
1. Have regular employment status for 2080 continuous service hours.
 2. Have exhausted all available leave balances; i.e., sick, vacation, compensatory, and administrative leave.
 3. Produce a valid form of authorization related to the medical condition which requires sustained or repeated absences from duty, such as a doctor's note, documentation of illness, etc.
- D. An employee receiving workers' compensation benefits is not eligible for Medical Emergency Leave. An employee eligible for disability insurance and/or short-term disability must agree to integrate these benefits with sick leave donations.
- E. The cumulative Medical Emergency Leave pledged to any one employee shall not exceed 500 hours, except as authorized by the Executive Director.
- F. Medical Emergency Leave may only be used for the medical situation for which Medical Emergency Leave was approved.
- G. Hours pledged for Medical Emergency Leave shall be contributed at the donor's hourly base salary rate and be converted to the recipient's hourly base salary rate. The employee receiving Medical Emergency Leave donations will be taxed accordingly.
- H. The recipient of Medical Emergency Leave is not eligible for receipt of any accruals such as vacation, sick, holiday, administrative leave or retirement credit related to time taken as medical emergency leave.
- I. Names of donors, recipients, and associated information will be maintained in strict confidence and privacy rights will be upheld. Procedures relative to solicitation and administration will be established by the Executive Director.
- J. Privileges granted under Medical Emergency leave will be revoked at such time as the health condition for which Medical Emergency Leave was approved ceases to exist, as determined by the Executive Director.

IX. ADMINISTRATIVE LEAVE Exempt employees shall accrue 1.53 hours of administrative leave per pay period up to a maximum of 40 hours annually to compensate for additional hours worked throughout the year. A maximum of twice the annual award of administrative leave may be accrued by exempt personnel. This leave is separate from and in addition to any vacation or holiday leave granted to exempt employees.

Cash out of administrative leave is subject to the same cash out rules as restrictions as for vacation leave while employed with SBCTA – see par. VI. All accrued administrative leave will be paid upon retirement.

separation, or death of the employee at his or her rate of pay at the time of retirement, separation, or death.

X. HOLIDAY LEAVE

Regular employees are eligible for holiday leave. Part-time employees will be granted a pro-rated amount for holiday leave per holiday. Holiday leave is intended to allow employees the opportunity to celebrate holidays. Authorized SBCTA holidays are expected to be taken on the day they are scheduled.

A. Holiday leave may not be cashed out while employed with SBCTA. All accrued Holiday leave will be paid upon retirement, separation, or death of the employee at his or her rate of pay at the time of retirement, separation, or death.

B. Holidays falling on Saturday or Sunday shall be observed on the respective Friday or Monday as established by SBCTA. Holidays occurring during vacation shall be charged as holiday leave. Employees in regular positions shall be entitled to the following days as holiday leave:

- New Year's Day - January 1
- Martin Luther King Day - Third Monday in January
- President's Day - Third Monday in February
- ~~Memorial Day - Last Monday in May~~
- Juneteenth – June 19
- Independence Day - July 4
- Labor Day - First Monday in September
- ~~Columbus Day – Second Monday in October~~
- Veterans Day - November 11
- Thanksgiving Day
- Day after Thanksgiving Day
- Christmas Eve - December 24
- Christmas Day - December 25
- New Year's Eve - December 31

XI. PREGNANCY DISABILITY LEAVE

A. Amount of Leave. Employees who are temporarily disabled due to pregnancy, childbirth, or related medical conditions shall be eligible for unpaid Pregnancy Disability Leave (PDL) totaling up to the number of hours she would normally work within four months (one-third of a year or 17 1/3 weeks) in accordance with state law. For a full-time employee who works 40 hours per week, "four months" means 693 hours of leave entitlement, based on a 40 hour per week times 17 1/3 weeks. An employee who works less than 40 hours per week will receive a pro-rata or proportional amount of leave. There is no minimum time of employment to take this type of leave.

B. Compensation and Benefits During Leave. An employee on PDL must use any accrued sick leave for any portion of the leave for which state disability or short-term disability is not being paid. Once sick leave is depleted, the employee may elect to use vacation leave or any other accrued paid time off during the PDL. Otherwise, PDL is without pay. Pregnancy disability leaves are without pay. However, the employee must first use sick leave, if any. Once sick leave is depleted, the employee may elect to use vacation leave or any other accrued paid time off during the leave.

On an approved PDL, an employee may continue to receive any group health insurance coverage that was provided before her leave, beginning on the date the pregnancy disability leave begins and continuing for up to four months in a 12-month period, at the same level and under the same conditions that coverage would have been provided if the employee had continued in employment continuously for the duration of the leave. SBCTA may recover premiums it paid to maintain health coverage if an employee does not return to work following pregnancy disability leave, unless the reason for the failure to return is a circumstance beyond her control or the use of the separate right to 12 weeks of bonding leave under the California Family and Medical Leave Act. Refer to Policy 10122-1.

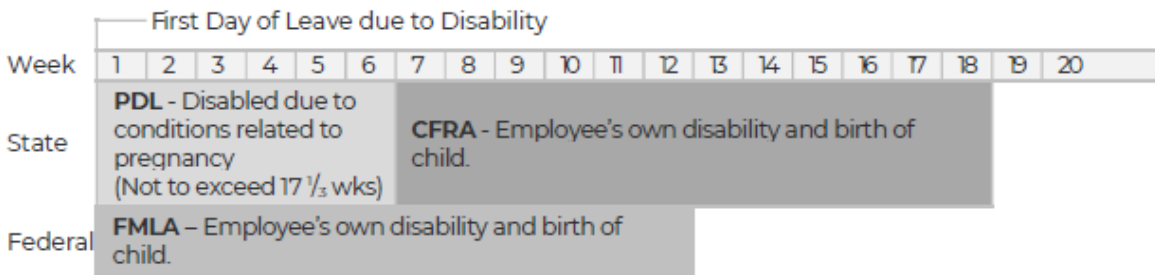
C. Notification and Certification Requirements. Requests for PDL must be submitted in writing with reasonable advance notice of the medical need for the leave. All leaves must be confirmed in writing,

have an agreed-upon specific date of return, and be submitted to the ~~Deputy Executive~~ Director of Management Services.

The request for PDL leave must be supported by a written certification from the attending physician stating that: 1) the employee is disabled from working by pregnancy, childbirth or a related medical condition; 2) the date on which the employee became disabled by pregnancy, childbirth or a related medical condition; and 3) the estimated duration or end date of the leave.

- D. Concurrent Use of Leave Entitlements.** With regard to PDL, FMLA leave will run concurrently with PDL. However, CFRA leave entitlement for baby bonding as a result of the birth of a child or to care for a newborn or the placement of a child in connection with adoption or foster care will commence once PDL has ended and will run concurrently with the remainder of any FMLA leave entitlement.

Following is an example of how PDL, FMLA, and CFRA may run concurrently:



- E. Paid Leave Accruals.** Paid leave accruals do not accrue while an employee is on unpaid pregnancy disability leave.

- EF. Employee Status During Leave.** The employee retains employee status during the leave. The leave is not a break in service for purposes of longevity or seniority or employee benefit plan. Benefits will be resumed upon the employee's reinstatement in the same manner and at the same levels as provided when the leave began, without any new qualification period, physical exam, or other qualifying provisions.

- FG. Reinstatement.** Upon the expiration of PDL pregnancy leave, the employee shall be reinstated in the same or similar job, so long as it was not eliminated for a legitimate business reason during the leave. If the employee's original position is no longer available, the employee will be assigned to a comparable, open position.

If upon return from leave an employee is unable to perform the essential functions of her job because of a physical or mental disability, SBCTA will initiate an interactive process with the employee in order to identify a potential reasonable accommodation.

XII. REPRODUCTIVE LOSS LEAVE

- A. Employees Eligible for Leave.** Employees who have at least 30 days of service with SBCTA may take up to five (5) days of job-protected leave for a Reproductive Loss Event.
- B. Amount of Leave.** An employee may take up to five (5) days of Reproductive Loss Leave for a Reproductive Loss Event. If an employee experiences more than one Reproductive Loss Event within a 12-month period, the total amount of Reproductive Loss Leave shall not exceed 20 days within a 12-month period. Leave days do not need to be taken consecutively, but Reproductive Loss Leave must be completed within three (3) months of the Reproductive Loss Event or the end date of any other leave entitlement under CFRA or federal law which the employee is on or chooses to take prior to or immediately following the Reproductive Loss Event.
- C. Compensation During Leave.** An employee on Reproductive Loss Leave may choose to use accrued sick, vacation, or any other accrued paid time off during the leave. Otherwise, Reproductive Loss Leave is without pay.

XIII. FAMILY MEDICAL LEAVE

- A. Statement of Policy.** SBCTA provides family and medical care leave for eligible employees as required by state and federal law. Employees who misuse or abuse family and medical care leave may be disciplined up to and including termination. Employees who fraudulently obtain or use CFRA leave are not protected by the CFRA's job restoration or maintenance of health benefits provisions. This Policy is supplemented by the Federal Family and Medical Leave Act ("FMLA"), and the California Family Rights Act ("CFRA").
- B. Concurrent Running of FMLA and CFRA Leaves.** Unless otherwise provided by law, SBCTA will run each employee's FMLA and CFRA leaves concurrently.
- C. Definitions.** For the purposes of Section XIII of this policy, the following definitions shall apply:
- 1. 12-Month Period:** A rolling 12-month period measured backward from the date leave is taken and continuous with each additional leave day taken.
 - 2. Single 12-Month Period:** A 12-month period which begins on the first day the eligible employee takes FMLA leave to take care of a covered service member and ends 12 months after that date.
 - 3a. Child (FMLA):** A child under the age of 18 years of age, or 18 years of age or older who is incapable of self-care because of a mental or physical disability. An employee's child is one for whom the employee has actual day-to-day responsibility for care, and includes a biological, adopted, foster or stepchild. A child is "incapable of self-care" if he/she requires active assistance or supervision to provide daily self-care in three or more of the activities of daily living or instrumental activities of daily living, such as caring for grooming and hygiene, bathing, dressing and eating, cooking, cleaning shopping, taking public transportation, paying bills, maintaining a residence, or using telephones and directories.
 - 3b. Child (CFRA):** A child of any age, including biological, adopted, foster child, stepchild, a legal ward, a child of the employee's domestic partner, or a person to whom the employee stands *in loco parentis*.
 - 4a. Parent (FMLA):** The biological parent of an employee or an individual who stands or stood *in loco parentis* (in place of a parent) to an employee when the employee was a child. This term does not include parents-in-law.
 - 4b. Parent (CFRA):** A parent includes a biological, foster or adoptive parent, a parent-in-law, a stepparent, a legal guardian, or other person who stood *in loco parentis* to the employee when the employee was a child.
 - 5. Spouse (FMLA/CFRA):** One of two persons to a lawfully recognized marriage, regardless of the sex of the persons, and for purposes of CFRA leave, includes a registered domestic partner as defined below.
 - 6. Domestic Partner (CFRA):** Another adult with whom the employee has chosen to share their life in an intimate and committed relationship of mutual caring and with whom the employee has filed a Declaration of Domestic Partnership with the Secretary of State, and who meets the criteria specified in California Family Code section 297. A legal union formed in another state that is substantially equivalent to the California domestic partnership is also sufficient.
 - 7. Designated Person (CFRA):** A designated person is defined as an individual related to the employee by blood or whose association with the employee is equivalent to a family relationship. Employees requesting CFRA leave to care for a designated person must identify the designated person at the time of request for leave.
 - 78. Serious Health Condition:** An illness, injury impairment, or physical or mental condition that involves:
 - a. Inpatient Care in a hospital, hospice, or residential medical care facility, including any period of incapacity (e.g., inability to work or perform other regular daily activities due to the serious health condition, treatment involved, or recovery therefrom). A person is considered "inpatient" when a health care facility admits him or her to the facility with the expectation that he or she will remain at least overnight, even if it later develops that such person can be discharged or transferred to another facility, and does not actually remain overnight; or
 - b. Continuing treatment by a health care provider: A serious health condition involving continuing treatment by a health care provider includes any one or more of the following:

- i. A period of incapacity (i.e., inability to work, or perform other regular daily activities) due to serious health condition of more than three consecutive calendar days; and
- ii. Any subsequent treatment or period of incapacity relating to the same condition, that also involves:
 - Treatment two or more times by a health care provider, by a nurse or physician's assistant under direct supervision by a health care provider, or by a provider of health care services (e.g., a physical therapist) under orders of, or on referral by a health care provider; or
 - Treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider. This includes, for example, a course of prescription medication or therapy requiring special equipment to resolve or alleviate the health condition. If the medication is over the counter and can be initiated without a visit to a health care provider, it does not constitute a regimen of continuing treatment.
- c. Any period of incapacity due to pregnancy or for prenatal care. Note that pregnancy is a "serious health condition" only under the FMLA. Under California law, an employee disabled by pregnancy is entitled to pregnancy leave.
- d. Any period of incapacity or treatment for such incapacity due to a chronic serious health condition. A chronic serious health condition is one which:
 - i. Requires periodic visits for treatment by a health care provider, or by a nurse or physician's assistant under direct supervision of a health care provider;
 - ii. Continues over an extended period of time (including recurring episodes of a single underlying condition); and
 - iii. May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.). Absences for such incapacity qualify for leave even if the absence lasts only one day.
- e. A period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by health care provider.
- f. Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment.

89. Health Care Provider:

- a. A doctor of medicine or osteopathy who is authorized to practice medicine or surgery in the State of California;
- b. Individuals duly licensed as a physician, surgeon, or osteopathic physician or surgeon in another state or jurisdiction, including another country, which directly treats or supervises treatment of a serious health condition;
- c. Podiatrists, dentists, clinical psychologists, optometrists, and chiropractors (limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by x-ray to exist) authorized to practice in California and performing within the scope of their practice as defined under California State law;
- d. Nurse practitioners and nurse-midwives and clinical social workers who are authorized to practice under California State law and who are performing within the scope of their practice as defined under California State law;
- e. Christian Science practitioners listed with the First Church of Christ, Scientist in Boston, Massachusetts; and
- f. Any health care provider from whom an employer or group health plan's benefits manager will accept certification of the existence of a serious health condition to substantiate a claim for benefits.

910. Covered Active Duty:

- a. In the case of a member of a regular component of the Armed Forces, duty during deployment of the member with the Armed Forces to a foreign country; or
- b. In the case of a member of the reserve component of the Armed Forces, duty during the deployment of the member of the Armed Forces to a foreign country under a call or order to active duty under certain specified provisions.

101. Covered Servicemember:

- a. A current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; or
- b. A veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces, including a member of the National Guard or Reserves, at any time during the period of five years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.

142. Outpatient Status: With respect to a covered servicemember, the status of a member of the Armed Forces assigned to either: (1) a military medical treatment facility as an outpatient; or (2) a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients.

123. Next of Kin of a Covered Servicemember: The nearest blood relative other than the covered servicemember's spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the covered servicemember by court decree or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the covered servicemember has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of military caregiver leave under the FMLA.

134. Serious Injury or Illness:

- a. In the case of a member of the Armed Forces, including a member of the National Guard or Reserves, means an injury or illness that a covered servicemember incurred in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by the service in the line of duty on active duty in the Armed Forces) and that may render the servicemember medically unfit to perform the duties of the member's office, grade, rank, or rating; or
- b. In the case of a veteran who was a member of the Armed Forces, including a member of the National Guard or Reserves, means an injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces) and that manifested itself before or after the member became a veteran.

D. Reasons for Leave. Leave is only permitted for the reasons listed below.

1. The birth of a child or to care for a newborn of an employee;
2. The placement of a child with an employee in connection with the adoption or foster care of a child;
- 3a (FMLA). Leave to care for a child, parent, or spouse, ~~or domestic partner who has with~~ a serious health condition;
- 3b (CFRA). Leave to care for a child of any age, spouse, partner, parent, grandparent, grandchild, sibling, or designated person with a serious health condition;
4. Leave because of a serious health condition that makes the employee unable to perform any one or more essential functions of his/her position;
5. Leave for a variety of "qualifying exigencies" arising out of the fact that an employee's spouse, son, daughter, or parent is on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation; or
6. Leave to care for a spouse, son, daughter, parent, or "next of kin" who is a covered servicemember of the U.S. Armed Forces who has a serious injury or illness: incurred in the line of duty while on active military duty; or that existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces. This leave can run up to 26 weeks of unpaid leave during a single 12-month period.

E. Employees Eligible for Leave. Employees employed by SBCTA for at least 12 months and who have been employed by SBCTA for at least 1,250 hours during the 12-month period immediately preceding the commencement of the requested leave are eligible for unpaid leave under the Family Medical Leave Act (FMLA) and California Family Rights Act (CFRA).

An employee is eligible for 12 weeks of parental leave to bond with a new child within one year of the child's birth, adoption or foster care placement if:

1. The employee has been employed by SBCTA for at least 12 months; and
2. The employee has been employed by SBCTA for at least 1,250 hours during the 12-month period immediately preceding the commencement of the leave.

F. Amount of Leave. Eligible employees are entitled to a total of 12 workweeks of leave in a rolling 12-month period or 26 workweeks of leave in a rolling 12-month period in the case of leave for the care of a covered servicemember with a serious injury or illness. In calculating hours worked for the purposes of FMLA, only service hours are used (refer to Policy 10107 for definition of service hours).

G. Consecutive CFRA and PDL Leave. Family leave under the CFRA may be taken in addition to PDL, if the circumstances meet the criteria for both leaves. Refer to Section XI, Pregnancy Disability Leave, above for information on PDL. Refer to Policy 10122-1 for continuance of benefits.

H. Minimum Duration of Leave.

1. If leave is requested for the birth, adoption or foster care placement of a child of the employee, leave must be concluded within one year of the birth or placement of the child. In addition, the basic minimum duration of such leave is two weeks. However, an employee is entitled to leave for one of these purposes (e.g. bonding with a newborn) for less than two weeks duration on any two occasions.
2. If leave is requested to care for a child, parent, spouse or the employee him/herself with serious health condition, there is no minimum amount of leave that must be taken. However, compliance with the notice and medical certification provisions in this policy is required.

I. Parents both Employed by SBCTA. If both parents of a child, adoptee, or foster child are employed by SBCTA and are entitled to bonding leave, the aggregate number of workweeks of leave to which both may be entitled may be limited to 12 workweeks during any 12-month period. If both parents of a covered servicemember are employed by SBCTA and are entitled to leave to care for a covered servicemember, the aggregate number of workweeks of leave to which both may be entitled is limited to 26 workweeks during the 12-month period. This limitation does not apply to any other type of leave under this policy.

J. Employee Benefits While on Leave.

1. **Group Health Insurance During Unpaid Leave.** Leave under this Policy is unpaid. While on unpaid leave, employees will continue to be covered by SBCTA's group health insurance for up to 12 weeks, or 6 pay periods, each leave year to the same extent that coverage is provided while the employee is on the job. If the employee is disabled by pregnancy, coverage will continue up to four months, or 8 pay periods, each leave year. If an employee disabled by pregnancy also uses leave under the CFRA for baby-bonding, SBCTA will maintain her coverage while she is disabled by pregnancy (up to four months or 17 1/3 weeks) and during her CFRA leave (up to 12 weeks).
2. **Benefit Plans Not Provided through SBCTA's Group Health Plan During Unpaid Leave Do Not Continue.** SBCTA does not pay for benefit plans that are not part of the group health plan for any employee on unpaid leave. As a result, employees will not continue to be covered under SBCTA's benefit plans that are not provided through the SBCTA's group health plans while the employee is on unpaid leave.
3. **Payment of Premiums.** Employees may make the appropriate contributions for continued coverage under the health benefits plans by payroll deductions (if the employee is using his or her paid leave) or direct payments (if the employee is not using his or her paid leave). The Benefits Administrator will inform the employee whether the direct payments

for premiums should be paid to the carrier or to SBCTA via the Benefits Administrator, and the deadlines for paying premiums in order to prevent coverage from being dropped. Employee contribution rates are subject to any changes in rates that occur while the employee is on leave.

- 4. Recovery of Premium if the Employee Fails to Return from Leave.** If an employee fails to return to work after his or her leave entitlement has been exhausted or expires, SBCTA shall have the right to recover its share of health plan premiums for the entire leave period, unless the employee does not return because of the continuation, recurrence, or onset of a serious health condition of the employee or his or her family member which would entitle the employee to leave, or because of circumstances beyond the employee's control.

5. Paid Leave Accruals. Paid leave accruals do not accrue while an employee is on unpaid family and medical care leave.

- K. Substitution of Paid Accrued Leaves.** Although family and medical care leave is unpaid, an employee may elect and SBCTA will require an employee to concurrently use all paid accrued leaves during family and medical care leave as described below.

- 1. SBCTA's Right to Require an Employee to use Paid Leave when using FMLA/CFRA Leave.** Employees must use and exhaust their accrued leaves concurrently with family and medical care leave to the same extent that employees have the right to use their accrued leaves concurrently with family and medical care leave with two exceptions:
- Employees are not required to use paid leave during leave pursuant to a disability plan that pays a portion of the employee's salary while on leave unless the employee agrees to use paid leave to cover the unpaid portion of the disability leave benefit; and
 - An employee must agree to use accrued sick leave to care for a child, parent, spouse or domestic partner.

- 2. SBCTA's Right to Require an Employee to Exhaust FMLA/CFRA Leave Concurrently with Other Leaves.** If an employee takes a leave of absence for any purpose which also qualifies under both the FMLA and CFRA, SBCTA will designate that leave as running concurrently with the employee's 12-week FMLA/CFRA leave entitlement.

- 3. SBCTA's and Employee's Rights if an Employee Requests Accrued Leave without Mentioning FMLA or CFRA.** If an employee requests to utilize accrued vacation leave or other accrued paid time off without reference to a FMLA/CFRA qualifying purpose, SBCTA may not ask the employee if the leave is for a FMLA/CFRA qualifying purpose. However, if SBCTA denies the employee's request and the employee provides information that the requested time off is for a FMLA/CFRA qualifying purpose, SBCTA may require the employee to exhaust accrued leave as described above.

- L. Employee Notice of Leave.** The employee must provide as much notification as possible when requesting FMLA/CFRA leave. If leave is foreseeable, at least 30 days' notice is required. In addition, if an employee knows that he/she will need leave in the future, but does not know the exact day(s) (e.g. for the birth of a child or to take care of a newborn), the employee shall inform his/her supervisor as soon as possible that such leave will be needed. For foreseeable leave due to a qualifying exigency, an employee must provide verbal or written notice of the need for leave as soon as practicable, regardless of how far in advance such leave is foreseeable.

- M. Medical Certification / Recertification.** Employees who request leave must provide a medical certification and/or recertification to support the need for the leave as described below:

- 1. Employee's Own Serious Health Condition.** Employees who request leave for their own serious health condition must provide written certification from the health care provider that contains all of the following: the date, if known, on which the serious health condition commenced; the probable duration of the condition; and a statement that, due to the serious health condition, the employee is unable to work at all or is unable to perform any one or more of the essential functions of his or her position. Upon expiration of the time

period the health care provider originally estimated that the employee needed for his/her own serious health condition, the employee must obtain recertification if additional leave is requested.

- 2. Family Member Serious Health Condition.** Employees who request leave to care for a child, parent, domestic partner or a spouse who has serious health condition must provide written certification from the health care provider of the family member requiring care that contains all of the following: the date, if known, on which the serious health condition commenced; the probable duration of the condition; an estimate of the amount of time which the health care provider believes the employee needs to care for the child, parent, domestic partner, or spouse, and a statement that the serious health condition warrants the participation of the employee to provide care during a period of treatment or supervision of the child, parent or spouse.

The term “warrants the participation of the employee” includes, but is not limited to, providing psychological comfort, and arranging third party care for the covered family member, as well as directly providing, or participating in, the medical care. Upon expiration of the time period the health care provider originally estimated that the employee needed to care for a covered family member, the employer must obtain recertification if additional leave is requested.

- 3. Servicemember Serious Injury or Illness.** Employees who request FMLA leave to care for a covered servicemember who is a child, spouse, parent or “next of kin” of the employee, must provide written certification from a health care provider regarding the injured servicemember’s serious injury or illness. SBCTA will verify the certification as permitted by the FMLA regulations.
- 4. Qualifying Exigency.** The first time an employee requests FMLA leave because of a qualifying exigency, an employee may require the employee to provide a copy of the servicemember’s active duty orders or other documentation issued by the military which indicates that the servicemember is on covered active duty or call to active duty status in a foreign country, and the dates of the servicemember’s active duty service. A copy of the new active duty orders or similar documentation shall be provided to SBCTA if the need for leave because of a qualifying exigency arises out of a different active duty or call to active duty status of the same or a different servicemember. SBCTA will verify the certification as permitted by the FMLA regulations.

- N. Time to Provide a Medical Certification.** When an employee has provided at least 30 days’ notice for a foreseeable leave, the employee must provide a medical certification before the leave begins. When this is not possible, the employee must provide the medical certification to SBCTA within the time frame requested by SBCTA (which must allow at least 15 calendar days after the employer’s request), unless it is not practicable under the particular circumstances to do so despite the employee’s diligent, good faith efforts.

- O. Consequences for Failure to Provide an Adequate or Timely Certification.** If an employee provides an incomplete medical certification, the employee will be given a reasonable opportunity to cure any such deficiency. However, if an employee fails to provide a medical certification within the time frame established in this policy, SBCTA may delay the taking of FMLA/CFRA leave until required certification is provided, or deny FMLA/CFRA protections following the expiration of the time period to provide an adequate certification.

- P. ~~Deputy Executive Director’s~~ Director of Management Services’ Review of the Contents of Medical Certification for Employee’s Own Serious Health Condition.**

- 1. Complete and Sufficient.** The employee must provide a certification for his or her own serious health condition that is complete and sufficient to support the request for leave. A certification is incomplete if one or more of the applicable entries on the certification form have not been completed. A certification is insufficient if the information on the certification form is vague, ambiguous, or not responsive. If the certification is incomplete or insufficient, the ~~Deputy Executive Director~~ Director of Management Services will give the employee written notice of the deficiencies and seven days to cure, unless a longer period

is necessary in light of the employee's diligent, good faith efforts to address the deficiencies.

- 2. Authentication and Clarification.** After giving the employee an opportunity to cure the deficiencies in a medical certification for the employee's own serious health condition, the ~~Deputy Executive Director~~ Director of Management Services may contact the health care provider who provided the certification to clarify and/or authenticate the certification. "Authentication" means providing the health care provider with a copy of the certification form and requesting verification that the information on the form was completed or authorized by the health care provider who signed the form. "Clarification" means contacting the health care provider to understand the handwriting on the medical certification or to understand the meaning of the response. The ~~Deputy Executive Director~~ Director of Management Services may not ask for additional information beyond that required on the certification form.

- Q. Second and Third Medical Opinions for Employee's Own Serious Health Condition.** If SBCTA has a good faith, objective reason to doubt the validity of a certification for the employee's serious health condition, SBCTA may require a medical opinion of a second health care provider chosen and paid for by SBCTA. If the second opinion is different from the first, SBCTA may require the opinion of a third provider jointly approved by SBCTA and the employee, but paid for by SBCTA. The opinion of the third provider will be binding. SBCTA must provide the employee with a copy of the second and third medical opinions, where applicable, without cost, upon the request of the employee.

- R. Intermittent Leave or Leave on a Reduced Schedule.** If an employee requests leave intermittently (a few days or hours at a time) or on a reduced leave schedule for his or her own serious health condition, or to care for an immediate family member with serious health condition, the employee must provide medical certification that such leave is medically necessary. "Medically necessary" means there must be a medical need for the leave and that the leave can best be accomplished through an intermittent or reduced leave schedule. SBCTA may require an employee who certifies the need for a reduced schedule or intermittent leave to temporarily transfer to an alternate position of equivalent pay and benefits that better accommodates the leave schedule.

S. Reinstatement Upon Return From Leave.

- 1. Reinstatement to Same or Equivalent Position.** Upon expiration of leave, an employee is entitled to be reinstated to the position of employment held when the leave commenced, or to an equivalent position with equivalent benefits and pay. Employees have no greater rights to reinstatement, benefits, and other conditions of employment than if the employee had been continuously employed during the FMLA/CFRA period.
- 2. Date of Reinstatement.** If a definite date of reinstatement has been agreed upon at the beginning of the leave, the employee will be reinstated on the date agreed upon. If the reinstatement date differs from the original agreement of the employee and SBCTA, the employee will be reinstated within two business days, where feasible, after the employee notifies the employer of his/her readiness to return.
- 3. Employee's Obligation to Periodically Report on His/Her Condition.** Employees may be required to periodically report on their status and intent to return to work. This will avoid any delays to reinstatement when the employee is ready to return.
- 4. Fitness for Duty Certification.** As a condition of reinstatement of an employee whose leave was due to the employee's own serious health condition, which made the employee unable to perform his or her job, the employee must obtain and present a fitness-for-duty certification from the health care provider stating that the employee is able to resume work. Failure to provide such certification will result in denial of reinstatement.
- 5. Reinstatement of "Key Employees".** SBCTA may deny reinstatement to a "key" employee (i.e., an employee who is among the highest paid 10 percent of all employed by the SBCTA within 75 miles of the worksite) if such denial is necessary to prevent substantial and grievous economic injury to the operations of SBCTA, and the employee is

notified of SBCTA's intent to deny reinstatement on such basis at the time SBCTA determines that such injury would occur.

T. Required Forms. Employees must complete the applicable forms to receive family and medical care leave.

XIII.V. BLOOD DONOR LEAVE

With prior approval from the immediate supervisor, employees in regular positions may receive up to two hours off with pay for whole blood donations or four hours off for plasma (apheresis) donations.

XIV. JURY DUTY AND WITNESS LEAVE

- A. Notice.** Any employee, including a temporary employee, who is summoned to serve on a jury, or subpoenaed or ordered to be a witness, must notify his or her supervisor or department head as soon as possible.
- B. Return to Work Requirement.** Any employee who is released from jury service prior to the end of his or her scheduled work hours must report to work unless otherwise authorized by his or her supervisor.
- C. Pay for Jury Duty and Witness Leave.** Regular employees who are ordered to serve on jury duty receive their base pay for those hours of absence from work, provided the employee waives fees for jury duty service, other than mileage.
The time spent on jury duty is not work time for purposes of calculating overtime compensation.
- D. Certification Requirement.** Employees will provide Finance a "Jury Duty Certification" form at the end of the required jury duty to verify the service.
- E. Regarding SBCTA Duties.** Any employee, including a temporary employee, who is subpoenaed to appear in court in a matter regarding an event or transaction in the course of his or her SBCTA job duties, must give his or her supervisor as much advance notice as is possible. SBCTA will determine whether the matter involves an event or transaction in the course of the employee's SBCTA job duties. If so, this leave to appear in court will be without loss of compensation, and the time spent will be considered work time. SBCTA will offset the amount from pay the employee receives for witness fees.
- F. Regarding Employee-Initiated Proceedings.** Any employee, including a temporary employee, who is subpoenaed to appear, or appears in court because of civil or administrative proceedings that he or she initiated, is not entitled to receive compensation for time spent related to those proceedings. An employee may request to receive time off without pay or may use any accrued leave other than sick leave for time spent related to those proceedings. The time spent in these proceedings is not considered work time.
- G. Regarding Victim of Crime / Victim Family Member Court Attendance Leave.** Any employee, including a temporary employee, who is a victim of a crime that is a serious or violent felony, or a felony involving theft or embezzlement, may take leave from work to attend judicial proceedings related to that crime, if the employee provides SBCTA a copy of the notice of the scheduled proceeding in advance. If advance notice is not feasible, the employee must provide SBCTA, within a reasonable time after the leave is taken, documentation from the district attorney, victim's rights office, or court / governing agency that shows that the judicial proceeding occurred when the leave was used. An employee who is an immediate family member of such a crime victim, including: a registered domestic partner; the child of the registered domestic partner; spouse; child; stepchild; brother; stepbrother; sister; stepsister; mother; stepmother; father; or stepfather of the crime victim is also entitled to leave from work to attend judicial proceedings relating to that crime. The leave is unpaid unless the employee elects to use accrued vacation, sick, or other paid leave, or compensatory time off.
- H. Regarding Crime Victim/ Family Member Victims' Rights Proceedings Leave.** Any employee, including a temporary employee, who is a victim of a crime listed in Labor Code section 230.5(a)(2)(A), may take leave from work to appear in court to be heard at any proceeding in which the right of the victim is at issue, if the employee provides SBCTA reasonable advance notice. If advance notice is not feasible, the employee must provide SBCTA, within a reasonable time after the leave is taken, certification from a police report, a district attorney or court, or from a health care provider or victim advocate, that the employee was a victim of any of the crimes listed in Labor Code section

230.5(a)(2)(A). An employee who is a spouse, parent, child, sibling, or guardian of such a crime victim is also a victim who is entitled to this leave if the above notice or certification requirements are met. The leave is unpaid unless the employee elects to use accrued vacation or paid leave, or compensatory time.

XVI. LEAVE FOR VICTIMS OF DOMESTIC VIOLENCE, SEXUAL ASSAULT, OR STALKING

- A. To Obtain Restraining Orders or Injunctive Relief.** Any employee, including a temporary employee, who is a victim of domestic violence, sexual assault, or stalking, may take leave from work to obtain or attempt to obtain any relief, including, but not limited to: a temporary restraining order, restraining order, or other injunctive relief to help ensure the health, safety, or welfare of the employee or his or her child, if the employee provides advance notice of the need for leave. If advance notice is not feasible, the employee must provide any of the following certifications within a reasonable time after the leave: a police report indicating that the employee was a victim; a court order protecting the employee from the perpetrator; evidence from the district attorney or court that the employee has appeared in court; or documentation from a health care provider or counselor that the employee was undergoing treatment for physical or mental injuries or abuse. The leave is unpaid unless the employee elects to use sick leave, accrued vacation or paid leave, or compensatory time.
- B. To Obtain Medical Attention, Counseling, or Safety Planning.** Any employee, including a temporary employee, who is a victim of domestic violence, sexual assault, or stalking, may take leave from work to attend to any of the following: obtaining medical attention or psychological counseling; obtaining services from a shelter, program or crisis center; or participating in safety planning or other actions to increase safety, if the employee provides advance notice of the employee's intention to take time off for these purposes. If advance notice is not feasible, the employee must provide any of the following to SBCTA within a reasonable time after the leave: a police report indicating that the employee was a victim; a court order protecting the employee from the perpetrator; evidence from the district attorney or court that the employee has appeared in court; or documentation from a health care provider or counselor that the employee was undergoing treatment for physical or mental injuries or abuse. The leave is unpaid unless the employee elects to use sick leave, accrued vacation or personal leave, or compensatory time.

XVII. MILITARY LEAVE

Military leave will be provided in accordance with state and federal law, including, but not limited to, California Military and Veterans Code Section 395 *et seq.*, and any amendment thereto, and the federal Uniformed Service Employment and Reemployment Rights Act of 1994 (USERRA), codified at 38 U.S.C. Section 4301 *et seq.*

- A. Notice and Orders.** All employees shall provide advance notice of military service unless military necessity prevents the giving of notice or the giving of notice is impossible or unreasonable. Where available, a copy of military orders must accompany the request for leave.
- B. Temporary Military Leaves of Absence.** Any employee who is a member of the reserve corps of the Armed Forces, National Guard, or Naval Militia shall be entitled to a temporary military leave of absence for the purpose of active military training, encampment, naval cruises, special exercises, or like activity, provided that the period of ordered duty does not exceed one hundred eighty (180) calendar days, including time spent going to and returning from duty. While on paid status, an employee on temporary military leave shall receive the same vacation, administrative, holiday, sick leave, step advances employment, and reemployment privileges that the employee would have enjoyed had the employee not been absent, provided such employee has been employed by SBCTA for at least one (1) year immediately prior to the date such leave begins. In determining the one (1) year employment requirement, all time spent in recognized military service, active or temporary, shall be counted. An exception to the above is that an uncompleted probationary period must be completed upon return to the job. Any employee meeting the above one (1) year employment requirement shall be entitled to receive his/her regular salary or compensation, pursuant to par. XVI F. of this Policy.

C. Long Term Military Leaves of Absence (Active Duty). An employee who resigns or leaves his or her position to serve in the Armed Forces or is ordered to active duty in the Armed Forces shall have a right to return to his or her former classification upon serving written notice to the appointing authority, no later than ninety (90) days after completion of such service unless an exception applies pursuant to USERRA. Returning employees are subject to a physical/psychological examination.

If SBCTA has abolished the employee's former classification, then the employee shall be entitled to a classification with comparable functions, duties, and compensation if such classification exists, or to a comparable vacant position for which the employee is qualified.

The right to return to a former classification shall include the right to be restored to such status as the employee would have if the employee had not been absent.

D. Inactive Duty. This Policy does not include an employee's attendance for inactive duty, commonly referred to as weekend reserve meetings or drills. Employees must use their own time to attend such meetings. Should the meetings unavoidably conflict with an employee's regular working hours, the employee may use vacation or holiday leave, leave without pay, or make up the time. Employees who are called in for a medical examination to determine physical fitness for military duty may also use vacation leave, leave without pay, or make up the time. Employees cannot be required to use their accrued leave.

E. Uniformed Service Employment and Reemployment Rights Act of 1994. Eligible employees who are absent from their positions for service in the uniformed services are entitled to the reemployment and benefit rights as further described in USERRA. Specifically, a returning employee will receive restoration of original hire and benefit date, salary step, vacation accrual rate, administrative leave accrual rate, sick leave balance (unless the employee has received payment for unused sick leave in accordance with provisions contained herein), the retirement plan contribution rate, and retirement system contributions (provided the employee complies with any requirements established by the Retirement Board).

F. Compensation. Any employee meeting the requirements in Paragraphs XV B and C, shall be entitled to receive his or her regular salary or compensation for the first thirty (30) calendar days of any such leave. Pay for such purposes shall not exceed thirty (30) days in any one fiscal year and shall be paid only for the employee's regularly scheduled workdays that fall within the thirty (30) calendar days.

G. Continuation of Wage and Benefits for Full-Time Employee Called to Active Duty. An employee who is a member of the Armed Services Reserve or National Guard and is called to active duty as a result of the activation of military reservists, and who are eligible to receive the thirty (30) calendar day military leave compensation shall receive the difference between his/her military pay (including wages, salary, specialty assignment, housing subsidy or any other form of compensation) and his/her base salary with SBCTA starting on the 31st calendar day of military leave. The difference in salary payments shall not continue beyond 365 calendar days. During this period, SBCTA would continue to contribute towards the medical and dental benefits of the employee, providing the employee and his/her dependents were covered under the medical and dental plans offered by SBCTA prior to being called to active duty. During the period of military service, the medical and dental plans provided by the military for the employee and dependents would be the primary payer.

H. Ten Days of Unpaid Spousal Leave. An employee whose legal spouse is a member of the Armed Services, National Guard, or Reserves, and is deployed during a period of military conflict, is entitled to ten days of unpaid leave, if the employee satisfies all the following:

1. Works 20 or more hours per week on average for SBCTA; and
2. Provides his or her department head with notice, within two business days of receiving official notice that the spouse will be deployed, of his or her intention to take the leave; and
3. Submits written documentation to the department head certifying that the spouse will be deployed during the time of the leave sought.

As used here, "period of military conflict" means a period of war declared by the U.S. Congress or a period of deployment pursuant to sections 12301 and 12302 of Title 10 of the U.S. Code or Title 32 of the U.S. Code.

XVII. SPECIAL LEAVE OF ABSENCE WITHOUT PAY

Unless authorized by law or an SBCTA policy, an employee is not entitled to a leave of absence without pay. Instead, only upon written request by the employee and at the discretion and approval of the Executive Director, may a regular employee be granted a leave of absence without pay. Special leave is subject to the needs of the agency.

A. Reasons for Special Leave of Absence:

1. Medically incapacitated to perform assigned duties.
2. Complete a relevant course of study that will enhance his or her value as an employee.
3. For any reason considered appropriate by the Executive Director.

B. An authorized leave of absence without pay is not a break in service for purposes of calculating seniority. Employees taking a special leave of absence for reasons other than ~~a protected leave, Pregnancy Disability Leave, Family Medical Leave, or California Rights Act Leave~~ may be granted the right to return to their current position, but will be required to compensate the agency for costs related to continuance of their benefit plan during the absence. Refer to Policy 10122-1.

C. Unless required by law, vacation leave credits, sick leave credits, increases in salary, all other paid leaves, holidays and fringe benefits and other similar benefits do not accrue to an employee on unpaid leave. During the period of authorized unpaid leave, all service and leave credits shall be retained at the levels existing as of the effective date of the leave.

XVIII. UNAUTHORIZED ABSENCE, ABUSE OF LEAVE, AND EXCESSIVE TARDINESS

A. Unauthorized Absence. Unauthorized absence from work is considered cause for dismissal.

Absence from work without permission for three consecutive days will be considered an automatic resignation.

B. Abuse of Leave. Abuse of leave is a claim of entitlement to leave when the employee does not meet the requirements for taking the leave, and may be grounds for discipline, up to and including termination. Should SBCTA suspect that there is an abuse of leave by an employee, the agency may require that the employee submit a physician's certificate to support the absence.

C. Excessive Tardiness. Excessive tardiness occurs when a non-exempt employee, without authorization, is late to work or late to return from breaks more than three times during any 30-day period. Excessive absenteeism occurs when the number of unapproved absences for reasons that are not permitted by state or federal law, exceeds three days in any three-month period. Excessive tardiness or absenteeism may be grounds for discipline, up to and including termination.

XIX. PAID ADMINISTRATIVE LEAVE

SBCTA has the right to place an employee on leave with full pay for non-disciplinary reasons at any time when the Deputy Executive Director has determined that the employee's and/or SBCTA's best interests warrant the leave. The employee does not have a right to appeal the decision to be placed on administrative leave with pay.

XXI. SCHOOL RELATED LEAVE

A. School or Licensed Day Care Activity Leave. Any employee who is a parent, guardian, stepparent, foster parent, grandparent, or person who stands *in loco parentis* to one or more children who are in kindergarten or grades 1 through 12, or who are in a licensed child care facility, shall be allowed up to 40 hours each school year, not to exceed eight hours in any calendar month of the school year, to: participate in activities of their child's school or licensed child care facility; find, enroll, or reenroll a child in a school or with a licensed child care provider; or to pick up a child due to a child care provider or school emergency. The employee must provide reasonable advance notice to his/her supervisor of the planned absence. The leave is unpaid unless the employee uses vacation or compensatory time

off. The employee must provide documentation from the school or licensed child care facility as verification that the employee participated in school or child care facility activities on a specific date and at a particular time. If both parents, guardians or grandparents having custody work for SBCTA at the same SBCTA work site, only the first parent requesting will be entitled to leave under this provision.

- B. Child Suspension Leave.** Any employee who is the parent or guardian of a child in grades 1 through 12 may take time off to go to the child's school in response to a request from the child's school, if the employee gives advance notice to his or her supervisor. A school has the authority to request that the parent attend the child's school if the child has: committed any obscene act; habitually used profanity or vulgarity; disrupted school activities; or otherwise willfully defied the valid authority of school personnel.

XXII. BEREAVEMENT LEAVE

A. Employees who have at least 30 days of service with SBCTA may take up to five (5) days of Bereavement Leave due to the death of an Immediate Family Member.

B. Eligible employees are entitled to a total of five (5) days off for each occurrence of loss. Leave must be completed within three months of the death of the Immediately Family Member, however the leave need not be taken on consecutive days. Employees must communicate the need to take Bereavement Leave with their immediate supervisor or with the Director of Management Services. If requested by SBCTA, the employee shall provide sufficient documentation of the death of the Immediate Family Member to their supervisor.

C. An employee on Bereavement Leave may choose to use accrued sick, vacation, or any other accrued paid time off during the leave. Otherwise, Bereavement Leave is without pay.

XXIII. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted by the Board of Directors.	04/03/91
1	<ul style="list-style-type: none"> - Added definitions to provide specific citation of State and Federal requirements, as well as to provide clarity for those interpreting SANBAG personnel policies. - Authorized the SANBAG Executive Director to interpret SANBAG policies to handle administrative interpretations. - Provided more specificity with respect to regular, part-time, and temporary employee work hours. Authorized the Executive Director to modify the established workday, as necessary. Expanded on the reporting of hours worked to reflect daily, actual hours worked and consideration of minimum agency requirements. Clarified differences between exempt and non-exempt work standards, as well as requirements related to payment of overtime and compensatory time off. Eliminated paid vacation, holiday, and sick from time worked for purposes of calculating overtime, as provided in the Fair Labor Standards Act. - Added provisions for part-time employee vacation accrual rates. Incorporated Internal Revenue Service requirements relative to declaration of cash outs and imposition of penalties. - Eliminated the ability to allocate Administrative Leave to the Cafeteria Plan. - Established holiday accrual rates for part-time employees. Eliminated the ability to cash out holiday time and established an expectation that holidays will be taken on the date specified. - Provided specific standards for use of sick leave, return to work orders, and examinations. Specified sick leave accrual rates for part-time employees. - Expanded the explanation of pregnancy disability, family medical, blood donor, jury duty, and military leaves to provide a better general description and references for those interpreting SANBAG personnel policies. - Expanded language to provide clarity for leave of absence and unauthorized absence. 	03/01/00
2	<ul style="list-style-type: none"> - Par. II. AUTHORIZATION: Moved from par. IV into its own paragraph. - Par. III. REFERENCES: Added reference to Policy 10110, Employment Status and Classification. - Par. IV. DEFINITIONS: Removed definitions for exempt, non-exempt, regular, and temporary employees since those terms are now defined in Policy 10110, where the terms properly belong. 	04/03/02

	- Par. VIII. ADMINISTRATIVE LEAVE: Revised to change "A maximum of 80 hours of administrative leave may be accrued." to "A maximum of twice the annual award of administrative leave may be accrued." Also changed the cash out of administrative leave to be the same as for vacation leave. - Formatting changes made throughout policy to convert policy into current SANBAG policy format.	
3	Par. IV: Added Medical Emergency Leave definition. Par. VIII: Added new paragraph on Medical Emergency. Re-numbered subsequent paragraphs.	09/04/02
4	Par. III. REFERENCES: Added Policy 10122-1, Flexible Benefit Plan. Par. XI, second paragraph: Added reference to Policy 10122-1. Par. XII.A: Added reference to Policy 10122-1. Par. XVI.B: Added reference to Policy 10122-1.	01/05/05
5	Par. XI: Modified maximum pregnancy disability leave for eligible employees from 123 calendar days to four months in accordance with State law; corrected an error in the amount of time SANBAG will continue benefits for unpaid Pregnancy Disability Leave for up to six pay periods, rather than six weeks; requires written notice five days in advance of pregnancy disability leave, unless the commencement of leave was not foreseeable." Par. XVI.B: Edited to add "...for reasons other than Pregnancy Disability Leave, Family Medical Leave, or California Family Rights leave...".	09/07/05
6	Par. IV: Added definition for Military Leave. Par. XV. MILITARY LEAVE: Revised to reflect the USERRA (Uniformed Services Employment and Reemployment Rights Act) military leave benefits revised in December 2005.	06/07/06
7	Par. VI.A: Revised from "whichever is later" to "at the discretion of the supervisor". Note: Revised Policy 10110, Employment Status and Classification was approved by the Board on 6/4/03 to extend the probationary period from 1040 service hours to 2080 service hours. The change to this Policy 10111 enables the supervisor to allow a new employee to take vacation before the probationary period ends.	09/13/06
8	Par. III: Added Policy 10112, Retirement Medical Trust Fund Par VII.C.2: Revised to refer to Policy 0112, Retirement Medical Trust Fund – payout of unused sick leave upon retirement, separation, or death is now in Policy 10112.	08/01/07
9	Administrative change to correct minor error to the definition of Military Leave in par. IV. Is: Military leave is defined ... active duty for training, initial active duty for training (weekend drills), ... duty. Should be: Military leave is defined ... active duty for training, inactive duty for training (weekend drills), ... duty,	08/27/08
10	Policy Title: Changed from Work Hours, Leaves, and Absences to Work Requirements, Leaves, and Absences. Par. I: Changed purpose from "... establish standards for working hours ..." to "... establish standards for work requirements...". Par. III: Added reference to Policy 10120, Employee Work Schedules. Par. IV: Revised Workday and Work Week definitions by referring to Policy 10120. Par. V.A.1: Deleted the first sentence on the normal workday. Par. V.A.1.a: Revised for clarity – changed from passive to active voice to emphasize employee responsibility. Par. V.B: Revised paragraph heading from "Work Schedule" to "Work Requirements". Par. V.B.1: Revised "SANBAG exempt employees will work, on the average, more than 40 hours per workweek..." to "... more than 80 hours per pay period..." due to 9/80 work schedule. Par. V.B.2: Revised second sentence for clarity. Par. VI.D: Added second paragraph for clarification of vacation accrual rates for employees credited with prior public service.	11/05/08
11	Par. IV. DEFINITIONS: Revised definition of FMLA to include new military family leave entitlement – see par. XII.G. Par. VI: Table 1, Vacation Leave – revised to replace pay periods with service hour levels, for clarification. Par. VI.D: Added paragraph to clarify the vacation accrual rate when credit for prior public service is authorized by the Executive Director – "credit for prior service and approval of an accrual rate which recognizes prior employment will not affect the requirement for specified years of SANBAG service prior to elevation to the next higher accrual rate." Par. XII. FAMILY MEDICAL LEAVE: Revised to add second sentence on "rolling 12-month period". Par. XII.G: Added new paragraph on Military Family Leave Entitlement. These are new military family leave entitlements enacted (effective January 16, 2009) under the National Defense Authorization Act for FY 2008.	07/01/09

12	Par. XV.E. Continuation of Wage and Benefits for Full-Time Employee Called to Active Duty. Added new paragraph to Military Leave.	08/05/09
13	Par. IV: Revised Workday by removing specific 8-5pm schedule and reference 8-hour day M-F. Par. VII.C.A: Added Victim of domestic violence, sexual assault, or stalking. Par. VII.B: Separated accrual and usage by classification adding in new temporary classifications eligibility for sick leave accrual under the new Healthy Families Act of 2014. Par. VII.C.2: Revised to specify separated employee will have their sick leave accruals reinstated if the employee is rehired within a year of the date of separation as required under the Healthy Families Act of 2014.	06/03/15
14	Revised to be consistent with SB1305. Change approved by the Board on January 4, 2107, Agenda Item 6.	01/04/17
15	Par. IV: Revised; Par. V: Revised; Par. VI: Revised; Par. VII: Revised; Par. IX: Revised; Par. XI: Revised; Par. XII: Revised; Par. XIV: Revised; Par. XV: Added Leave for Victims of Domestic Violence, Sexual Assault and Stalking; Par. XVI: Revised to comply with California Military and Veterans Code Section 395 <i>et seq.</i> , and the federal Uniformed Service Employment and Reemployment Rights Act of 1994 (USERRA) (38 U.S.C. § 4301 <i>et seq.</i>); Par. XVII: Renumbered and Revised Special Leave of Absence Without Pay; Par. XVIII: Renumbered and revised to add Abuse of Leave and Excessive Tardiness; Par. XIX: Added Paid Administrative Leave; Par. XX: Added School Related Leave; Par. XXI: Renumbered. Change approved by the Board on April 3, 2019, Agenda Item 6.	04/03/19
16	<u>Revised to be consistent with AB 1041 (2022) and AB 1949 (2022).</u> <u>Par. IV. DEFINITIONS: Revised definitions to include Designated Person, Bereavement Leave and Reproductive Loss Leave to comply with passing of SB 848 (2023).</u> <u>Par. VII.A: Added Designated Person to list of approved Family Members and included limit of one designated person per 12-month period.</u> <u>Revised Par. VII to be consistent with SB 616 (2023).</u> <u>Par. VII.B.3: Revised sick leave accrual hours from 48 to 80 and accrual days from 6 to 10.</u> <u>Par. VII.C: Increased amount of paid sick leave for temporary employees from 24 to 40 hours and from 3 to 5 days.</u> <u>Par. IX: Revised; Par. XI.A: Revised: Added second sentence to clarify payout of leave upon separation.</u> <u>Par. X.B Eliminated Christopher Columbus Day and added Juneteenth holiday</u> <u>Par. XII: Added new paragraph on Reproductive Loss Leave. Re-numbered subsequent paragraphs</u> <u>Par. XXII: Added new paragraph on Bereavement Leave. Re-numbered subsequent paragraphs</u>	09/04/24

San Bernardino County Transportation Authority	Policy	10111
Adopted by the Board of Directors April 3, 1991	Revised	09/04/24
Work Requirements, Leaves, and Absences	Revision No.	16

Important Notice: A hardcopy of this document may not be the document currently in effect. The current version is always the version on the SBCTA Intranet.

<p>Table of Contents</p> <p> Purpose Authorization References Definitions Work Standards Vacation Leave Sick Leave Medical Emergency Leave Administrative Leave Holiday Leave Pregnancy Disability Leave Reproductive Loss Leave Family Medical Leave Blood Donor Leave Jury Duty and Witness Leave Leave for Victims of Domestic Violence, Sexual Assault, and Stalking Military Leave Special Leave Unauthorized Absence Paid Administrative Leave School Related Leave Bereavement Leave Revision History </p>
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I. PURPOSE

The purpose of this policy is to establish standards for work requirements, leaves, and absences.

II. AUTHORIZATION

The Executive Director is authorized to implement and interpret this policy on behalf of the agency.

III. REFERENCES

- Policy 10107, Compensation Administration
- Policy 10110, Employment Status and Classification
- Policy 10112, Retirement Medical Trust Fund
- Policy 10120, Employee 9/80 Alternative Work Schedule Program
- Policy 10122-1, Flexible Benefit Plan

IV. DEFINITIONS

Note: Refer to Policy 10110 for definitions of exempt, non-exempt, regular, and temporary employees.

Administrative Leave: Administrative leave is a leave of absence with pay earned as a condition of employment as a regular exempt employee and is granted to compensate for additional hours worked.

Bereavement Leave: An authorized absence from work for up to five days for eligible employees in the event of a death in their immediate family.

California Family Rights Act (CFRA): The State law governing an employee’s right to an unpaid leave of absence for a serious health condition of the employee, child, spouse, domestic partner, parent, parent-in-law, grandparent, grandchild, sibling, or someone else related by blood or in a family-like relationship (“designated person”) of the employee, the birth of a child to an employee, the care of a newborn by the employee, or the placement of a child with an employee in connection with adoption or foster care.

Designated Person: Pursuant to CFRA, a Designated Person is defined as an individual related to the employee by blood or whose association with the employee is equivalent to a family relationship. Employees requesting sick time or CFRA leave to care for a Designated Person must identify the designated person at the time of request for leave.

Fair Labor Standards Act (FLSA): The Federal law that establishes minimum wage, overtime pay, recordkeeping, and child labor standards affecting employees.

Family Medical Leave Act (FMLA): The Federal law governing employees’ right of unpaid leave of absence for birth or placement of an adoptive or foster child, care for a spouse, child, or parent with a serious health condition, or to obtain treatment and otherwise recover from an employee’s own serious

health condition, for military family leave for the care of a covered servicemember with a serious injury or illness, or due to a qualifying exigency arising out of the fact that the employee's spouse, child, or parent has been called up to active duty. The FMLA also provides guidelines regarding continuance of health care benefits during FMLA leave, if health care coverage is a benefit granted to the employee. FMLA also provides the guidelines for return to work status to the employee to the same or similar position.

Immediate Family Members: Defined as a relative of the employee to include the spouse, registered domestic partner, children (including adopted, stepchildren, foster children, legal wards, and children of a registered domestic partner), parents (including adopted, stepparents, foster parents, and legal guardians of employee), parent-in-law, grandparents, grandchild, and siblings.

Medical Emergency Leave: Authorized absence from duty with pay due to emergency or catastrophic health conditions funded by the donation of sick leave from other SBCTA employees.

Military Leave: Military leave is defined as the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority and includes active duty, active duty for training, inactive duty for training (weekend drills), and full-time National Guard duty.

Normal Workday: The normal workday for full-time, regular employees not on an Alternative Work Schedule (AWS) will be 8-hours in a workday, Monday through Friday, excluding holidays. (refer to Policy 10120 for workday requirements for 9/80 AWS).

Pregnancy Disability Leave (PDL): Leave for an employee who is disabled because of pregnancy, childbirth, or related medical condition as defined by the Fair Employment and Housing Act. PDL is a right of employees regardless of time or status of employment. PDL also provides guidelines on return to work status for the employee to the same or similar position.

Reproductive Loss Leave: Leave to which an employee is entitled following a reproductive loss event.

Rest Periods: A time when the employee is still at work but relieved of duty for a paid ten-minute break for each four-hour period worked.

Sick Leave: An authorized paid absence from work: (1) for the diagnosis, care or treatment of an existing health condition of or preventive care for an employee; (2) to provide care or assistance to an Immediate Family Member or Designated Person with an illness, injury, or medical condition, including assisting in obtaining professional diagnosis or treatment of a medical condition or preventative care; (3) for an employee who is a victim of domestic violence, sexual assault, or stalking for the purposes set forth in Section XVI below; or (4) for Bereavement Leave as defined in this policy.

Vacation Leave: Vacation leave is a benefit, earned as a condition of employment as a regular employee, leave of absence with pay for the recreation and well-being of the employee. Vacation leave may be used for Bereavement Leave as defined in this policy.

Work Week: For the purpose of this policy, "week" and "workweek" mean the employee's usual or normal work schedule constituting a 40-hour time period, Monday through Friday, excluding holidays. (Refer to Policy 10120 for the definition of Workday and Work Week for 9/80 AWS.)

V. WORK STANDARDS, WORK SCHEDULES, BREAK AND LUNCH PERIODS

A. Work Standards

1. **Regular Employees.** The Executive Director is authorized to modify the established workday as deemed appropriate to accommodate special circumstances. The supervisor determines the workday for regular part-time employees.
 - a. Each employee is responsible for documenting actual hours worked on his/her timesheet, on a daily basis.
 - b. Supervisors must consider minimum staffing requirements of the agency when approving leaves or absences for any employee.
2. **Temporary Employees.** Temporary employees are assigned a schedule by their supervisor that best suits the situation for which they were hired. Temporary employee work hours may fluctuate based on workload and project schedules and will be assigned a work schedule to meet the needs of the agency. Work performed as overtime or compensatory time by temporary employees will be

paid according to SBCTA policy on Compensatory Time Off/Overtime Pay. (Refer to Policy 10109 – Compensatory Time Off/Overtime Pay.)

B. Work Requirements

1. **Exempt Employees.** Exempt employees are required to account for a minimum of 80 hours per pay period (including leave hours used as sick, vacation, administrative, or holiday leave). It is expected that exempt employees will work, on the average, more than 80 hours per pay period. Exempt employees may, subject to provisions of this policy, adjust their normal workday to accommodate work requirements, external demands, and travel schedules. Exempt employees may also be asked to modify their schedule, delay their vacation, or work extra hours to ensure the office is manned when circumstances warrant the additional work time.

2. **Non-Exempt Employees.** Non-exempt employee schedules may be changed to meet agency needs.

Any work performed beyond the employee's regular work day and/or as overtime or compensatory time requires pre-approval by the supervisor. Should overtime result from such work, it will be paid according to the SBCTA policy on Compensatory Time Off/Overtime Pay. (Refer to Policy 10109 – Compensatory Time Off/Overtime Pay.)

Employees earning compensatory time must use this accrual prior to taking vacation leave.

C. Break and Lunch Periods. All employees are afforded lunch and break periods. Non-exempt employees scheduled to work six or more hours in a workday will be scheduled for a one-hour lunch period, for which wages will not be paid. Supervisors may reduce the lunch period to less than one hour, but no less than 30 minutes, due to workload demands. Each non-exempt employee scheduled to work for at least four hours is entitled to a 10-minute break for every four hours worked. Overtime will be calculated to include the 10-minute break but will not be calculated to include a lunch period.

VI. VACATION LEAVE

Employees in regular full-time positions accrue vacation leave as listed in Table 1. Part-time regular employees accrue vacation leave at a pro-rated rate depending on hours worked and based upon the accrual applicable to regular full-time employees. Once a regular part-time employee reaches the pro-rated accrual cap, they stop earning vacation.

Vacation Leave, Table 1

Length of Service from Benefit Date	Full Time	
	Annual Vacation Allowance	Maximum Unused Balance Allowed
- From start of hire through year four (from 0 to 8,320 service hours)	80 hours	160 hours
- From year five through year 9 (from over 8,320 to 18,720 service hours)	120 hours	240 hours
- Greater than nine years (over 18,720 service hours)	160 hours	320 hours

- A. Vacation leave accrues from first day of hire but is not available for use by employee until three months after hire or upon completion of a probationary period (if applicable), at the discretion of the supervisor.
- B. All accrued vacation leave will be paid upon retirement, separation, or death of the employee at his or her rate of pay at the time of retirement, separation, or death.
- C. Unless approved by the Executive Director, employees who resign, separate, or retire from service, or are terminated shall not be allowed to use vacation leave to extend their employment past the last date of work.
- D. The Executive Director is authorized to credit new employees with prior public service based upon previous employment for purposes of setting the vacation accrual rate. The Executive Director is also authorized to credit new employees for contract service with SBCTA for the purpose of establishing vacation accrual rate.

- E. Excess vacation leave may be converted to cash. The minimum amount of vacation leave that can be converted to cash is 40 hours.
1. Employees wishing to convert vacation leave to cash must state in writing (using the "Leave Cash-Out Election Agreement" form for the upcoming calendar year) to Finance before December 31st of each calendar year, the total amount of vacation hours to be earned in the next calendar year that the employee wishes to convert to cash. The employee's election is irrevocable.
 2. A ten percent penalty on leave cash-outs will be imposed for any cash-out that is not irrevocably elected in the prior calendar year. This requirement is mandated by the Internal Revenue Code.
 3. An employee may convert vacation leave to cash on a quarterly basis provided that a minimum of 40 hours for regular full-time employees or half the annual accrual for part-time employees of vacation leave has been used during the previous 12 months.
 4. Only vacation leave accrued in the current calendar year is eligible to be converted to cash without penalty.

VII. SICK LEAVE

A. Eligibility. Sick leave is granted to regular and temporary employees. Sick leave is not intended to be used for taking time off for recreation, to be an earned right to time off from work, or for the convenience of resting for the day other than as authorized by this policy. An employee is limited to one Designated Person per 12-month period for paid sick leave. It is the responsibility of supervisors to ensure employees use sick leave for its intended purpose.

B. Sick Leave Accrual

1. **Regular Full-Time:** Employees in regular full-time positions accrue 96 hours of sick leave per year. There is no limit on sick leave accumulation. Sick leave accrues from first day of hire and is available for immediate use for authorized purposes. Accrued sick leave carries over from year to year.
2. **Regular Part-Time:** Employees in regular part-time positions accrue sick leave in an amount prorated to the lower number of hours they work per pay period in paid status. There is no limit on sick leave accumulation. Sick leave accrues from first day of hire and is available for immediate use for valid authorized purposes. Accrued sick leave carries over from year to year.
3. **Temporary:** Temporary employees accrue sick leave at the rate of one hour per every 30 hours worked, beginning on July 1, 2015, or if hired after July 1, 2015, beginning upon commencement of employment. Accrued and unused sick leave carries over to the following year of employment, but sick leave accruals may not total more than 80 hours or 10 work days/shifts, whichever is greater. Sick leave accrues from first day of hire but is not available for use until the 90th day of employment.

C. Protected Sick Leave. For full-time and part-time employees who are not temporary, one-half of the employee's accrued and available annual sick leave is protected and may be used for any of the purposes stated in this policy.

For temporary employees, up to 40 hours, or five days, whichever is greater, of accrued and available sick leave each year is protected and may be used for any of the purposes stated in this policy. The year is measured beginning on July 1, 2015, or the employee's anniversary of hire date, whichever is later.

D. Sick Leave Request. To request to use sick leave if the need for leave is foreseeable, an employee must give the immediate supervisor reasonable advance written or oral notice. If the need for sick leave is not foreseeable, the employee shall provide written or oral notice of the need for the leave as soon as practicable. If the employee is required to be absent on sick leave for more than one day, the employee must keep the immediate supervisor informed each day as to the date the employee expects to return to work and the purpose of the leave. Failure to request sick leave as required by this policy without good reason, may result in the employee being treated as absent without leave.

E. Unused Sick Leave. Converting Unused Sick Leave to Vacation: Employees who have accrued in excess of 500 hours of sick leave may convert the unused portion of sick leave in excess of 500 hours

to vacation leave, on the basis of 50 percent, that is, two hours of sick leave for one hour of vacation leave.

F. Sick Leave Upon Separation

1. Payout of Unused Sick Leave Upon Retirement, Separation, or Death: Refer to Policy 10112.
2. If the employee is rehired within one year of the date of separation, the previously accrued and unused sick leave will be reinstated and the employee will be entitled to accrue additional paid sick leave upon rehiring.
3. Unless approved by the Executive Director (or, in the case of employees under contract with the Board of Directors, the President or Vice President), employees who resign, separate, retire from service, or are terminated, will not be allowed to use sick leave to extend their employment past the last date of work.

G. Medical Certification

1. An employee must present to his/her supervisor a "back to work" letter from the doctor when he/she has been sick and has been absent from work and on sick leave for more than five workdays (40 sick leave hours), has been exposed to a communicable disease, or has been hospitalized. In such instances and at the discretion of the Executive Director, the employee may be required to undergo an examination by a doctor designated by SBCTA prior to resuming work to determine the medical and physical fitness of the employee to perform the duties of the position. These requirements ensure that the employee is well enough to return to work and to perform his/her normally assigned duties.
2. When an employee is absent from work due to a family illness, death, or other reason not related to the employee's own health and on sick leave for more than three workdays (more than 24 sick leave hours), the employee must provide a valid form of authorization to his/her supervisor with the reason for absence and the use of sick leave. Examples of valid forms of authorization are a doctor's note explaining why the employee's presence was required for an immediate family member's illness, documentation of the illness or death of an immediate family member, etc.
3. An employee with a limited duty notice from his/her doctor must provide the doctor's notice to his/her supervisor on the first day back to work for possible reassignment from normal duties.

H. Worker's Compensation Benefits. In lieu of Worker's Compensation benefits and sick leave, employees receive full salary for the first authorized 40 hours off work following an occupational injury or illness. Thereafter, accumulated sick or other types of leave may be used to supplement temporary disability compensation amounts.

VIII. MEDICAL EMERGENCY LEAVE

- A. This policy allows employees to donate sick leave to another employee, under prescribed circumstances. Medical Emergency Leave is allowable for emergency or catastrophic health conditions associated with eligible sick leave as specified in paragraphs VII.A & B.
- B. Medical Emergency Leave provides for authorized absence with pay for emergency or catastrophic health conditions funded by donations of sick leave from employees to another employee.
 1. Employees may, on a strictly voluntary and confidential basis, make an irrevocable pledge of sick leave to another employee approved for Medical Emergency Leave. Sick leave pledged by a donor will remain in the donor's balance until such time as it is used by the recipient. Unused pledges will be retained by the donor.
 2. Donor employees may pledge up to 40 hours per fiscal year provided a minimum balance of 80 sick leave hours is maintained.
 3. Sick leave may be pledged and used in increments of no less than 4 hours.

- C. Medical Emergency Leave shall be approved by the Executive Director, or his designee. An employee shall meet the following conditions to be considered eligible for approval of Medical Emergency Leave. The employee shall:
1. Have regular employment status for 2080 continuous service hours.
 2. Have exhausted all available leave balances; i.e., sick, vacation, compensatory, and administrative leave.
 3. Produce a valid form of authorization related to the medical condition which requires sustained or repeated absences from duty, such as a doctor's note, documentation of illness, etc.
- D. An employee receiving workers' compensation benefits is not eligible for Medical Emergency Leave. An employee eligible for disability insurance and/or short-term disability must agree to integrate these benefits with sick leave donations.
- E. The cumulative Medical Emergency Leave pledged to any one employee shall not exceed 500 hours, except as authorized by the Executive Director.
- F. Medical Emergency Leave may only to be used for the medical situation for which Medical Emergency Leave was approved.
- G. Hours pledged for Medical Emergency Leave shall be contributed at the donor's hourly base salary rate and be converted to the recipient's hourly base salary rate. The employee receiving Medical Emergency Leave donations will be taxed accordingly.
- H. The recipient of Medical Emergency Leave is not eligible for receipt of any accruals such as vacation, sick, holiday, administrative leave or retirement credit related to time taken as medical emergency leave.
- I. Names of donors, recipients, and associated information will be maintained in strict confidence and privacy rights will be upheld. Procedures relative to solicitation and administration will be established by the Executive Director.
- J. Privileges granted under Medical Emergency leave will be revoked at such time as the health condition for which Medical Emergency Leave was approved ceases to exist, as determined by the Executive Director.

IX. ADMINISTRATIVE LEAVE

Exempt employees shall accrue 1.53 hours of administrative leave per pay period up to a maximum of 40 hours annually to compensate for additional hours worked throughout the year. A maximum of twice the annual award of administrative leave may be accrued by exempt personnel. This leave is separate from and in addition to any vacation or holiday leave granted to exempt employees.

Cash out of administrative leave is subject to the same cash out rules as vacation leave while employed with SBCTA – see par. VI. All accrued administrative leave will be paid upon retirement, separation, or death of the employee at his or her rate of pay at the time of retirement, separation, or death.

X. HOLIDAY LEAVE

Regular employees are eligible for holiday leave. Part-time employees will be granted a pro-rated amount for holiday leave per holiday. Holiday leave is intended to allow employees the opportunity to celebrate holidays. Authorized SBCTA holidays are expected to be taken on the day they are scheduled.

A. Holiday leave may not be cashed out while employed with SBCTA. All accrued Holiday leave will be paid upon retirement, separation, or death of the employee at his or her rate of pay at the time of retirement, separation, or death.

B. Holidays falling on Saturday or Sunday shall be observed on the respective Friday or Monday as established by SBCTA. Holidays occurring during vacation shall be charged as holiday leave. Employees in regular positions shall be entitled to the following days as holiday leave:

- New Year's Day - January 1
- Martin Luther King Day - Third Monday in January

- President's Day - Third Monday in February
- Memorial Day - Last Monday in May
- Juneteenth – June 19
- Independence Day - July 4
- Labor Day - First Monday in September
- Veterans Day - November 11
- Thanksgiving Day
- Day after Thanksgiving Day
- Christmas Eve - December 24
- Christmas Day - December 25
- New Year's Eve - December 31

XI. PREGNANCY DISABILITY LEAVE

A. Amount of Leave. Employees who are temporarily disabled due to pregnancy, childbirth, or related medical conditions shall be eligible for unpaid Pregnancy Disability Leave (PDL) totaling up to the number of hours she would normally work within four months (one-third of a year or 17 1/3 weeks) in accordance with state law. For a full-time employee who works 40 hours per week, "four months" means 693 hours of leave entitlement, based on a 40 hour per week times 17 1/3 weeks. An employee who works less than 40 hours per week will receive a pro-rata or proportional amount of leave. There is no minimum time of employment to take this type of leave.

B. Compensation and Benefits During Leave. An employee on PDL must use any accrued sick leave for any portion of the leave for which state disability or short-term disability is not being paid. Once sick leave is depleted, the employee may elect to use vacation leave or any other accrued paid time off during the PDL. Otherwise, PDL is without pay.

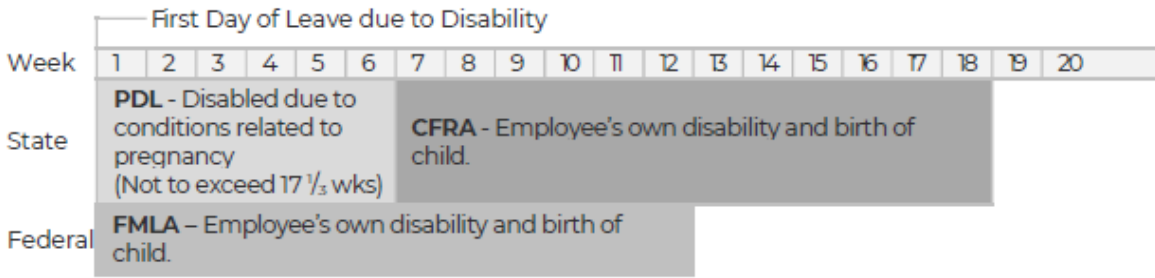
On an approved PDL, an employee may continue to receive any group health insurance coverage that was provided before her leave, beginning on the date the pregnancy disability leave begins and continuing for up to four months in a 12-month period, at the same level and under the same conditions that coverage would have been provided if the employee had continued in employment continuously for the duration of the leave. SBCTA may recover premiums it paid to maintain health coverage if an employee does not return to work following pregnancy disability leave, unless the reason for the failure to return is a circumstance beyond her control or the use of the separate right to 12 weeks of bonding leave under the California Family and Medical Leave Act. Refer to Policy 10122-1.

C. Notification and Certification Requirements. Requests for PDL must be submitted in writing with reasonable advance notice of the medical need for the leave. All leaves must be confirmed in writing, have an agreed-upon specific date of return, and be submitted to the Director of Management Services.

The request for PDL leave must be supported by a written certification from the attending physician stating that: 1) the employee is disabled from working by pregnancy, childbirth or a related medical condition; 2) the date on which the employee became disabled by pregnancy, childbirth or a related medical condition; and 3) the estimated duration or end date of the leave.

D. Concurrent Use of Leave Entitlements. With regard to PDL, FMLA leave will run concurrently with PDL. However, CFRA leave entitlement for baby bonding as a result of the birth of a child or to care for a newborn or the placement of a child in connection with adoption or foster care will commence once PDL has ended and will run concurrently with the remainder of any FMLA leave entitlement.

Following is an example of how PDL, FMLA, and CFRA may run concurrently:



E. Paid Leave Accruals. Paid leave accruals do not accrue while an employee is on unpaid pregnancy disability leave.

F. Employee Status During Leave. The employee retains employee status during the leave. The leave is not a break in service for purposes of longevity or seniority or employee benefit plan. Benefits will be resumed upon the employee's reinstatement in the same manner and at the same levels as provided when the leave began, without any new qualification period, physical exam, or other qualifying provisions.

G. Reinstatement. Upon the expiration of PDL, the employee shall be reinstated in the same or similar job, so long as it was not eliminated for a legitimate business reason during the leave.

If the employee's original position is no longer available, the employee will be assigned to a comparable, open position.

If upon return from leave an employee is unable to perform the essential functions of her job because of a physical or mental disability, SBCTA will initiate an interactive process with the employee in order to identify a potential reasonable accommodation.

XII. REPRODUCTIVE LOSS LEAVE

- A. Employees Eligible for Leave.** Employees who have at least 30 days of service with SBCTA may take up to five (5) days of job-protected leave for a Reproductive Loss Event,
- B. Amount of Leave.** An employee may take up to five (5) days of Reproductive Loss Leave for a Reproductive Loss Event. If an employee experiences more than one Reproductive Loss Event within a 12-month period, the total amount of Reproductive Loss Leave shall not exceed 20 days within a 12-month period. Leave days do not need to be taken consecutively, but Reproductive Loss Leave must be completed within three (3) months of the Reproductive Loss Event or the end date of any other leave entitlement under CFRA or federal law which the employee is on or chooses to take prior to or immediately following the Reproductive Loss Event..
- C. Compensation During Leave.** An employee on Reproductive Loss Leave may choose to use accrued sick, vacation, or any other accrued paid time off during the leave. Otherwise, Reproductive Loss Leave is without pay.

XIII. FAMILY MEDICAL LEAVE

- A. Statement of Policy.** SBCTA provides family and medical care leave for eligible employees as required by state and federal law. Employees who misuse or abuse family and medical care leave may be disciplined up to and including termination. Employees who fraudulently obtain or use CFRA leave are not protected by the CFRA's job restoration or maintenance of health benefits provisions. This Policy is supplemented by the Federal Family and Medical Leave Act ("FMLA"), and the California Family Rights Act ("CFRA").
- B. Concurrent Running of FMLA and CFRA Leaves.** Unless otherwise provided by law, SBCTA will run each employee's FMLA and CFRA leaves concurrently.
- C. Definitions.** For the purposes of Section XIII of this policy, the following definitions shall apply:
 - 1. 12-Month Period:** A rolling 12-month period measured backward from the date leave is taken and continuous with each additional leave day taken.
 - 2. Single 12-Month Period:** A 12-month period which begins on the first day the eligible employee takes FMLA leave to take care of a covered service member and ends 12 months after that date.

- 3a. Child (FMLA):** A child under the age of 18 years of age, or 18 years of age or older who is incapable of self-care because of a mental or physical disability. An employee's child is one for whom the employee has actual day-to-day responsibility for care, and includes a biological, adopted, foster or stepchild. A child is "incapable of self-care" if he/she requires active assistance or supervision to provide daily self-care in three or more of the activities of daily living or instrumental activities of daily living, such as caring for grooming and hygiene, bathing, dressing and eating, cooking, cleaning shopping, taking public transportation, paying bills, maintaining a residence, or using telephones and directories.
- 3b. Child (CFRA):** A child of any age, including biological, adopted, foster child, stepchild, a legal ward, a child of the employee's domestic partner, or a person to whom the employee stands *in loco parentis*.
- 4a. Parent (FMLA):** The biological parent of an employee or an individual who stands or stood *in loco parentis* (in place of a parent) to an employee when the employee was a child. This term does not include parents-in-law.
- 4b. Parent (CFRA):** A parent includes a biological, foster or adoptive parent, a parent-in-law, a stepparent, a legal guardian, or other person who stood *in loco parentis* to the employee when the employee was a child.
- 5. Spouse (FMLA/CFRA):** One of two persons to a lawfully recognized marriage.
- 6. Domestic Partner (CFRA):** Another adult with whom the employee has chosen to share their life in an intimate and committed relationship of mutual caring and with whom the employee has filed a Declaration of Domestic Partnership with the Secretary of State, and who meets the criteria specified in California Family Code section 297. A legal union formed in another state that is substantially equivalent to the California domestic partnership is also sufficient.
- 7. Designated Person (CFRA):** A designated person is defined as an individual related to the employee by blood or whose association with the employee is equivalent to a family relationship. Employees requesting CFRA leave to care for a designated person must identify the designated person at the time of request for leave.
- 8. Serious Health Condition:** An illness, injury impairment, or physical or mental condition that involves:
- a. Inpatient Care in a hospital, hospice, or residential medical care facility, including any period of incapacity (e.g., inability to work or perform other regular daily activities due to the serious health condition, treatment involved, or recovery therefrom). A person is considered "inpatient" when a health care facility admits him or her to the facility with the expectation that he or she will remain at least overnight, even if it later develops that such person can be discharged or transferred to another facility, and does not actually remain overnight; or
 - b. Continuing treatment by a health care provider: A serious health condition involving continuing treatment by a health care provider includes any one or more of the following:
 - i. A period of incapacity (i.e., inability to work, or perform other regular daily activities) due to serious health condition of more than three consecutive calendar days; and
 - ii. Any subsequent treatment or period of incapacity relating to the same condition, that also involves:
 - Treatment two or more times by a health care provider, by a nurse or physician's assistant under direct supervision by a health care provider, or by a provider of health care services (e.g., a physical therapist) under orders of, or on referral by a health care provider; or
 - Treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider. This includes, for example, a course of prescription medication or therapy requiring special equipment to resolve or alleviate the health condition. If the medication is over the counter and can be initiated without a visit to a health care provider, it does not constitute a regimen of continuing treatment.
 - c. Any period of incapacity due to pregnancy or for prenatal care. Note that pregnancy is a "serious health condition" only under the FMLA. Under California law, an employee disabled by pregnancy is entitled to pregnancy leave.

- d. Any period of incapacity or treatment for such incapacity due to a chronic serious health condition. A chronic serious health condition is one which:
 - i. Requires periodic visits for treatment by a health care provider, or by a nurse or physician's assistant under direct supervision of a health care provider;
 - ii. Continues over an extended period of time (including recurring episodes of a single underlying condition); and
 - iii. May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.). Absences for such incapacity qualify for leave even if the absence lasts only one day.
- e. A period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by health care provider.
- f. Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment.

9. Health Care Provider:

- a. A doctor of medicine or osteopathy who is authorized to practice medicine or surgery in the State of California;
- b. Individuals duly licensed as a physician, surgeon, or osteopathic physician or surgeon in another state or jurisdiction, including another country, which directly treats or supervises treatment of a serious health condition;
- c. Podiatrists, dentists, clinical psychologists, optometrists, and chiropractors (limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by x-ray to exist) authorized to practice in California and performing within the scope of their practice as defined under California State law;
- d. Nurse practitioners and nurse-midwives and clinical social workers who are authorized to practice under California State law and who are performing within the scope of their practice as defined under California State law;
- e. Christian Science practitioners listed with the First Church of Christ, Scientist in Boston, Massachusetts; and
- f. Any health care provider from whom an employer or group health plan's benefits manager will accept certification of the existence of a serious health condition to substantiate a claim for benefits.

10. Covered Active Duty:

- a. In the case of a member of a regular component of the Armed Forces, duty during deployment of the member with the Armed Forces to a foreign country; or
- b. In the case of a member of the reserve component of the Armed Forces, duty during the deployment of the member of the Armed Forces to a foreign country under a call or order to active duty under certain specified provisions.

11. Covered Servicemember:

- a. A current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; or
- b. A veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces, including a member of the National Guard or Reserves, at any time during the period of five years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.

- 12. Outpatient Status:** With respect to a covered servicemember, the status of a member of the Armed Forces assigned to either: (1) a military medical treatment facility as an outpatient; or (2) a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients.

13. Next of Kin of a Covered Servicemember: The nearest blood relative other than the covered servicemember's spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the covered servicemember by court decree or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the covered servicemember has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of military caregiver leave under the FMLA.

14. Serious Injury or Illness:

- a. In the case of a member of the Armed Forces, including a member of the National Guard or Reserves, means an injury or illness that a covered servicemember incurred in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by the service in the line of duty on active duty in the Armed Forces) and that may render the servicemember medically unfit to perform the duties of the member's office, grade, rank, or rating; or
- b. In the case of a veteran who was a member of the Armed Forces, including a member of the National Guard or Reserves, means an injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces) and that manifested itself before or after the member became a veteran.

D. Reasons for Leave. Leave is only permitted for the reasons listed below.

1. The birth of a child or to care for a newborn of an employee;
2. The placement of a child with an employee in connection with the adoption or foster care of a child;
- 3a (FMLA). Leave to care for a child, parent, or spouse with a serious health condition;
- 3b (CFRA). Leave to care for a child of any age, spouse, partner, parent, grandparent, grandchild, sibling, or designated person with a serious health condition;
4. Leave because of a serious health condition that makes the employee unable to perform any one or more essential functions of his/her position;
5. Leave for a variety of "qualifying exigencies" arising out of the fact that an employee's spouse, son, daughter, or parent is on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation; or
6. Leave to care for a spouse, son, daughter, parent, or "next of kin" who is a covered servicemember of the U.S. Armed Forces who has a serious injury or illness: incurred in the line of duty while on active military duty; or that existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces. This leave can run up to 26 weeks of unpaid leave during a single 12-month period.

E. Employees Eligible for Leave. Employees employed by SBCTA for at least 12 months and who have been employed by SBCTA for at least 1,250 hours during the 12-month period immediately preceding the commencement of the requested leave are eligible for unpaid leave under the Family Medical Leave Act (FMLA) and California Family Rights Act (CFRA).

An employee is eligible for 12 weeks of parental leave to bond with a new child within one year of the child's birth, adoption or foster care placement if:

1. The employee has been employed by SBCTA for at least 12 months; and
2. The employee has been employed by SBCTA for at least 1,250 hours during the 12-month period immediately preceding the commencement of the leave.

F. Amount of Leave. Eligible employees are entitled to a total of 12 workweeks of leave in a rolling 12-month period or 26 workweeks of leave in a rolling 12-month period in the case of leave for the care of a covered servicemember with a serious injury or illness. In calculating hours worked for the purposes of FMLA, only service hours are used (refer to Policy 10107 for definition of service hours).

G. Consecutive CFRA and PDL Leave. Family leave under the CFRA may be taken in addition to PDL, if the circumstances meet the criteria for both leaves. Refer to Section XI, Pregnancy Disability Leave, above for information on PDL. Refer to Policy 10122-1 for continuance of benefits.

H. Minimum Duration of Leave.

1. If leave is requested for the birth, adoption or foster care placement of a child of the employee, leave must be concluded within one year of the birth or placement of the child. In addition, the basic minimum duration of such leave is two weeks. However, an employee is entitled to leave for one of these purposes (e.g. bonding with a newborn) for less than two weeks duration on any two occasions.
 2. If leave is requested to care for a child, parent, spouse or the employee him/herself with serious health condition, there is no minimum amount of leave that must be taken. However, compliance with the notice and medical certification provisions in this policy is required.
- I. Parents both Employed by SBCTA.** If both parents of a child, adoptee, or foster child are employed by SBCTA and are entitled to bonding leave, the aggregate number of workweeks of leave to which both may be entitled may be limited to 12 workweeks during any 12-month period. If both parents of a covered servicemember are employed by SBCTA and are entitled to leave to care for a covered servicemember, the aggregate number of workweeks of leave to which both may be entitled is limited to 26 workweeks during the 12-month period. This limitation does not apply to any other type of leave under this policy.
- J. Employee Benefits While on Leave.**
1. **Group Health Insurance During Unpaid Leave.** Leave under this Policy is unpaid. While on unpaid leave, employees will continue to be covered by SBCTA's group health insurance for up to 12 weeks, or 6 pay periods, each leave year to the same extent that coverage is provided while the employee is on the job. If the employee is disabled by pregnancy, coverage will continue up to four months, or 8 pay periods, each leave year. If an employee disabled by pregnancy also uses leave under the CFRA for baby-bonding, SBCTA will maintain her coverage while she is disabled by pregnancy (up to four months or 17 1/3 weeks) and during her CFRA leave (up to 12 weeks).
 2. **Benefit Plans Not Provided through SBCTA's Group Health Plan During Unpaid Leave Do Not Continue.** SBCTA does not pay for benefit plans that are not part of the group health plan for any employee on unpaid leave. As a result, employees will not continue to be covered under SBCTA's benefit plans that are not provided through the SBCTA's group health plans while the employee is on unpaid leave.
 3. **Payment of Premiums.** Employees may make the appropriate contributions for continued coverage under the health benefits plans by payroll deductions (if the employee is using his or her paid leave) or direct payments (if the employee is not using his or her paid leave). The Benefits Administrator will inform the employee whether the direct payments for premiums should be paid to the carrier or to SBCTA via the Benefits Administrator, and the deadlines for paying premiums in order to prevent coverage from being dropped. Employee contribution rates are subject to any changes in rates that occur while the employee is on leave.
 4. **Recovery of Premium if the Employee Fails to Return from Leave.** If an employee fails to return to work after his or her leave entitlement has been exhausted or expires, SBCTA shall have the right to recover its share of health plan premiums for the entire leave period, unless the employee does not return because of the continuation, recurrence, or onset of a serious health condition of the employee or his or her family member which would entitle the employee to leave, or because of circumstances beyond the employee's control.
 5. **Paid Leave Accruals.** Paid leave accruals do not accrue while an employee is on unpaid family and medical care leave.
- K. Substitution of Paid Accrued Leaves.** Although family and medical care leave is unpaid, an employee may elect and SBCTA will require an employee to concurrently use all paid accrued leaves during family and medical care leave as described below.
1. **SBCTA's Right to Require an Employee to use Paid Leave when using FMLA/CFRA Leave.** Employees must use and exhaust their accrued leaves concurrently with family

and medical care leave to the same extent that employees have the right to use their accrued leaves concurrently with family and medical care leave with two exceptions:

- a. Employees are not required to use paid leave during leave pursuant to a disability plan that pays a portion of the employee's salary while on leave unless the employee agrees to use paid leave to cover the unpaid portion of the disability leave benefit; and
- b. An employee must agree to use accrued sick leave to care for a child, parent, spouse or domestic partner.

2. **SBCTA's Right to Require an Employee to Exhaust FMLA/CFRA Leave Concurrently with Other Leaves.** If an employee takes a leave of absence for any purpose which also qualifies under both the FMLA and CFRA, SBCTA will designate that leave as running concurrently with the employee's 12-week FMLA/CFRA leave entitlement.
3. **SBCTA's and Employee's Rights if an Employee Requests Accrued Leave without Mentioning FMLA or CFRA.** If an employee requests to utilize accrued vacation leave or other accrued paid time off without reference to a FMLA/CFRA qualifying purpose, SBCTA may not ask the employee if the leave is for a FMLA/CFRA qualifying purpose. However, if SBCTA denies the employee's request and the employee provides information that the requested time off is for a FMLA/CFRA qualifying purpose, SBCTA may require the employee to exhaust accrued leave as described above.

L. Employee Notice of Leave. The employee must provide as much notification as possible when requesting FMLA/CFRA leave. If leave is foreseeable, at least 30 days' notice is required. In addition, if an employee knows that he/she will need leave in the future, but does not know the exact day(s) (e.g. for the birth of a child or to take care of a newborn), the employee shall inform his/her supervisor as soon as possible that such leave will be needed. For foreseeable leave due to a qualifying exigency, an employee must provide verbal or written notice of the need for leave as soon as practicable, regardless of how far in advance such leave is foreseeable.

M. Medical Certification / Recertification. Employees who request leave must provide a medical certification and/or recertification to support the need for the leave as described below:

1. **Employee's Own Serious Health Condition.** Employees who request leave for their own serious health condition must provide written certification from the health care provider that contains all of the following: the date, if known, on which the serious health condition commenced; the probable duration of the condition; and a statement that, due to the serious health condition, the employee is unable to work at all or is unable to perform any one or more of the essential functions of his or her position. Upon expiration of the time period the health care provider originally estimated that the employee needed for his/her own serious health condition, the employee must obtain recertification if additional leave is requested.
2. **Family Member Serious Health Condition.** Employees who request leave to care for a child, parent, domestic partner or a spouse who has serious health condition must provide written certification from the health care provider of the family member requiring care that contains all of the following: the date, if known, on which the serious health condition commenced; the probable duration of the condition; an estimate of the amount of time which the health care provider believes the employee needs to care for the child, parent, domestic partner, or spouse, and a statement that the serious health condition warrants the participation of the employee to provide care during a period of treatment or supervision of the child, parent or spouse.

The term "warrants the participation of the employee" includes, but is not limited to, providing psychological comfort, and arranging third party care for the covered family member, as well as directly providing, or participating in, the medical care. Upon expiration of the time period the health care provider originally estimated that the employee needed to care for a covered family member, the employer must obtain recertification if additional leave is requested.

- 3. Servicemember Serious Injury or Illness.** Employees who request FMLA leave to care for a covered servicemember who is a child, spouse, parent or “next of kin” of the employee, must provide written certification from a health care provider regarding the injured servicemember’s serious injury or illness. SBCTA will verify the certification as permitted by the FMLA regulations.
- 4. Qualifying Exigency.** The first time an employee requests FMLA leave because of a qualifying exigency, an employee may require the employee to provide a copy of the servicemember’s active duty orders or other documentation issued by the military which indicates that the servicemember is on covered active duty or call to active duty status in a foreign country, and the dates of the servicemember’s active duty service. A copy of the new active duty orders or similar documentation shall be provided to SBCTA if the need for leave because of a qualifying exigency arises out of a different active duty or call to active duty status of the same or a different servicemember. SBCTA will verify the certification as permitted by the FMLA regulations.
- N. Time to Provide a Medical Certification.** When an employee has provided at least 30 days’ notice for a foreseeable leave, the employee must provide a medical certification before the leave begins. When this is not possible, the employee must provide the medical certification to SBCTA within the time frame requested by SBCTA (which must allow at least 15 calendar days after the employer’s request), unless it is not practicable under the particular circumstances to do so despite the employee’s diligent, good faith efforts.
- O. Consequences for Failure to Provide an Adequate or Timely Certification.** If an employee provides an incomplete medical certification, the employee will be given a reasonable opportunity to cure any such deficiency. However, if an employee fails to provide a medical certification within the time frame established in this policy, SBCTA may delay the taking of FMLA/CFRA leave until required certification is provided, or deny FMLA/CFRA protections following the expiration of the time period to provide an adequate certification.
- P. Director of Management Services’ Review of the Contents of Medical Certification for Employee’s Own Serious Health Condition.**
- 1. Complete and Sufficient.** The employee must provide a certification for his or her own serious health condition that is complete and sufficient to support the request for leave. A certification is incomplete if one or more of the applicable entries on the certification form have not been completed. A certification is insufficient if the information on the certification form is vague, ambiguous, or not responsive. If the certification is incomplete or insufficient, the Director of Management Services will give the employee written notice of the deficiencies and seven days to cure, unless a longer period is necessary in light of the employee’s diligent, good faith efforts to address the deficiencies.
 - 2. Authentication and Clarification.** After giving the employee an opportunity to cure the deficiencies in a medical certification for the employee’s own serious health condition, the Director of Management Services may contact the health care provider who provided the certification to clarify and/or authenticate the certification. “Authentication” means providing the health care provider with a copy of the certification form and requesting verification that the information on the form was completed or authorized by the health care provider who signed the form. “Clarification” means contacting the health care provider to understand the handwriting on the medical certification or to understand the meaning of the response. The Director of Management Services may not ask for additional information beyond that required on the certification form.
- Q. Second and Third Medical Opinions for Employee’s Own Serious Health Condition.** If SBCTA has a good faith, objective reason to doubt the validity of a certification for the employee’s serious health condition, SBCTA may require a medical opinion of a second health care provider chosen and paid for by SBCTA. If the second opinion is different from the first, SBCTA may require the opinion of a third provider jointly approved by SBCTA and the employee, but paid for by SBCTA. The opinion of the third provider will be binding. SBCTA must provide the employee with a copy of the second and third medical opinions, where applicable, without cost, upon the request of the employee.

R. Intermittent Leave or Leave on a Reduced Schedule. If an employee requests leave intermittently (a few days or hours at a time) or on a reduced leave schedule for his or her own serious health condition, or to care for an immediate family member with serious health condition, the employee must provide medical certification that such leave is medically necessary. "Medically necessary" means there must be a medical need for the leave and that the leave can best be accomplished through an intermittent or reduced leave schedule. SBCTA may require an employee who certifies the need for a reduced schedule or intermittent leave to temporarily transfer to an alternate position of equivalent pay and benefits that better accommodates the leave schedule.

S. Reinstatement Upon Return From Leave.

- 1. Reinstatement to Same or Equivalent Position.** Upon expiration of leave, an employee is entitled to be reinstated to the position of employment held when the leave commenced, or to an equivalent position with equivalent benefits and pay. Employees have no greater rights to reinstatement, benefits, and other conditions of employment than if the employee had been continuously employed during the FMLA/CFRA period.
- 2. Date of Reinstatement.** If a definite date of reinstatement has been agreed upon at the beginning of the leave, the employee will be reinstated on the date agreed upon. If the reinstatement date differs from the original agreement of the employee and SBCTA, the employee will be reinstated within two business days, where feasible, after the employee notifies the employer of his/her readiness to return.
- 3. Employee's Obligation to Periodically Report on His/Her Condition.** Employees may be required to periodically report on their status and intent to return to work. This will avoid any delays to reinstatement when the employee is ready to return.
- 4. Fitness for Duty Certification.** As a condition of reinstatement of an employee whose leave was due to the employee's own serious health condition, which made the employee unable to perform his or her job, the employee must obtain and present a fitness-for-duty certification from the health care provider stating that the employee is able to resume work. Failure to provide such certification will result in denial of reinstatement.
- 5. Reinstatement of "Key Employees".** SBCTA may deny reinstatement to a "key" employee (i.e., an employee who is among the highest paid 10 percent of all employed by the SBCTA within 75 miles of the worksite) if such denial is necessary to prevent substantial and grievous economic injury to the operations of SBCTA, and the employee is notified of SBCTA's intent to deny reinstatement on such basis at the time SBCTA determines that such injury would occur.

T. Required Forms. Employees must complete the applicable forms to receive family and medical care leave.

XIV. BLOOD DONOR LEAVE

With prior approval from the immediate supervisor, employees in regular positions may receive up to two hours off with pay for whole blood donations or four hours off for plasma (apheresis) donations.

XV. JURY DUTY AND WITNESS LEAVE

- A. Notice.** Any employee, including a temporary employee, who is summoned to serve on a jury, or subpoenaed or ordered to be a witness, must notify his or her supervisor or department head as soon as possible.
- B. Return to Work Requirement.** Any employee who is released from jury service prior to the end of his or her scheduled work hours must report to work unless otherwise authorized by his or her supervisor.
- C. Pay for Jury Duty and Witness Leave.** Regular employees who are ordered to serve on jury duty receive their base pay for those hours of absence from work, provided the employee waives fees for jury duty service, other than mileage.

The time spent on jury duty is not work time for purposes of calculating overtime compensation.

- D. Certification Requirement.** Employees will provide Finance a “Jury Duty Certification” form at the end of the required jury duty to verify the service.
- E. Regarding SBCTA Duties.** Any employee, including a temporary employee, who is subpoenaed to appear in court in a matter regarding an event or transaction in the course of his or her SBCTA job duties, must give his or her supervisor as much advance notice as is possible. SBCTA will determine whether the matter involves an event or transaction in the course of the employee’s SBCTA job duties. If so, this leave to appear in court will be without loss of compensation, and the time spent will be considered work time. SBCTA will offset the amount from pay the employee receives for witness fees.
- F. Regarding Employee-Initiated Proceedings.** Any employee, including a temporary employee, who is subpoenaed to appear, or appears in court because of civil or administrative proceedings that he or she initiated, is not entitled to receive compensation for time spent related to those proceedings. An employee may request to receive time off without pay or may use any accrued leave other than sick leave for time spent related to those proceedings. The time spent in these proceedings is not considered work time.
- G. Regarding Victim of Crime / Victim Family Member Court Attendance Leave.** Any employee, including a temporary employee, who is a victim of a crime that is a serious or violent felony, or a felony involving theft or embezzlement, may take leave from work to attend judicial proceedings related to that crime, if the employee provides SBCTA a copy of the notice of the scheduled proceeding in advance. If advance notice is not feasible, the employee must provide SBCTA, within a reasonable time after the leave is taken, documentation from the district attorney, victim’s rights office, or court / governing agency that shows that the judicial proceeding occurred when the leave was used. An employee who is an immediate family member of such a crime victim, including: a registered domestic partner; the child of the registered domestic partner; spouse; child; stepchild; brother; stepbrother; sister; stepsister; mother; stepmother; father; or stepfather of the crime victim is also entitled to leave from work to attend judicial proceedings relating to that crime. The leave is unpaid unless the employee elects to use accrued vacation, sick, or other paid leave, or compensatory time off.
- H. Regarding Crime Victim/ Family Member Victims’ Rights Proceedings Leave.** Any employee, including a temporary employee, who is a victim of a crime listed in Labor Code section 230.5(a)(2)(A), may take leave from work to appear in court to be heard at any proceeding in which the right of the victim is at issue, if the employee provides SBCTA reasonable advance notice. If advance notice is not feasible, the employee must provide SBCTA, within a reasonable time after the leave is taken, certification from a police report, a district attorney or court, or from a health care provider or victim advocate, that the employee was a victim of any of the crimes listed in Labor Code section 230.5(a)(2)(A). An employee who is a spouse, parent, child, sibling, or guardian of such a crime victim is also a victim who is entitled to this leave if the above notice or certification requirements are met. The leave is unpaid unless the employee elects to use accrued vacation or paid leave, or compensatory time.

XVI. LEAVE FOR VICTIMS OF DOMESTIC VIOLENCE, SEXUAL ASSAULT, OR STALKING

- A. To Obtain Restraining Orders or Injunctive Relief.** Any employee, including a temporary employee, who is a victim of domestic violence, sexual assault, or stalking, may take leave from work to obtain or attempt to obtain any relief, including, but not limited to: a temporary restraining order, restraining order, or other injunctive relief to help ensure the health, safety, or welfare of the employee or his or her child, if the employee provides advance notice of the need for leave. If advance notice is not feasible, the employee must provide any of the following certifications within a reasonable time after the leave: a police report indicating that the employee was a victim; a court order protecting the employee from the perpetrator; evidence from the district attorney or court that the employee has appeared in court; or documentation from a health care provider or counselor that the employee was undergoing treatment for physical or mental injuries or abuse. The leave is unpaid unless the employee elects to use sick leave, accrued vacation or paid leave, or compensatory time.
- B. To Obtain Medical Attention, Counseling, or Safety Planning.** Any employee, including a temporary employee, who is a victim of domestic violence, sexual assault, or stalking, may take leave from work to attend to any of the following: obtaining medical attention or psychological counseling; obtaining services from a shelter, program or crisis center; or participating in safety planning or other

actions to increase safety, if the employee provides advance notice of the employee's intention to take time off for these purposes. If advance notice is not feasible, the employee must provide any of the following to SBCTA within a reasonable time after the leave: a police report indicating that the employee was a victim; a court order protecting the employee from the perpetrator; evidence from the district attorney or court that the employee has appeared in court; or documentation from a health care provider or counselor that the employee was undergoing treatment for physical or mental injuries or abuse. The leave is unpaid unless the employee elects to use sick leave, accrued vacation or personal leave, or compensatory time.

XVII. MILITARY LEAVE

Military leave will be provided in accordance with state and federal law, including, but not limited to, California Military and Veterans Code Section 395 *et seq.*, and any amendment thereto, and the federal Uniformed Service Employment and Reemployment Rights Act of 1994 (USERRA), codified at 38 U.S.C. Section 4301 *et seq.*

- A. Notice and Orders.** All employees shall provide advance notice of military service unless military necessity prevents the giving of notice or the giving of notice is impossible or unreasonable. Where available, a copy of military orders must accompany the request for leave.
- B. Temporary Military Leaves of Absence.** Any employee who is a member of the reserve corps of the Armed Forces, National Guard, or Naval Militia shall be entitled to a temporary military leave of absence for the purpose of active military training, encampment, naval cruises, special exercises, or like activity, provided that the period of ordered duty does not exceed one hundred eighty (180) calendar days, including time spent going to and returning from duty. While on paid status, an employee on temporary military leave shall receive the same vacation, administrative, holiday, sick leave, step advances employment, and reemployment privileges that the employee would have enjoyed had the employee not been absent, provided such employee has been employed by SBCTA for at least one (1) year immediately prior to the date such leave begins. In determining the one (1) year employment requirement, all time spent in recognized military service, active or temporary, shall be counted. An exception to the above is that an uncompleted probationary period must be completed upon return to the job. Any employee meeting the above one (1) year employment requirement shall be entitled to receive his/her regular salary or compensation, pursuant to par. XVII F. of this Policy.
- C. Long Term Military Leaves of Absence (Active Duty).** An employee who resigns or leaves his or her position to serve in the Armed Forces or is ordered to active duty in the Armed Forces shall have a right to return to his or her former classification upon serving written notice to the appointing authority, no later than ninety (90) days after completion of such service unless an exception applies pursuant to USERRA. Returning employees are subject to a physical/psychological examination.
- If SBCTA has abolished the employee's former classification, then the employee shall be entitled to a classification with comparable functions, duties, and compensation if such classification exists, or to a comparable vacant position for which the employee is qualified.
- The right to return to a former classification shall include the right to be restored to such status as the employee would have if the employee had not been absent.
- D. Inactive Duty.** This Policy does not include an employee's attendance for inactive duty, commonly referred to as weekend reserve meetings or drills. Employees must use their own time to attend such meetings. Should the meetings unavoidably conflict with an employee's regular working hours, the employee may use vacation or holiday leave, leave without pay, or make up the time. Employees who are called in for a medical examination to determine physical fitness for military duty may also use vacation leave, leave without pay, or make up the time. Employees cannot be required to use their accrued leave.
- E. Uniformed Service Employment and Reemployment Rights Act of 1994.** Eligible employees who are absent from their positions for service in the uniformed services are entitled to the reemployment

and benefit rights as further described in USERRA. Specifically, a returning employee will receive restoration of original hire and benefit date, salary step, vacation accrual rate, administrative leave accrual rate, sick leave balance (unless the employee has received payment for unused sick leave in accordance with provisions contained herein), the retirement plan contribution rate, and retirement system contributions (provided the employee complies with any requirements established by the Retirement Board).

- F. Compensation.** Any employee meeting the requirements in Paragraphs XVII B and C, shall be entitled to receive his or her regular salary or compensation for the first thirty (30) calendar days of any such leave. Pay for such purposes shall not exceed thirty (30) days in any one fiscal year and shall be paid only for the employee's regularly scheduled workdays that fall within the thirty (30) calendar days.
- G. Continuation of Wage and Benefits for Full-Time Employee Called to Active Duty.** An employee who is a member of the Armed Services Reserve or National Guard and is called to active duty as a result of the activation of military reservists, and who are eligible to receive the thirty (30) calendar day military leave compensation shall receive the difference between his/her military pay (including wages, salary, specialty assignment, housing subsidy or any other form of compensation) and his/her base salary with SBCTA starting on the 31st calendar day of military leave. The difference in salary payments shall not continue beyond 365 calendar days. During this period, SBCTA would continue to contribute towards the medical and dental benefits of the employee, providing the employee and his/her dependents were covered under the medical and dental plans offered by SBCTA prior to being called to active duty. During the period of military service, the medical and dental plans provided by the military for the employee and dependents would be the primary payer.
- H. Ten Days of Unpaid Spousal Leave.** An employee whose legal spouse is a member of the Armed Services, National Guard, or Reserves, and is deployed during a period of military conflict, is entitled to ten days of unpaid leave, if the employee satisfies all the following:
1. Works 20 or more hours per week on average for SBCTA; and
 2. Provides his or her department head with notice, within two business days of receiving official notice that the spouse will be deployed, of his or her intention to take the leave; and
 3. Submits written documentation to the department head certifying that the spouse will be deployed during the time of the leave sought.

As used here, "period of military conflict" means a period of war declared by the U.S. Congress or a period of deployment pursuant to sections 12301 and 12302 of Title 10 of the U.S. Code or Title 32 of the U.S. Code.

XVIII. SPECIAL LEAVE OF ABSENCE WITHOUT PAY

Unless authorized by law or an SBCTA policy, an employee is not entitled to a leave of absence without pay. Instead, only upon written request by the employee and at the discretion and approval of the Executive Director, may a regular employee be granted a leave of absence without pay. Special leave is subject to the needs of the agency.

- A. Reasons for Special Leave of Absence:**
1. Medically incapacitated to perform assigned duties.
 2. Complete a relevant course of study that will enhance his or her value as an employee.
 3. For any reason considered appropriate by the Executive Director.
- B.** An authorized leave of absence without pay is not a break in service for purposes of calculating seniority. Employees taking a special leave of absence for reasons other than a protected leave may be granted the right to return to their current position, but will be required to compensate the agency for costs related to continuance of their benefit plan during the absence. Refer to Policy 10122-1.
- C.** Unless required by law, vacation leave credits, sick leave credits, increases in salary, all other paid leaves, holidays and fringe benefits and other similar benefits do not accrue to an

employee on unpaid leave. During the period of authorized unpaid leave, all service and leave credits shall be retained at the levels existing as of the effective date of the leave.

XIX. UNAUTHORIZED ABSENCE, ABUSE OF LEAVE, AND EXCESSIVE TARDINESS

A. Unauthorized Absence. Unauthorized absence from work is considered cause for dismissal.

Absence from work without permission for three consecutive days will be considered an automatic resignation.

B. Abuse of Leave. Abuse of leave is a claim of entitlement to leave when the employee does not meet the requirements for taking the leave, and may be grounds for discipline, up to and including termination. Should SBCTA suspect that there is an abuse of leave by an employee, the agency may require that the employee submit a physician's certificate to support the absence.

C. Excessive Tardiness. Excessive tardiness occurs when a non-exempt employee, without authorization, is late to work or late to return from breaks more than three times during any 30-day period. Excessive absenteeism occurs when the number of unapproved absences for reasons that are not permitted by state or federal law, exceeds three days in any three-month period. Excessive tardiness or absenteeism may be grounds for discipline, up to and including termination.

XX. PAID ADMINISTRATIVE LEAVE

SBCTA has the right to place an employee on leave with full pay for non-disciplinary reasons at any time when the Deputy Executive Director has determined that the employee's and/or SBCTA's best interests warrant the leave. The employee does not have a right to appeal the decision to be placed on administrative leave with pay.

XXI. SCHOOL RELATED LEAVE

A. School or Licensed Day Care Activity Leave. Any employee who is a parent, guardian, stepparent, foster parent, grandparent, or person who stands *in loco parentis* to one or more children who are in kindergarten or grades 1 through 12, or who are in a licensed child care facility, shall be allowed up to 40 hours each school year, not to exceed eight hours in any calendar month of the school year, to: participate in activities of their child's school or licensed child care facility; find, enroll, or reenroll a child in a school or with a licensed child care provider; or to pick up a child due to a child care provider or school emergency. The employee must provide reasonable advance notice to his/her supervisor of the planned absence. The leave is unpaid unless the employee uses vacation or compensatory time off. The employee must provide documentation from the school or licensed child care facility as verification that the employee participated in school or child care facility activities on a specific date and at a particular time. If both parents, guardians or grandparents having custody work for SBCTA at the same SBCTA work site, only the first parent requesting will be entitled to leave under this provision.

B. Child Suspension Leave. Any employee who is the parent or guardian of a child in grades 1 through 12 may take time off to go to the child's school in response to a request from the child's school, if the employee gives advance notice to his or her supervisor. A school has the authority to request that the parent attend the child's school if the child has: committed any obscene act; habitually used profanity or vulgarity; disrupted school activities; or otherwise willfully defied the valid authority of school personnel.

XXII. BEREAVEMENT LEAVE

A. Employees who have at least 30 days of service with SBCTA may take up to five (5) days of Bereavement Leave due to the death of an Immediate Family Member.

B. Eligible employees are entitled to a total of five (5) days off for each occurrence of loss. Leave must be completed within three months of the death of the Immediately Family Member, however the leave need not be taken on consecutive days. Employees must communicate the need to take Bereavement Leave with their immediate supervisor or with the Director of

Management Services. If requested by SBCTA, the employee shall provide sufficient documentation of the death of the Immediate Family Member to their supervisor.

- C. An employee on Bereavement Leave may choose to use accrued sick, vacation, or any other accrued paid time off during the leave. Otherwise, Bereavement Leave is without pay.

XXIII. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted by the Board of Directors.	04/03/91
1	<ul style="list-style-type: none"> - Added definitions to provide specific citation of State and Federal requirements, as well as to provide clarity for those interpreting SANBAG personnel policies. - Authorized the SANBAG Executive Director to interpret SANBAG policies to handle administrative interpretations. - Provided more specificity with respect to regular, part-time, and temporary employee work hours. Authorized the Executive Director to modify the established workday, as necessary. Expanded on the reporting of hours worked to reflect daily, actual hours worked and consideration of minimum agency requirements. Clarified differences between exempt and non-exempt work standards, as well as requirements related to payment of overtime and compensatory time off. Eliminated paid vacation, holiday, and sick from time worked for purposes of calculating overtime, as provided in the Fair Labor Standards Act. - Added provisions for part-time employee vacation accrual rates. Incorporated Internal Revenue Service requirements relative to declaration of cash outs and imposition of penalties. - Eliminated the ability to allocate Administrative Leave to the Cafeteria Plan. - Established holiday accrual rates for part-time employees. Eliminated the ability to cash out holiday time and established an expectation that holidays will be taken on the date specified. - Provided specific standards for use of sick leave, return to work orders, and examinations. Specified sick leave accrual rates for part-time employees. - Expanded the explanation of pregnancy disability, family medical, blood donor, jury duty, and military leaves to provide a better general description and references for those interpreting SANBAG personnel policies. - Expanded language to provide clarity for leave of absence and unauthorized absence. 	03/01/00
2	<ul style="list-style-type: none"> - Par. II. AUTHORIZATION: Moved from par. IV into its own paragraph. - Par. III. REFERENCES: Added reference to Policy 10110, Employment Status and Classification. - Par. IV. DEFINITIONS: Removed definitions for exempt, non-exempt, regular, and temporary employees since those terms are now defined in Policy 10110, where the terms properly belong. - Par. VIII. ADMINISTRATIVE LEAVE: Revised to change "A maximum of 80 hours of administrative leave may be accrued." to "A maximum of twice the annual award of administrative leave may be accrued." Also changed the cash out of administrative leave to be the same as for vacation leave. - Formatting changes made throughout policy to convert policy into current SANBAG policy format. 	04/03/02
3	<ul style="list-style-type: none"> Par. IV: Added Medical Emergency Leave definition. Par. VIII: Added new paragraph on Medical Emergency. Re-numbered subsequent paragraphs. 	09/04/02
4	<ul style="list-style-type: none"> Par. III. REFERENCES: Added Policy 10122-1, Flexible Benefit Plan. Par. XI, second paragraph: Added reference to Policy 10122-1. Par. XII.A: Added reference to Policy 10122-1. Par. XVI.B: Added reference to Policy 10122-1. 	01/05/05
5	<ul style="list-style-type: none"> Par. XI: Modified maximum pregnancy disability leave for eligible employees from 123 calendar days to four months in accordance with State law; corrected an error in the amount of time SANBAG will continue benefits for unpaid Pregnancy Disability Leave for up to six pay periods, rather than six weeks; requires written notice five days in advance of pregnancy disability leave, unless the commencement of leave was not foreseeable." Par. XVI.B: Edited to add "...for reasons other than Pregnancy Disability Leave, Family Medical Leave, or California Family Rights leave..." 	09/07/05
6	<ul style="list-style-type: none"> Par. IV: Added definition for Military Leave. Par. XV. MILITARY LEAVE: Revised to reflect the USERRA (Uniformed Services Employment and Reemployment Rights Act) military leave benefits revised in December 2005. 	06/07/06
7	<ul style="list-style-type: none"> Par. VI.A: Revised from "whichever is later" to "at the discretion of the supervisor". Note: Revised Policy 10110, Employment Status and Classification was approved by the Board on 6/4/03 to extend the probationary period from 1040 service hours to 2080 service hours. The change to this Policy 10111 enables the supervisor to allow a new employee to take vacation before the probationary period ends. 	09/13/06
8	Par. III: Added Policy 10112, Retirement Medical Trust Fund	08/01/07

	Par VII.C.2: Revised to refer to Policy 0112, Retirement Medical Trust Fund – payout of unused sick leave upon retirement, separation, or death is now in Policy 10112.	
9	Administrative change to correct minor error to the definition of Military Leave in par. IV. Is: Military leave is defined ... active duty for training, initial active duty for training (weekend drills), ... duty. Should be: Military leave is defined ... active duty for training, inactive duty for training (weekend drills), ... duty,	08/27/08
10	Policy Title: Changed from Work Hours, Leaves, and Absences to Work Requirements, Leaves, and Absences. Par. I: Changed purpose from "... establish standards for working hours ..." to "... establish standards for work requirements...". Par. III: Added reference to Policy 10120, Employee Work Schedules. Par. IV: Revised Workday and Work Week definitions by referring to Policy 10120. Par. V.A.1: Deleted the first sentence on the normal workday. Par. V.A.1.a: Revised for clarity – changed from passive to active voice to emphasize employee responsibility. Par. V.B: Revised paragraph heading from "Work Schedule" to "Work Requirements". Par. V.B.1: Revised "SANBAG exempt employees will work, on the average, more than 40 hours per workweek..." to ... more than 80 hours per pay period..." due to 9/80 work schedule. Par. V.B.2: Revised second sentence for clarity. Par. VI.D: Added second paragraph for clarification of vacation accrual rates for employees credited with prior public service.	11/05/08
11	Par. IV. DEFINITIONS: Revised definition of FMLA to include new military family leave entitlement – see par. XII.G. Par. VI: Table 1, Vacation Leave – revised to replace pay periods with service hour levels, for clarification. Par. VI.D: Added paragraph to clarify the vacation accrual rate when credit for prior public service is authorized by the Executive Director – "credit for prior service and approval of an accrual rate which recognizes prior employment will not affect the requirement for specified years of SANBAG service prior to elevation to the next higher accrual rate." Par. XII. FAMILY MEDICAL LEAVE: Revised to add second sentence on "rolling 12-month period". Par. XII.G: Added new paragraph on Military Family Leave Entitlement. These are new military family leave entitlements enacted (effective January 16, 2009) under the National Defense Authorization Act for FY 2008.	07/01/09
12	Par. XV.E. Continuation of Wage and Benefits for Full-Time Employee Called to Active Duty. Added new paragraph to Military Leave.	08/05/09
13	Par. IV: Revised Workday by removing specific 8-5pm schedule and reference 8-hour day M-F. Par. VII.C.A: Added Victim of domestic violence, sexual assault, or stalking. Par. VII.B: Separated accrual and usage by classification adding in new temporary classifications eligibility for sick leave accrual under the new Healthy Families Act of 2014. Par. VII.C.2: Revised to specify separated employee will have their sick leave accruals reinstated if the employee is rehired within a year of the date of separation as required under the Healthy Families Act of 2014.	06/03/15
14	Revised to be consistent with SB1305. Change approved by the Board on January 4, 2107, Agenda Item 6.	01/04/17
15	Par. IV: Revised; Par. V: Revised; Par. VI: Revised; Par. VII: Revised; Par. IX: Revised; Par. XI: Revised; Par. XII: Revised; Par. XIV: Revised; Par. XV: Added Leave for Victims of Domestic Violence, Sexual Assault and Stalking; Par. XVI: Revised to comply with California Military and Veterans Code Section 395 <i>et seq.</i> , and the federal Uniformed Service Employment and Reemployment Rights Act of 1994 (USERRA) (38 U.S.C. § 4301 <i>et seq.</i>); Par. XVII: Renumbered and Revised Special Leave of Absence Without Pay; Par. XVIII: Renumbered and revised to add Abuse of Leave and Excessive Tardiness; Par. XIX: Added Paid Administrative Leave; Par. XX: Added School Related Leave; Par. XXI: Renumbered. Change approved by the Board on April 3, 2019, Agenda Item 6.	04/03/19
16	Revised to be consistent with AB 1041 (2022) and AB 1949 (2022). Par. IV. DEFINITIONS: Revised definitions to include Designated Person, Bereavement Leave and Reproductive Loss Leave to comply with passing of SB 848 (2023).	09/04/24

	<p>Par. VII.A: Added Designated Person to list of approved Family Members and included limit of one designated person per 12-month period.</p> <p>Revised Par. VII to be consistent with SB 616 (2023).</p> <p>Par. VII.B.3: Revised sick leave accrual hours from 48 to 80 and accrual days from 6 to 10.</p> <p>Par. VII.C: Increased amount of paid sick leave for temporary employees from 24 to 40 hours and from 3 to 5 days.</p> <p>Par. IX: Revised; Par. XI.A: Revised: Added second sentence to clarify payout of leave upon separation.</p> <p>Par. X.B Eliminated Christopher Columbus Day and added Juneteenth holiday</p> <p>Par. XII: Added new paragraph on Reproductive Loss Leave. Re-numbered subsequent paragraphs</p> <p>Par. XXII: Added new paragraph on Bereavement Leave. Re-numbered subsequent paragraphs</p>	
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DRAFT

Minute Action

AGENDA ITEM: 11

Date: *September 4, 2024*

Subject:

New Policy No. 10104-3 - Ergonomics Policy and Procedure

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority:

Approve Policy No. 10104-3 – Ergonomics Policy and Procedure.

Background:

Ergonomics is defined as the science of fitting a workplace to the user’s needs. Applying ergonomic principles can help minimize the risk of injuries in the workplace. The goal of the San Bernardino County Transportation Authority (SBCTA) Ergonomics Policy and Procedure is to reduce or eliminate work-related hazards that contribute to the development of workplace related injuries. SBCTA aims to be proactive in preventing ergonomic hazards and correcting them. An ergonomically sound work environment maximizes employee comfort while minimizing the risk of undue physical stress.

Approval of Policy No. 10104-3 – Ergonomics Policy and Procedure will provide a formal ergonomics policy and allow staff to work in safe working environments. It is intended to reduce the potential for injury and make tasks performed by employees as physically and environmentally safe as reasonably possible. In addition, this policy provides recommended ergonomic products to purchase based upon applicability, durability, cost, performance, availability, and ease of use.

Staff recommends the approval of this policy to provide guidelines for ergonomics policy, and procedural guidelines to assist departments, to ensure employees’ safety, reduce workers’ compensation costs, and increase efficiency and productivity.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2024/2025.

Reviewed By:

This item was reviewed and unanimously recommended for approval by the General Policy Committee on August 14, 2024. **In accordance with recommendation made at Committee, Section IV.A. of the policy has been revised to provide that supervisors are responsible for providing employees with training.** SBCTA General Counsel has reviewed this item and the draft policy.

Responsible Staff:

Jennifer Joo, Management Analyst II

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

Entity: San Bernardino County Transportation Authority

San Bernardino County Transportation Authority	Policy	10104-3
Adopted by the Board of Directors September 4, 2024	Revised	
Ergonomics Policy and Procedure	Revision No.	

Important Notice: A hardcopy of this document may not be the document currently in effect. The current version is always the version on the SBCTA Intranet.

Table of Contents
Purpose References Policy Roles and Responsibilities Revision History

I. PURPOSE

The purpose of this policy is to provide employees with information on the San Bernardino County Transportation Authority (SBCTA) ergonomic guidelines, workstation evaluations, reporting, training, and to provide agency-wide uniformity regarding workstation ergonomics.

II. REFERENCES

California Code of Regulations, Title 8, Section 5110
Employee Workstation Evaluation Request Form

III. POLICY

It is the policy of SBCTA to provide safe working conditions, a healthful work environment, and to promote continuing awareness of health and safety for employees at all levels within the agency.

IV. ROLES AND RESPONSIBILITIES

All new employees shall be provided training and information about ergonomic issues and good practices. Employees must report any ergonomic issues, symptoms, and hazards to their supervisor and Management Services. Management Services will take reasonable steps necessary to ensure employees have an appropriate ergonomic work environment. Employees are encouraged to review information and participate in education and training opportunities that will assist in contributing to a healthy work environment.

A. Department Managers/Supervisors

Supervisors are ~~encouraged to~~ **responsible for** providing employees with appropriate ergonomics training, reinforcement, and assistance. This can be accomplished as follows:

- 1) Promote a safe and healthy work environment.
- 2) Evaluate the work environment for proper ergonomic practices and conditions.
- 3) Promptly report all employee injuries and complaints to Management Services.
- 4) Provide employee with an Employee Workstation Evaluation Request form to complete for manager/supervisor's approval.
- 5) Submit request for ergonomic evaluation to Management Services in a timely manner.
- 6) Consult with Management Services for further assistance and recommendations.

B. Management Services

Management Services's mission is to reduce health, safety, and ergonomic risks to SBCTA. It is Management Services's responsibility to:

- 1) Review ergonomic regulations and requirements.
- 2) Coordinate and schedule ergonomic workstation evaluations to reduce potential injuries.
- 3) Provide training and education for employees, supervisors, and managers.
- 4) Evaluate workstations after an injury or complaint has occurred.
- 5) Provide consultative ergonomic assistance to Departments, as requested.
- 6) Ensure that all ergonomic tools, equipment and furniture are ordered from the agency's list of approved vendors.
- 7) When a department relocation is to occur, the Department Manager should consult with Management Services in the initial planning process to address options for ergonomic workstation designs and ergonomic accessories.

C. Employees

Employees are responsible for conducting themselves in accordance with this policy and program. Employees are responsible for the following:

- 1) Perform simple exercises and stretches according to training.
- 2) Actively participate in training as required, and apply the knowledge and skills acquired to actual jobs, tasks, processes, and work activities.
- 3) Immediately report any work-related injuries to manager/supervisor.
- 4) Complete the optional Employee Workstation Evaluation Request form and submit it to the supervisor for approval as needed.
- 5) Provide doctor recommendation for ergonomic modifications if requested by Management Services.
- 6) Take responsibility for personal health and safety.

***Ergonomic accessories will not be purchased without prior assessment, recommendation and approval from Management Services.**

V. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted.	09/04/24

Minute Action

AGENDA ITEM: 12

Date: *September 4, 2024*

Subject:

Agreement No. 24-1003125 with the California Highway Patrol for Freeway Service Patrol

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

Authorize the Executive Director, or his designee, to finalize and execute Agreement No. 24-1003125 with the California Highway Patrol (CHP) for a five-year term beginning November 1, 2024 through October 31, 2029, in the amount of \$3,063,952 for daily oversight of the state and locally funded Freeway Service Patrol (FSP) Program and FSP CHP oversight for construction activity which includes the FSP Express Lanes Project areas, subject to approval as to form by SBCTA General Counsel.

Background:

The Freeway Service Patrol (FSP) Program consists of a fleet of tow trucks roaming urban freeways for the purpose of assisting motorists with their disabled vehicles during peak commute periods. The stretch of highway in which the FSP driver patrols is referred to as a “Beat”. Over the years, the FSP Program has demonstrated many benefits including reductions in traffic delays, fuel consumption, vehicular emissions, and secondary traffic incidents. The San Bernardino FSP Program was implemented in January of 2006 and services 98 centerline miles of San Bernardino County freeways.

San Bernardino County Transportation Authority’s (SBCTA) current agreement with California Highway Patrol (CHP), Contract No. 21-1002547, which expires on October 31, 2024, provides a contract for officer field oversight of the FSP Program and for FSP construction support services, when needed. This new agreement will allow the FSP CHP officers to continue their field supervision of the FSP Program at the current level during the peak commute hours, as well as during the weekend service pilot, for five years (November 1, 2024 through October 31, 2029). Staff would like to note that this agreement includes an estimated \$300,000 reduction due to one-half of an FSP CHP officer position being funded by Senate Bill (SB) 1 funds through CHP’s current budget.

In addition to all regular FSP Program activities in the current agreement, this agreement will also cover supervision of construction FSP to provide support services for Express Lanes construction activity. The anticipated traffic due to the construction activity will require FSP presence to assist with the removal of disabled vehicles from the construction zone, thus ensuring the safety of the motoring public. At the conclusion of the construction FSP phase for the Express Lanes, the FSP CHP supervision will transition into field supervision of the Express Lanes Beat (when it is open to the motoring public), which will continue throughout the remainder of the term of this agreement. Staff may return to the Board of Directors for an amendment once all the details of FSP support services in the Express Lanes are determined.

Some of the duties that the FSP CHP provides under this agreement are as follows:

Entity: San Bernardino County Transportation Authority

Oversight Duties performed during FSP hours:

These are not all-inclusive.

- Provide constant, in-field, on-scene, program oversight on all types of FSP, regular peak periods, construction, and weekend service.
- Provide “real-time” decisions to incidents occurring in the field.
- Enforce program rules and guidelines through in-field supervision.
- Conduct all investigations with regard to equipment, personnel, damage, and concerns.
- Inspect tow trucks on a spot-check basis, as needed.
- Act as an FSP liaison between other governmental agencies, such as other CHP personnel, Caltrans, cities, counties, etc.
- Be available to the public for FSP questions/comments/concerns.
- Conduct bi-monthly or as-needed two-day, 10-hour certified FSP Driver training classes for the FSP Program.

Oversight Duties performed during non-FSP hours:

- Maintain driver files, records, etc., for all drivers.
- Conduct driver training classes.
- Conduct background checks, testing, fingerprinting, and certifications for new drivers.
- Preparation of training class materials (maps, codes, etc.).
- Maintaining the Standard Operating Procedures (SOP) manual.
- Tracking of extra truck time, fines, penalties, and certificates (Compliance of California (CA) Driver License, DL64, medical cards, Motor Carrier Permits, etc.).
- Attend various FSP-related required meetings and training (Technical Advisory Committee, quarterly drivers’ meetings, etc.).
- Maintenance of drop point maps includes changing local regulations.
- Monitoring of the Automatic Vehicle Locator (AVL) system, tablets, radios, and any other computer-related FSP equipment.
- Maintenance of required “field ready” equipment, such as backup tablets, radios, safety vests, brochures, survey forms, magnetic signs, etc.
- Tracking of drivers’ tenure and performance for driver recognition and rewards.
- Participate in the RFP process for new vendors, beats, etc.

Staff coordinated with the CHP to develop an estimate for the incremental CHP Officer and CHP Dispatcher time and corresponding costs needed to support general overtime. Staff also coordinated internally with the Express Lanes project team and CHP to determine the estimated costs for CHP Officer and CHP Dispatcher hours for the construction phase.

The CHP is an integral part of SBCTA’s FSP Program and has been a key component to the program’s success. An Inland CHP Lieutenant Commander provides direct supervision of the dedicated FSP Officers, and reviews and approves their reimbursed overtime expenses. Therefore, staff is recommending the approval of Agreement No. 24-1003125 to continue the program supervision of the FSP Program by the CHP.

Board of Directors Agenda Item
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 Page 3

Financial Impact:

This item is included in the adopted Budget for Fiscal Year 2024/2025 and is funded with local DMV Safe Funds, Measure I Valley Fund - Freeway Interchange, and Advance for I-10 Contract 1 Funds. The FSP Program Services are included in Program 15, Commuter and Motorist Assistance. The Construction Freeway Service Patrol services are included in Program 40, Project Delivery. The Express Lane Services are included in Program 70, Express Lanes Operations.

Reviewed By:

This item was reviewed and unanimously recommended for approval by the General Policy Committee on August 14, 2024. SBCTA General Counsel, Enterprise Risk Manager, and Procurement Manager have reviewed this item and the draft amendment.

Responsible Staff:

Kelly Lynn, Chief of Air Quality & Mobility Programs

Approved
 Board of Directors
 Date: September 4, 2024

Witnessed By:

San Bernardino County Transportation Authority

Contract Summary Sheet

General Contract Information

Contract No: 24-1003125 Amendment No.: _____
 Contract Class: Payable Department: Air Quality and Mobility
 Vendor No.: 00496 Vendor Name: CALIFORNIA HIGHWAY PATROL
 Description: FREEWAY SERVICE PATROL OVERTIME AGREEMENT
 List Any Related Contract Nos.: _____

Dollar Amount

Original Contract	\$ 3,063,952.00	Original Contingency	\$ -
Prior Amendments	\$ -	Prior Amendments	\$ -
Current Amendment	\$ -	Current Amendment	\$ -
Total/Revised Contract Value	\$ 3,063,952.00	Total Contingency Value	\$ -
Total Dollar Authority (Contract Value and Contingency)		\$	3,063,952.00

Contract Authorization

Board of Directors Date: 09/04/2024 Board Item # 10820

Contract Management (Internal Purposes Only)

Other Contracts _____ Sole Source? Yes _____ N/A

State/Local _____ Freeway Service Patrol _____

Accounts Payable

Estimated Start Date: 11/01/2024 Expiration Date: 10/31/2029 Revised Expiration Date: _____
 NHS: N/A QMP/QAP: N/A Prevailing Wage: N/A

Fund	Prog	Task	Sub-Task	Object	Revenue	PA Level	Revenue Code Name	Total Contract Funding:	Total Contingency:
GL: 2810	15	0704	0000	52001	42212001		DMV SAFE	\$ 1,255,033.98	\$ -
GL: 4110	40	0820	0831	52001	41100000		MSI Valley Fwy	\$ 730,641.01	\$ -
GL: 4110	40	0820	0821	52001	41100000		MSI Valley Fwy	\$ 730,641.01	\$ -
GL: 7550	70	0750	0000	62610	44001090		Toll Revenue	\$ 347,636	\$ -
GL:								-	-
GL:								-	-
GL:								-	-
GL:								-	-
GL:								-	-
GL:								-	-

Kelly Lynn

Steven Smith

Project Manager (Print Name)

Task Manager (Print Name)

Additional Notes:

Attachment: CSS (10820 : Agreement No. 24-1003125 with the California Highway Patrol for Freeway Service Patrol)

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 24R061002	PURCHASING AUTHORITY NUMBER (If Applicable)
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1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
Department of California Highway Patrol (CHP)

CONTRACTOR NAME
San Bernardino County Transportation Authority (SBCTA)

2. The term of this Agreement is:

START DATE
11/01/2024

THROUGH END DATE
10/31/2029

3. The maximum amount of this Agreement is:
\$3,063,952.00 (Three Million Sixty-Three Thousand Nine Hundred Fifty-Two Dollars and Zero Cents)

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Page
Exhibit A	Scope of Work	4
Exhibit B	Budget Detail and Payment Provisions	1
Exhibit C	General Terms and Conditions	4
+ - Exhibit D	Special Terms and Conditions	1

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)
San Bernardino County Transportation Authority (SBCTA)

CONTRACTOR BUSINESS ADDRESS 1170 West 3rd Street, 2nd Floor	CITY San Bernadino	STATE CA	ZIP 9241
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PRINTED NAME OF PERSON SIGNING Raymond W. Wolfe	TITLE Executive Director
--	-----------------------------

CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED
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STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
Department of California Highway Patrol (CHP)

CONTRACTING AGENCY ADDRESS 601 North 7th Street	CITY Sacramento	STATE CA	ZIP 9581
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PRINTED NAME OF PERSON SIGNING	TITLE
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CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED
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CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL	EXEMPTION (If Applicable)
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Attachment: CHP Agreement No. 24-1003125 (10820 : Agreement No. 24-1003125 with the California Highway Patrol for Freeway Service Patrol)

EXHIBIT A

AGREEMENT BETWEEN

STATE OF CALIFORNIA

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

AND

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

FOR FREEWAY SERVICE PATROL

THIS AGREEMENT is between the State of California acting by and through Department of California Highway Patrol (hereinafter referred to as CHP) and San Bernardino County Transportation Authority (herein referred to as SBCTA) and shall be effective upon approval by the Department of General Services (DGS), Office of Legal Services. Collectively, CHP and SBCTA may be referred to as the "Parties."

ARTICLE 1. GENERAL INFORMATION

- A. Section 2401 of the California Vehicle Code (CVC) states that the Commissioner of the CHP shall be made adequate provisions for patrol of the highways at all times of the day and night, which is interpreted to mean that the Commissioner is given broad discretion in determining the means of providing adequate patrol, including the use of Freeway Service Patrol (FSP) vehicles; and
- B. Under Section 2557 (d) of the Streets and Highways Code (S&H), SBCTA has the ability to provide funding for FSP on freeways within the San Bernardino County Area and SBCTA intends, by this Agreement, to provide funding for specified CHP activities relating to its FSP program as follows:

ARTICLE 2. CHP RESPONSIBILITIES

- A. All personnel providing services shall be state employees under the sole discretion, supervision, and regulation of CHP. Said personnel shall work out of the appropriate CHP facilities as designated by CHP. At no time shall any state employee assigned to the FSP program be considered employees, agents, officials, or volunteers of SBCTA.
- B. CHP shall provide invoices to SBCTA documenting incurred weekend oversight and weekday enhanced oversight of the FSP program, including date, staff name, brief description of overtime performed, and number of hours worked. Invoice details shall be itemized on a monthly basis.
- C. CHP shall deliver or mail invoices to SBCTA, as follows:

SBCTA
 Attention: Kelly Lynn, Program Manager
 1170 West Third Street, Second Floor
 San Bernardino, CA 92410-1715
 klynn@gosbcta.com

ARTICLE 3. SBCTA RESPONSIBILITIES

- A. The SBCTA agrees to reimburse CHP for FSP-related activities in accordance with Exhibit B. Upon receipt and verification of all costs described in the invoice, SBCTA agrees to make payment to CHP within thirty (30) days from receipt and approval of the CHP invoice. Maximum amount payable under this Agreement is Three Million Sixty-Three Thousand Nine Hundred Fifty-Two Dollars (\$3,063,952.00) subject to SBCTA's annual budget approval process.
- B. The SBCTA agrees to provide CHP with a resolution, motion, order, or ordinance of the governing body, which authorizes execution of this Agreement.

ARTICLE 4. PERIOD OF PERFORMANCE

The period of performance of this Agreement will be from November 1, 2024, through October 31, 2029.

ARTICLE 5. APPROVAL

This Agreement is of no force or effect until signed by the Parties and approved by Department of General Services, if required. The Parties may not commence performance until such approval has been obtained.

ARTICLE 6. AGENCY COORDINATORS

The agency coordinators for the purposes of this Agreement are:

SBCTA

Kelly Lynn, Program Manager
 1170 West Third Street, 2nd Floor
 San Bernardino, CA 92410-1715
 Telephone: (909) 884-8276
 Electronic mail: klynn@gosbcta.com

CHP

Denise Tapia, FSP Manager
 CHP, Research and Planning Section
 601 North 7th Street
 Sacramento, CA 95811
 Telephone: (916) 843-3351
 Electronic mail: dtapia@chp.ca.gov

ARTICLE 7. TERMINATION FOR CAUSE

- A. The FSP program is intended to be partially funded by SBCTA. If adequate funding does not become available for this program, performance hereunder may be immediately terminated by either party by written notice, and such termination shall not be deemed a breach of this Agreement.
- B. Should this Agreement be terminated under paragraph (A) of this section, SBCTA agrees to reimburse CHP for those reasonable costs incurred and associated with implementation of this Agreement up to the point of termination.

ARTICLE 8. AMENDMENTS

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the Parties, and approved as required. No oral understanding or additional agreement not incorporated into this Agreement is binding on any party.

ARTICLE 9. DISPUTES

Except as otherwise provided in this Agreement, any dispute concerning a question of fact arising under this Agreement that is not disposed of by mutual agreement of the Parties may be submitted to an independent arbitrator mutually agreed upon by CHP and SBCTA. If arbitration is pursued, CHP and SBCTA shall be equally responsible for the costs of the arbitrator but shall be otherwise individually responsible for their own costs and expenses related to the arbitration process. The arbitrator's decisions shall be non-binding and advisory only, and nothing herein shall prevent either party, at any time, from pursuing any other legal available course of action, including the filing of a lawsuit. Pending a final decision of a dispute hereunder, both parties shall proceed diligently with the performance of their duties under this Agreement, and such continued performance shall not constitute a waiver of any rights, legal or equitable, of either party relating to the dispute.

The Parties shall continue with the responsibilities under this Agreement during any dispute.

ARTICLE 10. INDEMNIFICATION

- A. To the extent permitted by law, SBCTA shall defend, indemnify, and save harmless CHP and all of CHP's appointees, directors, Commissioners, officers, and employees from and against any and all claims, suits, or actions for "injury" (as defined by Government Code [GOV] Section 810.8) caused by negligent or intentional acts or omissions of SBCTA, or SBCTA's officers, directors, commissioners, and employees, arising out of the performance of this Agreement.
- B. To the extent permitted by law, CHP shall defend, indemnify, and save harmless SBCTA and all of SBCTA's officers, directors, commissioners, and employees from and against any and all claims, suites, or actions for "injury" (as defined by Section 810.8 of the GOV) caused by the negligent or intentional acts or omissions of CHP, or CHPs appointees, directors, Commissioners, officers, or employees, arising out of the performance of this Agreement.
- C. Neither termination of this Agreement, nor completion of the acts to be performed under this Agreement, shall release any party from its obligation to indemnify as to any claims or cause of action asserted so long as the event(s) upon which such claim or cause of action is predicated shall have occurred subsequent to the effective date of this Agreement and prior to the effective date of termination or completion.

ARTICLE 11: AUDITS

- A. The Parties hereto shall be subject to the examination and audit of the state for a period of three (3) years after final payment under the contract. In addition, SBCTA and CHP may be subject to the examination and audit by representatives of either party. The examination and audit shall be confined to those matters connected with the performance of the contract including, but not limited to, the costs of administering the contract. The SBCTA and CHP agree to allow the auditor(s) access to such records, except for those

records deemed confidential per law, during normal business hours and to allow interviews of any employees who might reasonably have information related to such records (Section 8546.7 of the GOV, Public Contract Code Section 10115 et seq., California Code of Regulations Title 2, Section 1896). SBCTA and CHP agree to maintain such records for possible audit for a minimum of three (3) years after final payment.

ARTICLE 12: INDEPENDENT CONTRACTOR

The Parties, and the agents and employees of Parties, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of each other. This Agreement and any attachments or documents incorporated herein by inclusion of reference constitute the complete and entire agreement between CHP and SBCTA and supersede any prior representations, understandings, communications, commitments, agreements, or proposals, oral or written, for FSP.

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EXHIBIT B
BUDGET DETAIL AND METHOD OF PAYMENT

1. The SBCTA agrees to reimburse CHP for the overtime costs incurred by CHP FSP sergeant, officers, dispatchers, and/or analyst for the purpose of duties that include, but are not limited to, overseeing and assisting with regular FSP program oversight and operations, extended weekday services, weekend services, regular and construction express lane services, investigating complaints from the public regarding an SBCTA FSP contractor or driver, performing all necessary driver's license and background checks on all SBCTA FSP operators, inspecting all SBCTA FSP contractor tow trucks on a periodic basis, overseeing SBCTA contractors' compliance with statutory and regulatory requirements, providing training to all SBCTA FSP contractors and drivers, and providing representation for the SBCTA FSP technical committee.
2. In consideration for the services contained herein, SBCTA agrees to reimburse the CHP upon receipt of an itemized invoice. The SBCTA agrees to reimburse the CHP for the actual hours worked by CHP officers (at the overtime rate, described below) at the time services are provided. The rates indicated in this Agreement are for estimate purpose only. It is understood by both parties that rate increases in salary and benefits are governed by collective bargaining agreements and/or statute and that no advance written notification is necessary prior to implementing the increased rates. In the event CHP is granted a rate increase, SBCTA agrees to pay the increased rate. The following information is the CHP officer overtime rate effective Fiscal Year 2023/24 until superseded:

CHP Sergeant \$130.37
 CHP Officer \$107.16
 CHP Analyst \$60.81
 CHP Dispatch Supervisor \$63.16
 CHP Dispatcher \$54.29

3. The maximum amount payable under this contract shall not exceed \$3,063,952.00. Amounts payable to the CHP by SBCTA for costs incurred pursuant to this Agreement may be utilized over several fiscal years and need not be utilized in a single fiscal year by the CHP, so long as the total amount payable under this Agreement is not exceeded. The estimated breakdown for each fiscal year of this contract is as follows:

FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
\$598,099.33	\$611,754.34	\$661,316.28	\$749,272.76	\$443,509.29
Total Contract Amount \$3,063,952.00				

Department of California Highway Patrol (CHP)
and San Bernadino County Transportation Authority (SBCTA)
CHP Agreement #24R061002
SBCTA Agreement #24-1003125
Exhibit C, Page 1 of 4

General Terms and Conditions (GTC 04/2017)
EXHIBIT C

1. **APPROVAL:** This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. **ASSIGNMENT:** This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. **DISPUTES:** Contractor shall continue with the responsibilities under this Agreement during any dispute.
5. **TERMINATION FOR CAUSE:** The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.
6. **INDEPENDENT CONTRACTOR:** Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
7. **RECYCLING CERTIFICATION:** The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).
8. **NON-DISCRIMINATION CLAUSE:** During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of

Department of California Highway Patrol (CHP)
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CHP Agreement #24R061002
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Exhibit C, Page 2 of 4

such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

9. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
10. TIMELINESS: Time is of the essence in this Agreement.
11. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
12. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
13. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.
 - a. The Government Code Chapter on Antitrust claims contains the following definitions:
 - 1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
 - 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
 - b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title,

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and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

- c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
- d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.
14. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
- a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
15. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
16. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

17. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

- a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)
- b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

18. LOSS LEADER: If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

Department of California Highway Patrol (CHP)
and San Bernadino County Transportation Authority (SBCTA)
CHP Agreement #24R061002
SBCTA Agreement #24-1003125
Exhibit D, Page 1 of 1

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

Gifts, donations, or gratuities may not be accepted by CHP employees in their own behalf or on behalf of the Department, informal squad club, or other local funds.

DRAFT

Minute Action

AGENDA ITEM: 13

Date: *September 4, 2024*

Subject:

Amendment No. 1 to Contract No. 23-1002947 with Royal Coaches Auto Body & Towing

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority:

Approve Amendment No. 1 to Contract No. 23-1002947 with Royal Coaches Auto Body & Towing to provide Construction Freeway Service Patrol (CFSP) “extra work” service on Beat No. 23, to increase the contract amount by \$541,398 for a new not-to-exceed amount of \$5,573,908, to be funded with Measure I Valley Freeway Program funds for CFSP service support in Program 40 Project Delivery.

Background:

The Freeway Service Patrol (FSP) consists of a fleet of tow trucks patrolling urban freeways for the purpose of assisting motorists with their disabled vehicles during peak periods of congestion. The stretch of highway that the fleet patrols up and down is referred to as a “Beat.” The FSP Program is extremely beneficial to the motoring public by reducing the amount of time a motorist is in an unsafe condition in traffic lanes, reducing traffic delays, as well as decreasing fuel consumption, vehicular emissions and secondary incidents. San Bernardino County Transportation Authority (SBCTA) began its program in January 2006 and has eight separate Beats in operation, assisting more than 7,100 motorists each month.

FSP Beat 23 covers the following area:

1. Interstate 15 (I-15) Jurupa Street (Riverside County line) to Sierra Avenue.

Each SBCTA tow operator agreement contains a clause regarding Construction Freeway Service Patrol (CFSP) services. The goal of CFSP is to assist in construction zones outside of regular FSP hours or locations. The work is provided as “Extra Work” due to the uncertainty of the hours or changes in construction.

The CFSP project is to provide FSP support services related to SBCTA-led construction activity for the SBCTA Express Lanes construction projects. The need for I-15 Express Lanes FSP construction tow truck support services is anticipated from approximately the Fall/Winter of 2024 to the Fall/Winter of 2027, and the cost of those services is estimated based on that duration of the project. The hours of CFSP services are estimated to be approximately 7,200 hours for one construction support tow truck Monday through Friday during this estimated period of time. The construction support work is not guaranteed to the tow operator and can be stopped or modified anytime. Please note the construction support services for the Express Lane construction activity is 100 percent funded by Measure I Freeway Funds.

SBCTA staff reached out to Royal Coaches Auto Body & Towing, the current FSP contractor for Beat 23, and inquired whether it was willing and able to provide FSP construction support services for the I-15 Express Lanes construction project (the construction activity occurs entirely within the Beat 23 parameters). Royal Coaches confirmed that it would be able to provide the construction support as requested. Therefore, it was determined that Royal Coaches Auto Body & Towing had the appropriate resources to provide the SBCTA-led CFSP Express Lanes construction project with CFSP support services.

Entity: San Bernardino County Transportation Authority

Board of Directors Agenda Item

September 4, 2024

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The “Extra Work” provision for the contract is listed below:

- Per Article 4, section 4.9 titled “Extra Work” in Contract No. 23-1002947, for FSP Beat No. 23 with Royal Coaches Auto Body & Towing; “Authorization for ‘Extra Work’ above \$25,000 must be issued by a written contingency amendment or contract amendment as applicable. All terms and conditions of this contract shall apply to any ‘Extra Work’ performed”.

Therefore, staff recommends the approval of the following amendment to provide CFSP support for the SBCTA Express Lanes project: Amendment No. 1 to Contract No. 23-1002947 with Royal Coaches Auto Body & Towing. The pricing information documents are attached to the amendment as Exhibit B.1.

Financial Impact:

The item is included in the adopted Budget for Fiscal Year 2024/2025 and funded with 80% State FSP Funds and 20% DMV Safe Funds for regular FSP services in Program 15, Commuter and Motorist Assistance, and Measure I Valley Freeway Program funds for CFSP service support in Program 40, Project Delivery.

Reviewed By:

This item was reviewed and recommended for approval (9-0-1; Abstained: Baca) by the General Policy Committee on August 14, 2024. SBCTA General Counsel, Enterprise Risk Manager, and Procurement Manager have reviewed this item and the draft amendment.

Responsible Staff:

Rana Semaan, Management Analyst II

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

General Contract Information

Contract No: 23-1002947 Amendment No.: 1
 Contract Class: Payable Department: Air Quality and Mobility
 Vendor No.: 03251 Vendor Name: Royal Coaches Auto Body & Towing
 Description: Freeway Service Patrol Beat No. 23

List Any Related Contract Nos.:

Dollar Amount					
Original Contract	\$	5,032,510.00	Original Contingency	\$	685,430.00
Prior Amendments	\$	-	Prior Amendments	\$	-
Prior Contingency Released	\$	-	Prior Contingency Released (-)	\$	-
Current Amendment	\$	541,398.00	Current Amendment	\$	-
Total/Revised Contract Value	\$	5,573,908.00	Total Contingency Value	\$	685,430.00
Total Dollar Authority (Contract Value and Contingency)				\$	6,259,338.00

Contract Authorization

Board of Directors Date: 09/04/2024 Board Item # 10821

Contract Management (Internal Purposes Only)

Other Contracts Sole Source? No N/A
 State/Local Professional Services (Non-A&E) N/A

Accounts Payable

Estimated Start Date: 09/01/2024 Expiration Date: 07/31/2029 Revised Expiration Date:

NHS: N/A QMP/QAP: N/A Prevailing Wage: N/A

							Total Contract Funding:	Total Contingency:		
Fund	Prog	Task	Sub-Task	Object	Revenue	PA Level	Revenue Code Name	\$	\$	
GL	2820	15	0704	0000	52001		42213018	SHA	517,944.00	-
GL	2702	15	0704	0170	52001		42217714	FSP SB1	517,944.00	-
GL	2702	15	0704	0171	52001		42217714	FSP SB1	517,944.00	-
GL	2702	15	0704	0170	52001		42217716	FSP SB1	517,944.00	-
GL	2702	15	0704	0171	52001		42217716	FSP SB1	517,944.00	-
GL	2702	15	0704	0170	52001		42217718	FSP SB1	517,944.00	-
GL	2702	15	0704	0171	52001		42217718	FSP SB1	517,944.00	-
GL	2810	15	0704	0000	52001		42212001	SAFE	906,402.00	-
GL	4110	40	0820	0831	52001		41100000	CFSP MSI Fwy	500,500.00	685,430.00
GL									-	-
GL	4110	40	0820	0831	52001		41100000	CFSP MSI Fwy	541,398.00	-
GL									-	-
GL									-	-
GL									-	-

Rana Semaan
Project Manager (Print Name)

Steve Smith
Task Manager (Print Name)

Additional Notes: This is budgeted for CFSP Express Lane Services

Attachment: CSS Beat 23 (10821 : Amendment No. 1 to Contract No. 23-1002947 with Royal Coaches)

AMENDMENT NO. 1 TO CONTRACT 23-1002947
FOR
FREEWAY SERVICE PATROL BEAT 23
(ROYAL COACHES AUTO BODY & TOWING)

This Amendment No. 1 to Contract 23-1002947 is made by and between the San Bernardino County Transportation Authority (“SBCTA”) and Royal Coaches Auto Body & Towing, a California corporation (“CONTRACTOR”).

RECITALS

- A. On January 4, 2024, SBCTA and CONTRACTOR entered into Agreement No. 23-1002947 (“CONTRACT”) for the purpose of providing FSP Services along Beat 23; and
- B. SBCTA and CONTRACTOR now desire to amend the CONTRACT to increase the CONTRACT not-to-exceed value from \$5,032,510 to \$5,573,908 to provide SBCTA-led Construction Freeway Service Patrol (CFSP) support for Express Lanes construction projects, as requested by SBCTA pursuant to Article 4, SECTION 4.11, titled “CONSTRUCTION FSP.”

NOW THEREFORE, in consideration of the above recitals and the terms and conditions contained herein, SBCTA and CONTRACTOR agree as follows:

- 1. Article 3, COMPENSATION, section 3.2 shall be deleted in its entirety and replaced with:

“The total Contract Not-To-Exceed Amount is Five Million, Five Hundred Seventy-Three Thousand, Nine Hundred Eight Dollars (\$5,573,908). All Work provided under this Contract is to be performed as set forth in Exhibit A "Scope of Work". The hourly labor rates identified in Exhibit B shall remain fixed for the term of this Contract and include CONTRACTOR's direct labor costs, indirect costs, and profit. SBCTA will not compensate CONTRACTOR for any expenses not shown in Exhibit B or agreed to and approved by SBCTA as required under this Contract.”

Exhibit B to the CONTRACT is revised as shown in Exhibit B.1, attached to this Amendment No. 1 and incorporated herein.
- 2. The Recitals set forth above are incorporated herein by this reference.
- 3. Except as amended by this Amendment No. 1, all other provisions of the CONTRACT shall remain in full force and effect.
- 4. This Amendment No. 1 is effective upon execution by SBCTA.

-----SIGNATURES ARE ON THE FOLLOWING PAGE-----

Attachment: 23-1002947 Amendment (10821 : Amendment No. 1 to Contract No. 23-1002947 with Royal Coaches)

**ROYAL COACHES AUTO
BODY & TOWING, a California
Corporation**

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

By: _____
William Salazar
President

By: _____
Ray Marquez
President, Board of Directors

Date: _____

Date: _____

By: _____
William Salazar
Secretary

Date: _____

APPROVED AS TO FORM:

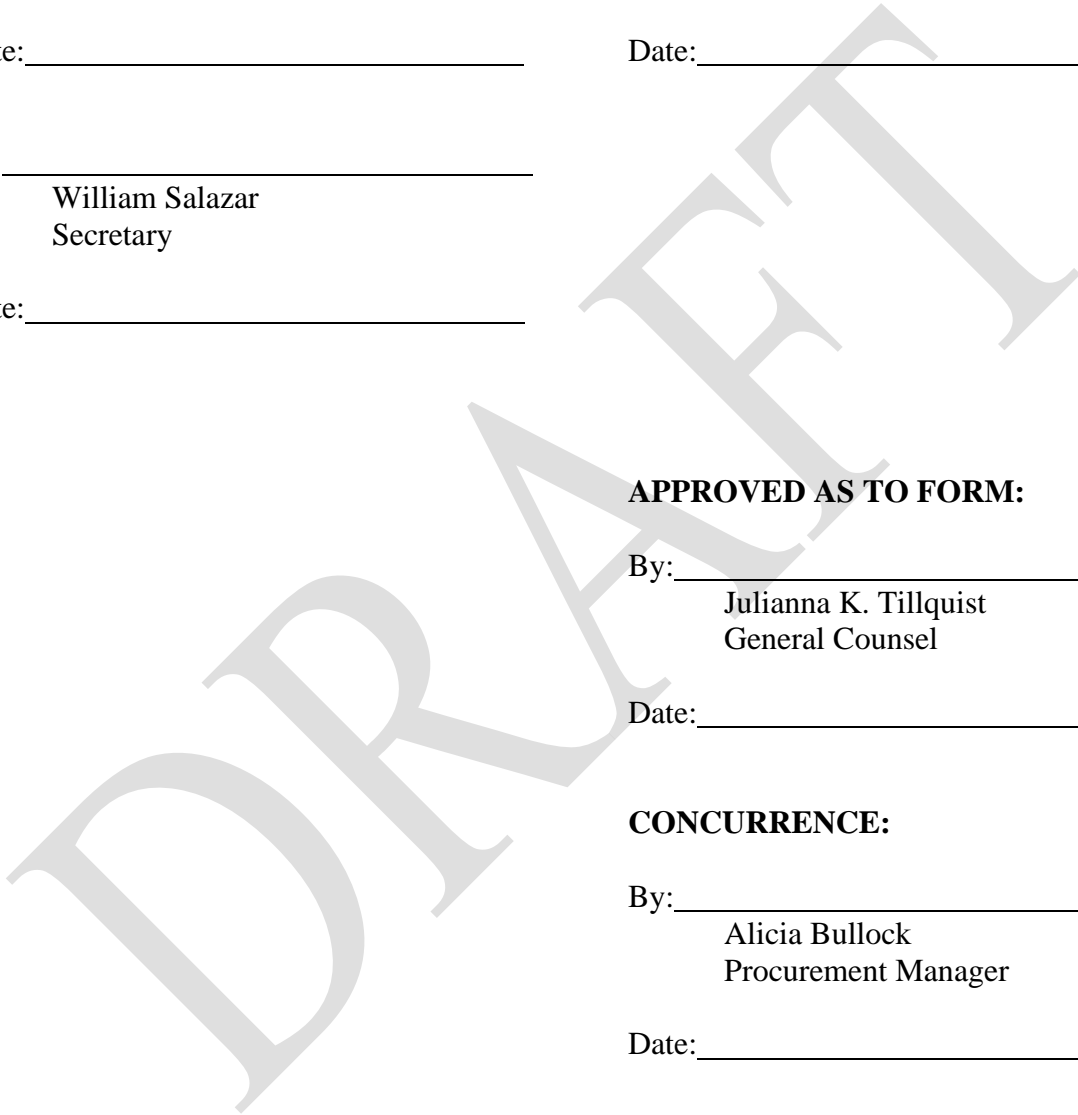
By: _____
Julianna K. Tillquist
General Counsel

Date: _____

CONCURRENCE:

By: _____
Alicia Bullock
Procurement Manager

Date: _____



Attachment: 23-1002947 Amendment (10821 : Amendment No. 1 to Contract No. 23-1002947 with Royal Coaches)

Exhibit B.1
 Contract: 23-1002947
 Compensation and Payment
 Overview Contract No. 23-1002947 with Royal Coaches Auto Body & Towing for Beat 23
 Beat 23 Term
 NTP I: December 2023-July 31, 2024
 NTP II: August 1, 2024-July 31, 2029
 Two Primary FSP Tow Trucks plus one certified FSP Back Up Tow Truck is required
 Beat 23 Term I-15 Express Lanes Construction Support estimated August 1, 2024 - July 31, 2029

NTP I December 2023- July 31, 2024						
PERIOD OF PERFORMANCE/ NTP I DELIVERABLES FSP Tow Truck Purchase, Mobilization, AVL and Radio installation, FSP Driver Training, Project ramp-up, and Tow Vehicle inspections	ESTIMATED BASELINE HOURS	ESTIMATED WEEKEND HOURS SUBJECT TO SBTA APPROVAL	7% MORE HOURS	ESTIMATED TOTAL HOURS	HOURLY RATE	NOT-TO EXCEED AMOUNT
December 2023- July 31, 2024	N/A	N/A	N/A	N/A	\$0.00	\$0

BEAT23- FSP SUPPORT I-15 EXPRESS LANES CONSTRUCTION SUPPORT COMPENSATION AND PAYMENT PROVISIONS			
August 1, 2024 through July 31, 2027 (ESTIMATED SCHEDULE)			
ONE TRUCK FOR CFSP SUPPORT			
NOT GUARANTEED AND SUBJECT TO SBCTA APPROVAL			
PERIOD OF PERFORMANCE/ NTP II DELIVERABLES FSP SUPPORT SERVICES	ESTIMATED TOTAL HOURS	HOURLY RATE	ESTIMATED NOT TO EXCEED AMOUNT FOR CFSP SUPPORT SERVICES 1 Truck
YEAR 1 -3 : I-15 EXPRESS LANES CONSTRUCTION SUPPORT / 1 PRIMARY TRUCK (8/1/24-7/31/27) ESTIMATED SCHEDULE * EXPRESS LANES CONSTRUCTION SUPPORT HOURS ARE NOT GUARANTEED AND SUBJECT TO PROJECT AVAILABILITY AND SBCTA APPROVAL*	7,286	\$143.00	\$1,041,898
WEEKEND HOURS, EXTRA WORK HOURS, CFSP SUPPORT HOURS AND CFSP SBCTA SUPPORT HOURS ARE NOT GUARANTEED AND SUBJECT TO SBCTA APPROVAL			

BEAT 23- FSP SERVICES FSP Tow Services COMPENSATION AND PAYMENT PROVISIONS NTP II August 1, 2024-July 31, 2029 Two Primary FSP Tow Trucks plus one certified FSP Back Up Tow Truck is required						
PERIOD OF PERFORMANCE/ NTP II DELIVERABLES FSP SUPPORT SERVICES	ESTIMATED BASELINE HOURS	ESTIMATED WEEKEND HOURS *Subject to SBCTA Approval*	7% MORE HOURS	ESTIMATED TOTAL HOURS (1 Truck)	HOURLY RATE	NOT-TO-EXCEED AMOUNT (TOTAL HOURS X HOURLY RATE) X 2 TRUCKS)
YEAR 1: FY 24/25-FY 25/26 (8/1/24-7/31/25)	2,116	765	202	3,083	\$143.00	\$881,738
YEAR 2: FY 25/26-FY 26/27 (8/1/25-7/31/26)	2,116	765	202	3,083	\$143.00	\$881,738
YEAR 3: FY 26/27-FY 27/28 (8/1/26-7/31/27)	2,116	765	202	3,083	\$143.00	\$881,738
YEAR 4: FY 27/28-FY 28/29 (8/1/27-7/31/28)	2,116	765	202	3,083	\$153.00	\$943,398
YEAR 5: FY 28/29-FY 29/30 (8/1/28-7/31/29)	2,116	765	202	3,083	\$153.00	\$943,398
Regular FSP Tow Services (10,580 hours is one truck) for Beat 23. The estimated hours for two Primary trucks is 10,580 x 2 =21,160.	10,580	3,825	1008	15,413		\$4,532,010
TOTAL CONTRACT 23-1002947 BEAT 23 NTP II (August 1, 2024- July 31, 2029) (I-15 EXPRESS LANES FSP SUPPORT + REGULAR FSP SERVICES)						\$5,573,908

<p>NTP II YEAR 1-3 EXTRA TIME, NON PENALIZED DOWN TIME AND PENALIZED DOWN TIME PER MINUTE RATES Extra Time: \$(2.38) per minute Non-Penalized Down Time: \$(2.38) per minute Penalized Down Time: \$(7.14) Per Minute</p>
<p>NTP II YEAR 4-5 EXTRA TIME, NON PENALIZED DOWN TIME AND PENALIZED DOWN TIME PER MINUTE RATES Extra Time: \$(2.55) per minute Non-Penalized Down Time: \$(2.55) per minute Penalized Down Time: \$(7.65) Per Minute</p>
<p>WEEKEND HOURS, EXTRA WORK HOURS, CFSP CALTRANS SUPPORT HOURS AND CFSP I-15 EXPRESS LANES SUPPORT HOURS ARE NOT GUARANTEED AND SUBJECT TO SBCTA APPROVAL</p>

Attachment: Exhibit B1 (10821 : Amendment No. 1 to Contract No. 23-1002947 with Royal Coaches)

Minute Action

AGENDA ITEM: 14

Date: *September 4, 2024*

Subject:

Interstate 10 Mount Vernon Avenue Interchange Improvement Project Cooperative Agreement Amendments with California Department of Transportation and City of Colton

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. Authorize the Executive Director, or his designee, to execute Amendment No. 4 to Cooperative Agreement No. 18-1001904, with the City of Colton for the Interstate 10 (I-10) Mount Vernon Avenue Interchange Improvement Project (Project) to update the Project cost for a new total of \$94,124,490, consisting of \$4,837,429 City Developer Impact Fees and \$89,287,061 Measure I Funds, and extend the expiration date to December 31, 2031, upon approval as to form by SBCTA General Counsel.

B. Authorize the Executive Director, or his designee, to execute Amendment No. 1 to Cooperative Agreement No. 23-1002893, with the California Department of Transportation (Caltrans), to update construction cost, increase Department Furnished Materials to \$1,050,000, and add Landscape Maintenance language for the Project, upon approval as to form by SBCTA General Counsel.

Background:

The Interstate 10 (I-10) Mount Vernon Avenue Interchange Improvement Project (Project) holds position number eight on the Measure I Valley Freeway Interchange Program priority list. As directed by the San Bernardino County Transportation Authority (SBCTA) Board of Directors (Board), project development has commenced on all interchange projects in the top 10 of the list.

The purpose of this agenda item is to amend the cooperative agreements with the City of Colton (City) and California Department of Transportation (Caltrans) to update Project cost and to extend the expiration date of the agreement with the City. As the project moved into the 95% design phase, the Project experienced a large cost increase, both from a design and right-of-way (ROW) acquisition standpoint. On the design side, the Project saw a large increase in unit prices and the addition of several new items. A retaining wall was added to avoid impacts to a future development; additional wall and bridge aesthetics were added to meet landscape requirements, and additional guard rail, fiber optics, and miscellaneous items were upgraded to meet Caltrans requirements. On the ROW side, there are two gas stations on the Project with ongoing negotiations due to business impacts.

The Project is scheduled to obtain final design approval by late summer 2024, with the goal of advertising and awarding a construction contract by the end of 2024.

Recommendation A:

In February 2016, the Board approved Cooperative Agreement No. 15-1001228 with the City which details roles and responsibilities for completing a Project Study Report/Project Development Support (PSR/PDS). SBCTA and the City worked together to finalize the Project Initiation phase by completing the PSR/PDS document, which was approved in December 2018.

In July 2018, concurrent with the PSR/PDS effort, the Board approved Cooperative Agreement No. 18-1001904 with the City, identifying roles, responsibilities, and funding for the Project

Entity: San Bernardino County Transportation Authority

Board of Directors Agenda Item

September 4, 2024

Page 2

Approval/Environmental Document (PA/ED), Plans, Specification, & Estimates (PS&E), and ROW phases of the Project. This agreement identified SBCTA as the lead for all phases of the Project, and the City as a Project partner.

In March 2019, the Board approved the Amended and Restated Cooperative Agreement No. 18-1001904 (Amendment No. 1) with the City to combine the roles and responsibilities of Cooperative Agreement No. 15-1001228 with Cooperative Agreement No. 18-1001904. This agreement consolidated roles, responsibilities, and funding commitments from both agreements into one agreement, consisting of Project Management, Project Initiation Document, PA/ED, PS&E and ROW activities of the Project.

In April 2022, the Board approved Amendment No. 1 to the Amended and Restated Cooperative Agreement No. 18-1001904 (Amendment No. 2) to process an adjustment with the City for the I-10 Pepper Avenue Project.

In February 2023, the Board approved the Second Amended and Restated Cooperative Agreement No. 18-1001904 (Amendment No. 3) to include the construction phase and the corresponding funding.

Staff recommends approval of Amendment No. 4 to Cooperative Agreement No. 18-1001904 (Amendment No. 1 to Second Amended and Restated Cooperative Agreement) with the City, to update the Project funding based on the latest engineer's estimate to provide a fully funded Project and to extend the expiration date by five years to December 31, 2031, to add additional time to complete final design, advertisement, and construction of the Project, including extended landscape maintenance. The City presented and approved the amendment at its August 6, 2024, City Council Meeting.

Recommendation B:

In January 2023, the Board approved Cooperative Agreement No. 23-1002893 with Caltrans to define the roles and responsibilities for the construction phase.

Staff recommends approval of Amendment No. 1 to Cooperative Agreement No. 23-1002893 with Caltrans to update the Project construction cost, increase Department Furnished Materials to \$1,050,000, and add landscape maintenance language to incorporate the three-year extended landscape maintenance period.

Financial Impact:

This item is consistent with the adopted Budget for Fiscal Year 2024/2025 under Task No. 0830 Interchange Projects, Sub-Task No. 0898 I-10 Mt Vernon Avenue Improvement Project, and funded by Measure I and Local Developer Impact Fees in Program 40, Project Delivery.

Reviewed By:

This item was reviewed and recommended for approval (19-0-0) with a quorum of the Board present at the Board of Directors Metro Valley Study Session on August 15, 2024. SBCTA General Counsel and Enterprise Risk Manager have reviewed this item and the draft amendments.

Responsible Staff:

Juan Lizarde, Project Manager

Board of Directors Agenda Item
September 4, 2024
Page 3

Approved
Board of Directors
Date: September 4, 2024
Witnessed By:

San Bernardino County Transportation Authority

General Contract Information

Contract No: 18-1001904 Amendment No.: 4
 Contract Class: Receivable Department: Project Delivery
 Customer ID: COLT CI Customer Name: City of Colton
 Description: I-10 MT VERNON AVENUE PID, PA/ED, PS&E AND R/W COOPERATIVE AGREEMENT
 List Any Accounts Payable Related Contract Nos.: 15-1001228 (PSR-PDS), 18-1001983 (MOU),

Dollar Amount					
Original Contract	\$	467,906.00	Original Contingency	\$	-
Prior Amendments	\$	3,320,105.00	Prior Amendments	\$	-
Current Amendment	\$	1,049,418.00	Current Amendment	\$	-
Total/Revised Contract Value	\$	4,837,429.00	Total Contingency Value	\$	-
Total Dollar Authority (Contract Value and Contingency)					\$ 4,837,429.0

Contract Authorization

Board of Directors Date: 09/04/2024 Board Item # 10832

Contract Management (Internal Purposes Only)

Local Funding Agreement N/A

Accounts Receivable

Total Contract Funding: \$ 4,837,429.00 Funding Agreement No: 18-1001904
 Beginning POP Date: 03/06/2019 Ending POP Date: 06/30/2031 Final Billing Date: 09/30/2031
 Expiration Date: 12/31/2031 Z Contract: 18-1001980 PM Description: I-10 Mt Vernon PAED-CON City of Colton

Fund	Prog	Task	Sub-Task	Revenue	Total Contract Funding:
GL	6010	40	0830 0898	42407009	4,837,429.00
GL					-
GL					-
GL					-
GL					-

Fund	Prog	Task	Sub-Task	Revenue	Total Contract Funding:
GL					-
GL					-
GL					-
GL					-
GL					-

Juan Lizarde
Project Manager (Print Name)

Kristi Harris
Task Manager (Print Name)

Additional Notes:

Attachment: 18-1001904-04_CSS (10832 : I-10 Mt. Vernon Ave Interchange Coop Amendments with Caltrans & City of Colton)

**AMENDMENT NO. 1 TO
SECOND AMENDED AND RESTATED
COOPERATIVE AGREEMENT NO. 18-1001904 (18-1001904-04)**

BETWEEN

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF COLTON

FOR

**PROJECT INITIATION DOCUMENT (PID), PROJECT APPROVAL AND
ENVIRONMENTAL DOCUMENT (PA/ED),
PLANS, SPECIFICATIONS AND ESTIMATE (PS&E), RIGHT OF WAY (ROW), AND
CONSTRUCTION AND LANDSCAPE MAINTENANCE PHASES
FOR THE MOUNT VERNON AVENUE AT INTERSTATE 10 (I-10) INTERCHANGE
IN THE CITY OF COLTON**

THIS AMENDMENT No. 1 to the SECOND AMENDED AND RESTATED COOPERATIVE AGREEMENT 18-1001904 (herein referred to as Amendment “18-1001904-04”) is made and entered into by and between the San Bernardino County Transportation Authority (“SBCTA”) and the City of Colton (“CITY”). SBCTA and CITY may be referred to individually herein as a “Party” and collectively “Parties”.

WHEREAS, on March 9, 2016, the PARTIES entered into Cooperative Agreement No. 15-1001228 (Agreement No. 15-1001228) which provided for SBCTA to be lead agency to study and document the PROJECT as part of the Project Study Report/Project Development Support (PSR/PDS) document; and

WHEREAS, on August 8, 2018, the PARTIES entered into Cooperative Agreement No. 18-1001904 (Agreement No. 18-1001904) which provided for SBCTA to be lead agency on Project Management, PA/ED, PS&E, and ROW phases for the PROJECT; and

WHEREAS, on December 31, 2018, the term of Agreement No. 15-1001228 expired; and

WHEREAS, on March 21, 2019, the PARTIES amended and restated Agreement No. 18-1001904 (“AGREEMENT”) to combine the roles and responsibilities of Agreement No. 15-1001228 with Agreement No. 18-1001904 and to delineate roles, responsibilities, and funding commitments relative to Project Management, PID, PA/ED, PS&E, and ROW activities of the PROJECT; and

18-1001904-04

WHEREAS, on April 19, 2022, the PARTIES amended this AGREEMENT to reconcile the underpayment and overpayment of Developer Share and Public Share funds, respectively, in the amount of \$37,080 identified in the November 2021 Final Project Expenditure Summary (FPES) for the I-10/Pepper Avenue Interchange Project.

WHEREAS, on February 2, 2023, the PARTIES amended and restated the AGREEMENT to include the construction phase and add construction capital funds.

WHEREAS, the PARTIES desire to further amend this AGREEMENT to increase the cost estimate of the project to \$94,124,490.

WHEREAS, the PARTIES desire to further amend this AGREEMENT to extend the expiration date by five years to December 31, 2031, to cover final design, construction, plant establishment, extended landscape maintenance, and closeout.

NOW, THEREFORE, the PARTIES agree to amend the AGREEMENT as follows:

1. Section I.B. is revised in its entirety to read as follows:

“Unless this AGREEMENT is terminated early as provided in Section V, Paragraph F, this AGREEMENT shall terminate upon completion of the PARTIES’ obligations associated with the project initiation document (“PID”), project approval and environmental document (“PA/ED”), plans, specifications and estimate (“PS&E”), and right of way (“ROW”), Construction and Landscape Maintenance phases described herein or **December 31, 2031**, whichever is earlier in time. The indemnification provisions identified in Section V, Paragraphs D through E, shall survive the termination of this AGREEMENT. Should any claims arising out of this AGREEMENT be asserted against one of the PARTIES prior to the termination of this AGREEMENT, the AGREEMENT shall be extended until such time as the claims are settled, dismissed or paid.”

2. Attachment A-2 is revised in its entirety to read as reflected in Attachment A-3, attached to this Amendment 18-1001904-04.

3. Except as otherwise provided in this Amendment 18-1001904-04, all other provision of the AGREEMENT, including all previous amendments, shall remain in full force and effect.

4. The AGREEMENT and all amendments are incorporated into this Amendment 18-1001904-04, by this reference.

----- SIGNATURES ON THE FOLLOWING PAGE -----

IN WITNESS THEREOF, this Amendment 18-1001904-04 has been executed by the Parties hereto and is effective on the date signed by SBCTA.

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

CITY OF COLTON

By: _____
Raymond W. Wolfe
Executive Director

By: _____
William R. Smith
City Manager

Date: _____

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Julianna K. Tillquist
General Counsel

By: _____
City Attorney

DRAFT

Attachment A-3

Project Scope:

Improve local traffic operations along Mount Vernon Avenue between East Valley Boulevard and south of the Interstate 10 (I-10) eastbound ramp intersection, by adding left-turn lanes at the five point intersection of Mount Vernon Avenue and East Valley Boulevard.

Project Cost Estimate and Funding Shares:

SBCTA's Share: Public Share: 94.9%

City's Share: Development Share or Local Share: 5.1% (City of Colton)

Phase	Estimated Cost ¹	Public Share	Development Share
PID	\$539,000	\$511,511	\$27,489
PA/ED	\$1,833,746	\$1,740,225	\$93,521
PS&E	\$2,731,382	\$2,592,081	\$139,301
ROW	\$5,083,000	\$4,823,767	\$259,233
CONSTRUCTION	\$82,117,362	\$77,929,377	\$4,187,985
LANDSCAPE MAINTENANCE	\$870,000	\$825,630	\$44,370
SBCTA Oversight	\$950,000	\$901,550	\$48,450
Adjustment for I-10/Pepper FPES ²	\$0	-\$37,080	\$37,080
Total	\$94,124,490	\$89,287,061	\$4,837,429

¹Estimated cost assumes analysis of one build alternative.

²The I-10/Pepper adjustment payment in the amount of \$37,080 has been received and processed (Check #200384).

Project Milestones:

Milestone ¹	Actual (Forecast)
Start of Project Approval and Environmental Document Phase (PA/ED)	01/2019
Environmental Approval	04/2022
Design Approved and ROW Certified	(10/2024)
Complete for Beneficial Use	(10/2027)

¹Milestone assumes analysis of one build alternative with design variations. Anticipated environmental determination under CEQA is an IS/MND and under NEPA a Categorical Exclusion.

General Contract Information

Contract No: 23-1002893 Amendment No.: 1
 Contract Class: Payable Department: Project Delivery
 Vendor No.: 00450 Vendor Name: California Department of Transportation
 Description: I-10 MT VERNON AVENUE CONSTRUCTION COOPERATIVE AGREEMENT

List Any Related Contract Nos.:

Dollar Amount					
Original Contract	\$	751,000.00	Original Contingency	\$	-
Prior Amendments			Prior Amendments	\$	-
Current Amendment	\$	299,000.00	Current Amendment	\$	-
Total/Revised Contract Value	\$	1,050,000.00	Total Contingency Value	\$	-
Total Dollar Authority (Contract Value and Contingency)				\$	1,050,000.00

Contract Authorization

Board of Directors Date: 09/04/2024 Board Item # 10832

Contract Management (Internal Purposes Only)

Other Contracts Local Sole Source? N/A No Budget Adjustment N/A
 Funding Agreement N/A

Accounts Payable

Estimated Start Date: 12/07/2022 Expiration Date: 12/31/2039 Revised Expiration Date: _____
 NHS: Yes OMP/QAP: N/A Prevailing Wage: N/A

							Total Contract Funding:	Total Contingency:
							\$	\$
			Sub-				1,050,000.00	-
	Fund	Prog	Task	Task	Object	Revenue		
GL	6010	40	0830	0898	53701	42407009	53,550.00	-
GL	4120	40	0830	0898	53701	41100000	996,450.00	-
GL							-	-
GL							-	-
GL							-	-
GL							-	-
GL							-	-
GL							-	-
GL							-	-
GL							-	-
GL							-	-
GL							-	-

Juan Lizarde Kristi Harris
 Project Manager (Print Name) Task Manager (Print Name)

Additional Notes:

Attachment: 23-1002893-01_CSS (10832 : I-10 Mt. Vernon Ave Interchange Coop Amendments with Caltrans & City of Colton)

Agreement 08-1764 A-1
 Project No. 0816000102
 EA 1G800
 08-SBD-010-R22.7/R24.3
 SBCTA Agreement 23-1002893-01

AMENDMENT NO. 1 TO AGREEMENT 08-1764 (Draft)

This Amendment No. 1 (AMENDMENT) to Agreement 08-1764 (AGREEMENT), effective on _____, is between the State of California, acting through its Department of Transportation, referred to as CALTRANS, and:

San Bernardino County Transportation Authority, a public entity, referred to hereinafter as SBCTA.

RECITALS

1. CALTRANS and SBCTA, collectively referred to as PARTIES, entered into Agreement No. 1764 on May 26, 2023 (AGREEMENT), defining the terms and conditions to replace Mount Vernon Avenue overcrossing (Bridge No. 54-0459) on Interstate 10 between 9th Street undercrossing and route 10/215 separation in the City of Colton (referred to as PROJECT).
2. The AGREEMENT established does not provide which party has the responsibility of landscape maintenance.
3. The AGREEMENT also established \$9,780,000 for Construction SUPPORT and \$52,960,000 for Construction CAPITAL.
4. PARTIES now seek to decrease SUPPORT to \$7,950,000 and increase CAPITAL to \$75,350,000 and to add a new Article 46.A under Construction addressing roles and responsibilities for landscape maintenance.

IT IS THEREFORE MUTUALLY AGREED:

1. Article 46.A is added to the AGREEMENT to read as follows:

“Upon completion of the construction contract under this agreement, SBCTA shall provide one (1) year plant establishment period, and assume maintenance and the expense thereof for PROJECT, at its own expense, for a three (3) year landscape maintenance period to establish existing planting (EEP), after which, CALTRANS assumes full responsibility for maintenance. SBCTA’s maintenance responsibilities include, but are not limited to, inspection, providing emergency repair, weed abatement, litter removal, replacement, and maintenance of landscaping (including network connectivity of the irrigation controllers) within PROJECT limits. SBCTA shall make all necessary arrangements with the local utility company for payment and billing of water supplied for PROJECT. After which, at the completion of establish existing planting (EEP), CALTRANS will make arrangements with the utility company to transfer billing and be responsible for payment of water supplied for PROJECT.”

Agreement 08-1764 A-1
Project No. 0816000102
EA 1G800
08-SBD-010-R22.7/R24.3
SBCTA Agreement 23-1002893-01

2. A revised FUNDING SUMMARY NO 2 is attached and made part of the AGREEMENT. Any reference to the FUNDING SUMMARY in the AGREEMENT is deemed to refer to the revised FUNDING SUMMARY NO 2 attached herein.
3. All other terms and conditions of the AGREEMENT shall remain in full force and effect.
4. This AMENDMENT is deemed to be included and made a part of the AGREEMENT.

SIGNATURES ON NEXT PAGE

DRAFT

Agreement 08-1764 A-1
Project No. 0816000102
EA 1G800
08-SBD-010-R22.7/R24.3
SBCTA Agreement 23-1002893-01

SIGNATURES

PARTIES are empowered by the law to enter into this AMENDMENT and have delegated to the undersigned the authority to execute this AMENDMENT on behalf of the respective agencies and covenants to have followed all the necessary legal requirements to validly execute this AMENDMENT.

This AMENDMENT may be executed and delivered in counterparts, and by each PARTY in a separate counterpart, each of which when so executed and delivered shall constitute an original and all of which taken together shall constitute one and the same instrument.

The PARTIES acknowledge that executed copies of this AMENDMENT may be exchanged by facsimile or email, and that such copies shall be deemed to be effective as originals.

**STATE OF CALIFORNIA
DEPARTMENT OF
TRANSPORTATION**

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**
(not for signature at this time)

Catalino A. Pining III
District Director

Raymond W. Wolfe
Executive Director

Verification of funds and authority:

Approved as to form:

Corina Harriman
District Budget Manager

Julianna K. Tillquist
General Counsel

Certified as to financial terms and policies:

Darwin Salmos
HQ Accounting Supervisor

Attachment: 23-1002893-01_Coop (10832 : I-10 Mt. Vernon Ave Interchange Coop Amendments with Caltrans & City of Colton)

Agreement 08-1764 A-1
 Project No. 0816000102
 EA 1G800
 08-SBD-010-R22.7/R24.3
 SBCTA Agreement 23-1002893-01

FUNDING SUMMARY NO. 02

<u>FUNDING TABLE</u> v. 2					
IMPLEMENTING AGENCY→			SBCTA		Totals
Source	Party	Fund Type	CONST. SUPPORT	CONST. CAPITAL	
LOCAL	SBCTA	Local	7,950,000	75,350,000	83,300,000
Totals			7,950,000	75,350,000	83,300,000

<u>SPENDING SUMMARY</u> v 22					
Fund Type	CONST. SUPPORT		CONST. CAPITAL		Totals
	CALTRANS	<u>SBCTA</u>	<u>SBCTA</u>	DFM CALTRANS	
Local	0	7,950,000	74,300,000	1,050,000	83,300,000
Totals	0	7,950,000	74,300,000	1,050,000	83,300,000

Attachment: 23-1002893-01_Coop (10832 : I-10 Mt. Vernon Ave Interchange Coop Amendments with Caltrans & City of Colton)

Funding

1. If there are insufficient funds available in this AGREEMENT to place the PROJECT right-of-way in a safe and operable condition, the appropriate IMPLEMENTING AGENCY will fund these activities until such time as PARTIES amend this AGREEMENT.

That IMPLEMENTING AGENCY may request reimbursement for these costs during the amendment process.

2. If there are insufficient funds in this AGREEMENT to implement the obligations and responsibilities of this AGREEMENT, including the applicable commitments and conditions included in the PROJECT environmental documentation, permits, agreements, and/or approvals that are in effect at a time that WORK stops, each PARTY accepts responsibility to fund their respective WORK until such time as PARTIES amend this AGREEMENT.

Each PARTY may request reimbursement for these costs during the amendment process.

3. The cost of any engineering support performed by CALTRANS includes all direct and applicable indirect costs. CALTRANS calculates indirect costs based solely on the type of funds used to pay support costs. State and federal funds administered by CALTRANS are subject to the current Program Functional Rate. All other funds are subject to the current Program Functional Rate and the current Administration Rate. The Program Functional Rate and Administration Rate are adjusted periodically.

In accordance with California Senate Bill 848, the Administration Rate is capped at 10 percent until January 1, 2023, for Self-Help Counties with a countywide sales tax measure dedicated to transportation improvements.

Invoicing and Payment

4. PARTIES will invoice for funds where the SPENDING SUMMARY shows that one PARTY provides funds for use by another PARTY. PARTIES will pay invoices within forty-five (45) calendar days of receipt of invoice when not paying with Electronic Funds Transfer (EFT). When paying with EFT, SBCTA will pay invoices within five (5) calendar days of receipt of invoice.

5. If SBCTA has received EFT certification from CALTRANS then SBCTA will use the EFT mechanism and follow all EFT procedures to pay all invoices issued from CALTRANS.
6. When a PARTY is reimbursed for actual cost, invoices will be submitted each month for the prior month's expenditures. After all PROJECT COMPONENT WORK is complete, PARTIES will submit a final accounting of all PROJECT COMPONENT costs. Based on the final accounting, PARTIES will invoice or refund as necessary to satisfy the financial commitments of this AGREEMENT.

CONSTRUCTION Support

7. No invoicing or reimbursement will occur for the CONSTRUCTION SUPPORT PROJECT COMPONENT.

CONSTRUCTION Capital

8. No invoicing or reimbursement will occur for the CONSTRUCTION CAPITAL PROJECT COMPONENT.

Department Furnished Materials (DFM)

9. CALTRANS will invoice SBCTA for a \$100,000 initial deposit after execution of this AGREEMENT and forty-five (45) working days prior to the commencement of construction expenditures. This deposit represents one (1) month's/two (2) months' estimated costs.

Minute Action

AGENDA ITEM: 15

Date: *September 4, 2024*

Subject:

State Route 210 Waterman Avenue Interchange Project - Amendment No. 2 to Cooperative Agreement No. 22-1002720 with the City of San Bernardino

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority:

Approve Amendment No. 2 to Cooperative Agreement No. 22-1002720 with the City of San Bernardino for the State Route 210 Waterman Avenue Interchange Project, increasing the total project cost by \$1,773,658, funded by Measure I Valley Interchange Program contribution of \$1,450,852 and City of San Bernardino Development Impact Fees of \$322,806, for a new not-to-exceed receivable amount of \$1,948,934, to be funded with City of San Bernardino local funds.

Background:

The State Route (SR) 210 Waterman Avenue Interchange Project (Project) will address congestion and improve freeway access for the area by improving the eastbound on-ramp to SR 210 from Waterman Avenue, which is SR 18 to the north. On January 5, 2022, the San Bernardino County Transportation Authority (SBCTA) Board of Directors (Board) approved funding for this Project through the Measure I Valley Interchange Phasing Program. At the same meeting, SBCTA and the City of San Bernardino (City) entered into Cooperative Agreement No. 22-1002720 for roles and responsibilities for the development, construction, and funding of the Project. Under the agreement, SBCTA will lead the design and administer the construction contract and the City will contribute its share according to the SBCTA Nexus formula. The cost estimate used for the cooperative agreement was based on very early and preliminary design concepts.

In early 2024, the draft 100% Plans, Specifications, and Estimates (PS&E) was completed and submitted to California Department of Transportation (Caltrans) for final review. Based on the cost estimate for the draft 100% PS&E package and taking into account the trends with recent bids for other projects for cost of concrete and labor, SBCTA and City staff agreed to increase the Project amount in the agreement. On May 1, 2024, Amendment No. 1 to Cooperative Agreement No. 22-1002720 was fully executed.

On May 31, 2024, the Project was advertised to potential bidders. On July 3, 2024, the Board authorized the Executive Director, or his designee, to award the construction contract subject to the lowest bidder meeting the requirements of the Invitation for Bids and approval as to form by SBCTA General Counsel. On July 16, 2024, seven bids were opened ranging from a low bid of \$7,175,766 to a high bid of \$13,996,410. The apparent low bid exceeded the engineer's estimate that was used for the latest funding table in Cooperative Agreement No. 22-1002720, resulting in a net Project cost increase of \$1,773,658 above the authorized amount in the cooperative agreement. As such, an amendment to the cooperative agreement will be necessary to proceed with the award of the contract. Staff is recommending that the Board approve Amendment No. 2 to Cooperative Agreement No. 22-1002720 and increase the Measure I contribution by \$1,450,852 and the receivable amount from the City by \$322,806. City staff anticipates taking this cooperative agreement amendment to the September 4, 2024 City Council meeting.

Entity: San Bernardino County Transportation Authority

Board of Directors Agenda Item

September 4, 2024

Page 2

The Interchange Phasing Program allows for a maximum project cost of \$10 million. With an 81.8% Public Share contribution in accordance with the 2020 SBCTA Nexus Study, the maximum Measure I contribution would be \$8,180,000 for all phases of the Project. Considering the Measure I contribution from the last amendment to the cooperative agreement of \$6,409,739, a balance of \$1,770,261 remains available before this amendment.

Financial Impact:

This Project is included in the adopted Budget for Fiscal Year 2024/2025 and funded with Valley Interchange Measure I funds and City of San Bernardino local funds in Program 40, Project Delivery under Task 0830 Interchange Projects, Sub Task 0814 SR 210 Waterman Avenue.

Reviewed By:

This item was reviewed and recommended for approval (19-0-0) with a quorum of the Board present at the Board of Directors Metro Valley Study Session on August 15, 2024. SBCTA General Counsel, Enterprise Risk Manager, and Procurement Manager have reviewed this item and the draft amendment.

Responsible Staff:

Paul Melocoton, Project Manager

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

General Contract Information

Contract No: 22-1002720 Amendment No.: 2
 Contract Class: Receivable Department: Project Delivery
 Customer ID: SB CI Customer Name: City of San Bernardino
 Description: SR 210 Waterman Avenue Interchange Project
 List Any Accounts Payable Related Contract Nos.: 22-1002727, 22-1002705

Dollar Amount					
Original Contract	\$	1,398,270.00	Original Contingency	\$	-
Prior Amendments	\$	227,858.00	Prior Amendments	\$	-
Prior Contingency Released	\$	-	Prior Contingency Released (-)	\$	-
Current Amendment	\$	322,806.00	Current Amendment	\$	-
Total/Revised Contract Value	\$	1,948,934.00	Total Contingency Value	\$	-
Total Dollar Authority (Contract Value and Contingency)				\$	1,948,934.00

Contract Management (Internal Purposes Only)

Board of Directors Date: 09/04/2024 Board Item # 10835
 Local Funding Agreement N/A

Accounts Receivable

Total Contract Funding: \$ 1,948,934.00 Funding Agreement No: 22-1002720
 Beginning POP Date: 01/05/2022 Ending POP Date: 12/31/2026 Final Billing Date: 04/30/2027
 Expiration Date: 12/31/2026 Fund Admin: Yes
 Parent Contract 22-1002720 PM Description SR 210 Waterman San Bernardino Funds
 Z-Related Contracts 22-1002720

Sub-							Sub-						
Fund	Prog	Task	Task	Revenue	Total Contract Funding:	Fund	Prog	Task	Task	Revenue	Total Contract Funding:		
GL	6010	40	0830	0814	42421013	1,948,934.00	GL				-		
GL						-	GL				-		
GL						-	GL				-		
GL						-	GL				-		
GL						-	GL				-		
GL						-	GL				-		
GL						-	GL				-		
GL						-	GL				-		

Paul Melocoton Project Manager (Print Name) Kristi Harris Task Manager (Print Name)

Additional Notes: Ending POP and Final Billing dates are advisory. Agreement expires 12/31/2026 or when work complete and paid if earlier.

Attachment: CSS 22-1002720-02 (10835 : SR 210 Waterman Ave IC Project Amendment No. 2 to Coop Agreement w/City of San Bernardino)

AMENDMENT NO. 2 TO COOPERATIVE AGREEMENT NO 22-1002720
BETWEEN
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
AND
CITY OF SAN BERNARDINO
FOR
PROJECT APPROVAL AND ENVIRONMENTAL DOCUMENT (PA/ED),
PLANS, SPECIFICATIONS AND ESTIMATE (PS&E), RIGHT OF WAY (ROW), AND
CONSTRUCTION PHASES
FOR THE WATERMAN AVENUE AT STATE ROUTE 210 (SR-210) INTERCHANGE
IN THE CITY OF SAN BERNARDINO

I. PARTIES

- A. This Amendment No. 2 to Cooperative Agreement 22-1002720 (AGREEMENT) is made by and between the San Bernardino County Transportation Authority (SBCTA) and the City of San Bernardino (CITY). SBCTA and CITY are each a "PARTY" and collectively the "PARTIES" herein.

II. RECITALS

- A. In January 2022, PARTIES entered into AGREEMENT to define roles, responsibilities and funding for improvements for the PA/ED, PS&E, ROW, and CONSTRUCTION phases for the first phase of improvements at State Route 210 (SR-210) and Waterman Avenue in the City of San Bernardino (PROJECT); and
- B. The PROJECT is identified as eligible for funding under the Valley Interchange Phasing program with a \$10 Million PROJECT cost limit and 81.8% public share; and
- C. PARTIES completed the draft 100% plans and specifications in February 2024; and
- D. In April 2024, PARTIES entered Amendment No. 1 to AGREEMENT to reflect estimated cost increases in the Construction phase for PROJECT based on the draft 100% plans and specifications; and
- E. In May 2024, the construction contract for PROJECT was advertised for bids; and
- F. On July 16, 2024, bids were opened on PlanetBids, SBCTA's online procurement program; and
- G. The apparent lowest bid was greater than the estimate used for Amendment No. 1 to the AGREEMENT, which necessitates another amendment to AGREEMENT to reflect the increased cost; and

- H. The increase in the construction phase resulted in a total PROJECT cost increase of \$1,773,658, comprised of an increase of \$322,806 of Development/Local Share and an increase of \$1,450,852 of Public Share; and
- I. PARTIES desire to amend AGREEMENT to define funding responsibilities for the estimated cost increase of PROJECT.

NOW, THEREFORE, the PARTIES agree to amend the AGREEMENT as follows:

- 1. Attachment A.1 to the AGREEMENT shall be deleted in its entirety and replaced with Attachment A.2, attached to this Amendment No. 2 and incorporated herein by reference.
- 2. Except as amended by this Amendment No. 2, all other provisions of the AGREEMENT shall remain in full force and effect and are incorporated herein by this reference.
- 3. Amendment No. 2 is deemed to be included and made part of the AGREEMENT.
- 4. The Recitals set forth above are incorporated herein by this reference.
- 5. Amendment No. 2 is effective upon execution by SBCTA and CITY.
- 6. Unless otherwise defined herein, all capitalized terms used in this Amendment No. 2 shall have the same meaning as defined in the AGREEMENT.

-----Signatures on Following Page-----

DRAFT

IN WITNESS WHEREOF, PARTIES have duly executed Amendment No. 2 to Agreement No. 22-1002720 below:

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

CITY OF SAN BERNARDINO

By: _____
Ray Marquez
President, Board of Directors

By: _____
Rochelle Clayton
Acting City Manager

Date: _____

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Julianna K. Tillquist
General Counsel

By: _____
Sonia R. Carvalho
City Attorney

DRAFT

Attachment: 22-1002720-02 (10835 : SR 210 Waterman Ave IC Project Amendment No. 2 to Coop Agreement w/City of San Bernardino)

Amendment No. 2 to Cooperative Agreement 22-1002720

Attachment A.2**Project Scope:**

At the Waterman Avenue State Route 210 (SR 210) interchange, convert southbound and northbound through lane into a left-turn lane and widen eastbound on-ramp to two lanes.

Project Cost Estimate and Funding Shares

SBCTA's Share: Public Share: 81.8%

City's Share: Development Share or Local Share: 18.2% (City of San Bernardino)

	Estimated Costs	Public Share	Development/Local Share
PA/ED	\$207,285	\$169,559	\$37,726
PS&E	\$501,848	\$410,512	\$91,336
ROW	\$0	\$0	\$0
Construction	\$8,900,392	\$7,280,521	\$1,619,871
SBCTA Oversight	\$200,000	\$0	\$200,000
TOTAL	\$9,809,525	\$7,860,591	\$1,948,934

Minute Action

AGENDA ITEM: 16

Date: *September 4, 2024*

Subject:

Progress Briefing Report through June 2024

Recommendation:

Receive the Major Projects Status Report for the period through June 2024.

Background:

The Major Projects Status Report for the period through June 2024 is a high-level summary of relevant project information. This information is presented to provide schedules, cost, funding, and work descriptions for current active projects being managed by the Project Delivery Department. San Bernardino County Transportation Authority (SBCTA) staff would also like to highlight the following activities for this period:

1. North First Avenue Bridge Over BNSF Intermodal Yard Project:

The North First Avenue Bridge over BNSF Project involves replacing the existing structurally deficient bridge, which was built in 1930, with a new two-lane bridge featuring standard shoulders, new approaches, and an eight-foot sidewalk on one side. The new bridge is designed to safely accommodate legal trucks and permit vehicles. The \$85 million project, located in the City of Barstow, will bring significant safety improvements for both vehicles and pedestrians.

Progress has been made on this important project, with two major milestones achieved during the last quarter. The new bridge is anticipated to be open in mid-July and the demolition of the old bridge will begin shortly after the new bridge is open to traffic. Currently, the team is working on completing key components of the old bridge's demolition before the railroad's fourth quarter shutdown while putting the finishing touches on the new bridge.

Funding for this project primarily comes from Federal Highway Bridge Program funds, along with other federal grant funds, California Public Utilities Commission Section 190 funds, Measure I Arterial Funds, and City of Barstow local funds. Construction commenced in January 2023, and completion is expected in the fall of 2024.

2. Interstate 215 (I-215) University Parkway Interchange Project:

The I-215 University Parkway Interchange Project will address traffic congestion and improve freeway access for the City of San Bernardino and the region by reconstructing the existing tight diamond interchange into a Diverging Diamond Interchange (DDI) configuration. The DDI is a new innovative concept that will improve traffic operations by reducing vehicular conflict points and traffic signal phases by diverting vehicles to the left side of the road between both ramp intersections.

Two significant milestones were fulfilled on this project over the past quarter. On May 7, 2024 SBCTA received federal funding authorization from California Department of Transportation (Caltrans) and the Federal Highway Administration, and on May 15, 2024 the project was advertised for construction bids. The bid opening occurred on June 12, 2024. Construction is anticipated to begin in October and is anticipated to take approximately one year to complete.

Entity: San Bernardino County Transportation Authority

Board of Directors Agenda Item

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A Public Outreach program is in place and will be maintained throughout the construction phase. This project is funded by a combination of Federal, City Developer Impact Fees, and Measure I funds.

3. Interstate 10 (I-10) Corridor Freight and Express Lanes Project - Contract 2:

The I-10 Corridor Freight and Express Lanes Project – Contract 2 will add auxiliary lanes to improve freight corridor movement and add a single express lane from Interstate 15 (I-15), in the City of Ontario, to Pepper Avenue, in the City of Colton. The Environmental Document for the project was approved in May 2017. The project was awarded \$85 million in Trade Corridor Enhancement Program funds in 2023 by California Transportation Commission (CTC) and \$23 million in Congestion Mitigation and Air Quality/Surface Transportation Block Grant funds in June 2024 by Southern California Association of Governments. Design and right-of-way (ROW) services are now underway and in order to expedite project delivery, the project will be delivered in two segments: Segment 2A: I-15 to Sierra Avenue and Segment 2B: Sierra Avenue to Pepper Avenue.

Final Geometric Approval Drawings for both segments were approved by Caltrans on May 20, 2024. The 95% Plans, Specifications, and Estimates submittals for Segment 2A were submitted in July 2024, and are targeted to be submitted for 2B in September 2024, respectively.

A ROW Acquisition Incentive Payment Program was approved by the Board of Directors (Board) in July 2023 to expedite the acquisition of the necessary ROW for the project. Currently, out of the 33 ROW offers made to property owners, 29 have either been accepted or settled. While the Resolutions of Necessity for the remaining five parcels are being initiated and scheduled for a public hearing at the September 2024 SBCTA Board meeting. Staff will continue to negotiate with the property owners and attempt to achieve negotiated sales for the necessary property interests. In addition, staff is in discussion with Union Pacific Railroad on six of their parcels that involve a permanent easement and temporary construction easements.

It is anticipated that the final design package will be advertised for construction in spring 2025 for Segment 2A and summer 2025 for Segment 2B. A Public Outreach program will be developed and will be maintained during the construction phases. This \$796 million project is funded by a combination of Federal, State, and Measure I funds.

Financial Impact:

This item is consistent with the adopted Budget for Fiscal Year 2024/2025.

Reviewed By:

This item was received by the Board of Directors Metro Valley Study Session on August 15, 2024.

Responsible Staff:

Kristi Harris, Director of Project Delivery

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

Minute Action

AGENDA ITEM: 17

Date: *September 4, 2024*

Subject:

San Bernardino County Transportation Authority Evacuation and Resilience Center Design Study

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. Adopt Resolution No. 25-006, authorizing the Executive Director, or his designee, to negotiate and execute, subject to approval as to form by General Counsel, Contract No. 25-1003185, a Restricted Grant Agreement between SBCTA and the California Department of Transportation for SBCTA to receive an amount not-to-exceed \$725,000 for the development of the SBCTA Evacuation and Resilience Center Design (ERCD) Study.

B. Authorize the Executive Director, or his designee, to release Request for Proposals No. 25-1003186 for the development of the SBCTA ERCD Study.

C. Approve a budget amendment to the Fiscal Year 2024/2025 Budget, Task No. 0404, increasing the budget by \$725,000 to be funded by the Sustainable Transportation Planning Grant Program – Climate Adaptation Planning grant.

Background:

San Bernardino County Transportation Authority (SBCTA) applied for a California Department of Transportation (Caltrans) Sustainable Transportation Planning Grant in January 2024. On July 9, 2024, SBCTA was awarded \$725,000 for the SBCTA Evacuation and Resilience Center Design (ERCD) Study. SBCTA has allocated \$101,250 for the required match portion of the grant, for a total project cost of \$826,250.

Caltrans is providing \$50 million statewide for their Sustainable Transportation Planning Grant program that supports local and regional identification of transportation-related climate vulnerabilities through project-level adaptation planning to improve transportation infrastructure.

In August 2023, SBCTA in partnership with the Western Riverside Council of Governments (WRCOG), was awarded \$1,500,000 through the same Caltrans grant program to fund an Emergency Evacuation Network Resilience (EENR) Study. The SBCTA Board of Directors received a presentation and approved a resolution to accept award funds on January 3, 2024. The EENR will assist individual agencies in identifying areas where their transportation network requires redundancy improvements to boost resilience and recommend specific infrastructure to help areas adapt to climate change in the future while prioritizing disadvantaged communities.

Project: The ERCD Study will build upon the EENR Study and will conduct local-level evacuation compliance assessments identifying residential communities in hazardous areas that lack at least two access routes for emergency use, as required by Senate Bill (SB) 99 and Assembly Bill (AB) 747 and will include a feasibility study evaluating strategies to improve access to and from these areas during climate-related emergencies. Additionally, locations for Resilience Centers equipped with micro-grids to temporarily provide shelter during climate-related incidents will be identified in these communities. Deliverables will include

Entity: San Bernardino County Transportation Authority

recommended strategies for evacuation access, redundancy, etc., on local transportation routes within the five selected pilot communities, preliminary concept drawings for new Resiliency Centers, and funding strategies for future implementation.

SB 99 requires jurisdictions to identify existing and new residential developments that do not have at least two emergency evacuation routes. The update of safety elements is triggered when a jurisdiction has to update their housing element, which by state law, had to be completed by October 2022.

AB 747 requires jurisdictions to identify evacuation routes and their capacity, safety, and viability under various emergency scenarios in the jurisdiction's safety element. The bill states that this must occur with the next update to a jurisdiction's Local Hazard Mitigation Plan (LHMP), or safety element if the jurisdiction does not have an LHMP, beginning January 1, 2022.

The ERCD and EENR also build upon the recently-completed Resilient Inland Empire (IE) county-level vulnerability assessments and adaptation strategies, funded by the 2017 SB 1 Caltrans Climate Adaptation Planning Grant Program. Resilient IE, led by WRCOG, was developed in collaboration with SBCTA to support regional and local efforts to prepare for and mitigate risks associated with climate adaptation on the region's transportation infrastructure. Resilient IE resulted in subregional vulnerability assessments, adaptation strategies, city-level climate-related transportation hazards and evacuation maps, and a regionally-tailored climate resilient transportation infrastructure guidebook.

Implementers: Although SBCTA and WRCOG have partnered on evacuation and climate related studies prior to the award of the ERCD Study, the ERCD is only for San Bernardino County and will be implemented by SBCTA. After approval by SBCTA's Board of Directors, a grant agreement will be executed, and staff will issue a Request for Proposals to enter into a contract with a consultant to complete the project work. The consultant will ensure coordination between SBCTA, jurisdictions, and stakeholders to complete the project.

Beneficiaries and Impact: Beneficiaries of this grant will include San Bernardino County jurisdictions, the five pilot communities, and the public. Jurisdictions will be provided with assessments and analysis that will help them to comply with SB 99 and AB 747, as well as recommendations for improved evacuation access and redundancy on local transportation routes. This will allow jurisdictions to plan adequately for their residents, particularly for disadvantaged communities.

Cost and Duration: SBCTA received an award amount of \$725,000 for the duration of the grant. Project work is expected to begin early 2025 and end in May 2027. A minimum 11.47% local match is required. SBCTA will contribute its local match (\$101,250) share through in-kind contributions (staff time) and a cash contribution. As of late July 2024, staff is still working with Caltrans to determine the final contribution split between in-kind and cash. The agreement will reflect the ultimate determination.

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Financial Impact:

This item is not consistent with the adopted Budget for Fiscal Year 2024/2025. A budget amendment to increase Task No. 0404 by \$725,000 through the Sustainable Transportation Planning Grant Program - Climate Adaptation Planning grant is included in this item in Recommendation C.

Reviewed By:

This item was reviewed and unanimously recommended for approval by the General Policy Committee on August 14, 2024. General Counsel has reviewed this item and the draft resolution.

Responsible Staff:

Mairany Anaya, Management Analyst II

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

RESOLUTION NO. 25-006

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY (SBCTA) AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR THE SBCTA EVACUATION AND RESILIENCE CENTER DESIGN (ERCD) STUDY

WHEREAS, San Bernardino County Transportation Authority (SBCTA) is eligible to receive Federal and/or State funding for certain transportation planning related plans, through the California Department of Transportation; and

WHEREAS, SBCTA has been successful in being awarded a State Transportation Planning Grant in the amount of \$725,000; and

WHEREAS, SBCTA needs to execute a Restricted Grant Agreement with the California Department of Transportation before such funds can be claimed through the Transportation Planning Grant Programs; and

WHEREAS, SBCTA wishes to delegate authority to the SBCTA Executive Director, or his designee, to execute this agreement and any amendments.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of SBCTA:

Section 1. The Executive Director, or designee, is authorized to execute a Restricted Grant Agreement and any amendments between SBCTA and the California Department of Transportation, necessary for the award of the State transportation planning grant to SBCTA in the amount of \$725,000.

Section 2. This Resolution is effective upon the date of its adoption.

PASSED AND ADOPTED at a meeting of the San Bernardino County Transportation Authority held on September 4, 2024.

Ray Marquez, Board President
San Bernardino County Transportation Authority

ATTEST:

Marleana Roman, Clerk of the Board
San Bernardino County Transportation Authority

Attachment: RES 25-006 (10822 : SBCTA Evacuation and Resilience Center Design Study Caltrans Grant Award)

Application Checklist

The following documents are required and must be submitted via Smartsheet in one single PDF document, not to exceed 25 MB. The Signature Page may be submitted separately if there are issues combining with the single PDF document. Keep the file name brief, as files are corrupted when file names are too long. Refer to the Grant Application Guide for additional information and/or samples. Failure to include any of the required documents will result in a reduced application score.

PDF documents should be submitted in their fillable PDF formats. The original file formats will be required upon grant award.

Required Application Documents	
(✓)	Ensure these items are completed prior to submitting to Caltrans via Smartsheet
	Application Cover Sheet (complete in Smartsheet and submit with single PDF document)
	Signature Page (Electronic signatures accepted; may submit as a separate file if there are issues with combining with single PDF document)
	Application Narrative
	Scope of Work
	Cost and Schedule
	Third Party In-Kind Valuation Plan (if applicable, required upon award)
	Map of Project Area
Supplemental Documentation (not required)	
	Graphics of Project Area (when applicable)
	Letter(s) of support
	Data



Sustainable Transportation Planning Grant Program

GRANT APPLICATION COVER SHEET

PART A. APPLICATION INFORMATION

FY 2024-25

Grant Category (select only one)

Climate Adaptation (MPOs, RTPAs, Transit Agencies, Cities, Counties, Tribes, other Public Transportation Planning Entities)

11.47% Local Match requirement (Not Applicable to Native American Tribal Governments)

Sustainable Communities (MPOs with sub-applicant, RTPAs, Transit Agencies, Cities, Counties, Tribes, other Public Transportation Planning Entities)

Strategic Partnerships (MPOs and RTPAs only)

	Sustainable Communities Competitive (11.47% Local Match requirement)		Strategic Partnerships (FHWA SPR Part I) (20% Local Match requirement)
	Sustainable Communities Competitive Technical (11.47% Local Match requirement)		Strategic Partnerships Transit (FTA 5304) (11.47% Local Match requirement)

Application Submittal Type (more than one may be selected)

New		Prior Phases		Re-Submittal	
<input checked="" type="checkbox"/>	New Application		Continuation of a prior project. If so, list the Grant FY and project title below.		Re-submittal from a prior grant cycle.
					How many times has an application been submitted for this project, including this one?

PART B. PROJECT INFORMATION

Project Title and Location

Project Title	SBCTA Evacuation and Resilience Center Design Study				
Project Location (City)	Multiple Cities	Project Location (County)	San Bernardino County		

Funding Information

- Is the applicant proposing to meet the minimum local match requirement or an over-match? Use the Match Calculator to determine the appropriate match. [Match Calculator](#) (posted online)
 - Minimum Local Match Over-Match
- What is the source of Local Match funds being used? (MPOs – Federal Toll Credits, PL, and FTA 5303 cannot be used to match Sustainable Communities Competitive or Adaptation Planning grants)
 - Local Transportation Funds Local Sales Tax Special Bond Measures
 - Other, specify:

Grant Funds Requested	Local Match (Cash)	Local Match (In-Kind)	Total Local Match	% Local Match	Total Project Cost
\$725,000	\$101,250	\$ 0	\$101,250	12.25%	\$ 826,250

Attachment: ERCD Study Final Application and Scope of Work (10822 : SBCTA Evacuation and Resilience Center Design Study Caltrans Grant



Sustainable Transportation Planning Grant Program GRANT APPLICATION COVER SHEET

Project Description (3-5 Sentences Max.)

Insert Application Narrative:
1. Project Description

The San Bernardino County Transportation Authority (SBCTA) requests \$725,000 to hire an experienced consultant to develop an Evacuation and Resilience Center Design Study (Study) building upon the recently funded Caltrans Emergency Evacuation Network Resilience (EENR) Study and as a compliment to the IE Resilience Tool Kit. The Study will conduct local-level evacuation compliance assessments identifying residential communities in hazardous areas that lack at least two access routes for emergency use, and will include a feasibility study evaluating strategies to improve access to and from these areas during climate-related emergencies. Additionally, locations for new Resilience Centers equipped with microgrids (Centers) to temporarily provide shelter during climate-related events will be identified in these communities. Planning and prioritization of transportation projects is often simply too burdensome for these local agencies, which are already stretched thin with staffing and budgets. Deliverables will include 1) Recommended strategies for evacuation access, redundancy, etc., on local transportation routes within the five (5) selected pilot communities (See Exhibits 3-6); 2) Preliminary concept drawings (30% design) for new Resilience Centers; and 4) Funding strategies for future implementation.

Project Type

Choose the Project Type that best represents the focus of the proposed project. See Grant Application Guide for examples. Two max. may be selected.

- Active Transportation (Bicycle and Pedestrian)
- Climate Change (Infrastructure Adaptation, Vulnerability and Resiliency)
- Complete Streets (Multimodal specific type)
- Corridor (Local Streets or Highways)
- Freight/Goods Movement
- General Plan-Related (Circulation Element, Land Use Element, Specific Plan)
- Multimodal (Motorized and Active Transportation)
- Safety (Vision Zero, Safe Routes to Schools)
- Technical (Modeling, VMT Mitigation, ZEV Infrastructure, ZEB Transition, etc.)
- Transit (Bus, Light Rail, and Commuter Rail Service)
- Other, specify:

Underserved Community Definitions



Sustainable Transportation Planning Grant Program GRANT APPLICATION COVER SHEET

PART B. PROJECT INFORMATION (CONTINUED)

the underserved communities in the project

- Rural Communities of 50,000 or less and outside of urbanized areas
- Native American Tribal Governments
- Regionally/Locally Defined Underserved Communities
- At/Below 80% Assembly Bill 1550 (Gomez, Statutes of 2016)
- At/Above 75% California Department of Education, Free or Reduced Priced Meals Data
- At/Above 75% CalEnviroScreen Version 4.0
- At/Below 25% California Healthy Places Index



Sustainable Transportation Planning Grant Program
GRANT APPLICATION COVER SHEET

PART C. CONTACT INFORMATION*

	Primary Applicant	Sub-Applicant	Sub-Applicant
Organization (Legal name)	San Bernardino County Transportation Authority (SBCTA)		
Dept./Division	Planning		
Street Address	1170 W. 3 rd street		
City	San Bernardino		
Zip Code	92410		
Phone Number	909-884-8276		
Executive Director Name	Raymond Wolfe		
Title	Executive Director		
Executive Director E-mail	rwolfe@gosbcta.com		
Financial Manager Name	TBD		
Title	TBD		
Financial Manager E-mail	TBD		
Contact Person Name	Mairany Anaya		
Title	Management Analyst		
Contact Phone Number	909-884-8276		
Contact E-mail	manaya@gosbcta.com		

*Use additional pages if necessary.



Sustainable Transportation Planning Grant Program
GRANT APPLICATION COVER SHEET

PART D. COMPLIANT HOUSING ELEMENT

City/County Primary/Sub-Applicants for Sustainable Communities Grants	Yes	No
Does the City/County have a compliant Housing Element? If No, explain the current status:	X	
Has the City/County submitted Annual Progress Report to the California Department of Housing and Community Development for calendar years 2021 and 2022?	X	

PART E. OTHER FUNDING PROGRAMS

Applicants may leverage other program funds for this planning grant, as long as the activities are eligible.

	Yes	No	N/A
<p>Is the applicant applying for the Governor's Office of Planning and Research (OPR) Climate Adaptation Planning Grant Program? Applicants should not submit the same project application to both funding programs. However, applicants may propose to leverage funds from one funding program to another. For instance, an applicant with a large project may propose to fund one component with Caltrans funds and another with OPR funds. Applicants may also propose two entirely different projects to each funding program.</p> <p>If yes, identify the differences between each proposal and briefly summarize the leverage opportunity if awarded both Caltrans and OPR funding:</p> <p><i>*SBCTA applied for OPR funding, requesting funds to conduct ten microgrid feasibility studies in San Bernardino County, focusing on underserved areas. The goal is to enhance adaptability and cultivate energy resilience projects that are ready for implementation. This application was denied funding. The current Caltrans Climate Adaptation project will study local-level evacuation compliance assessments to identify residential developments in hazard areas that do not have at least two access roads for emergency use, as required by SB 99. Additionally, the Study will recommend how and where best to design new resilience centers equipped with microgrids in these areas to provide respite from emergency climate activities (extreme heat, drought, fires, floods).</i></p>		X	
Is the applicant applying for any other funding programs to complete this project? If yes, list them here:		X	

Attachment: ERCD Study Final Application and Scope of Work (10822 : SBCTA Evacuation and Resilience Center Design Study Caltrans Grant



Sustainable Transportation Planning Grant Program GRANT APPLICATION COVER SHEET

PART F. LEGISLATIVE INFORMATION

Use the following link to determine the appropriate legislative members in the Project area.

Search by address: <http://findyourrep.legislature.ca.gov/>

State Senator(s)		Assembly Member(s)	
District	Name	District	Name
23	Rosilicie Ochoa Bogh	45	James C. Ramos
12	Shannon Grove	47	Greg Wallis
25	Anthony J. Portantino	41	Chris R. Holden
31	Richard D. Roth	53	Freddie Rodriguez
		50	Eloise Gomez Reyes

PART G. LETTERS OF SUPPORT

List all letters of support received for the proposed project. Letters should be addressed to the applicant.

Name/Agency	Name/Agency
Kome Ajise, Executive Director SCAG	
Shannon Dicus, Sheriff-Coroner San Bernardino Sheriff's Department	
Erin Rogers, CEO/General Manager Omnitrans	
Crystal Ruiz, I-REN Executive Committee Chair	
Josh Dugas, Director San Bernardino Department of Public Health	
Additional Letters to be added as they are signed.	



Sustainable Transportation Planning Grant Program
GRANT APPLICATION SIGNATURE PAGE

If selected for funding, the information contained in this application will become the foundation of the contract with Caltrans.

To the best of my knowledge, all information contained in this application is true and correct. If awarded a grant with Caltrans, I agree that I will adhere to the program guidelines.

Applicant			
Authorized Official (Applicant)			
Print Full Name			
Title			
Signature		Date	
Sub-Applicant(s)*			
Authorized Official (Sub-Applicant)			
Print Full Name			
Title			
Signature		Date	
Authorized Official (Sub-Applicant)			
Print Full Name			
Title			
Signature		Date	
Authorized Official (Sub-Applicant)			
Print Full Name			
Title			
Signature		Date	

*Use additional pages if necessary.



Sustainable Transportation Planning Grant Program CLIMATE ADAPTATION PLANNING - GRANT APPLICATION NARRATIVE

PART G. APPLICATION NARRATIVE

FY 2024-25

Project Information

Organization (legal name)	
Project Title	
Project Area Boundaries	
Project Timeframe (Start and End Dates):	

Application Narrative

1. Project Description (5 points)

Briefly summarize project in a clear and concise manner, including why the project is necessary, major deliverables, desired outcomes, parties involved, and alignment with relevant local, regional, and/or State planning efforts. **3-5 sentences maximum; Do not exceed the space provided.**



Sustainable Transportation Planning Grant Program
CLIMATE ADAPTATION PLANNING - GRANT APPLICATION
NARRATIVE

2A. Project Justification (10 points)

- Describe the problem or deficiencies the project is attempting to address, including the climate adaptation need and any other priority needs, as well as how the project will address the identified problems or deficiencies
- Describe the impact of not funding the project
- Describe the public benefits
- **Do not exceed the space provided**



Sustainable Transportation Planning Grant Program
CLIMATE ADAPTATION PLANNING - GRANT APPLICATION
NARRATIVE

2A. Project Justification (continued)



Sustainable Transportation Planning Grant Program
CLIMATE ADAPTATION PLANNING - GRANT APPLICATION
NARRATIVE

2B. Underserved Communities Justification (5 points)

The tools in the Grant Application Guide, Appendix A, are intended to help applicants define an underserved community.

- Explain how the project area or portions of the project area benefit underserved communities, including Tribal, local, regional, and rural communities as applicable
- Explain how the proposed project addresses the needs of the communities and how they will benefit from the proposed project, including if the communities informed the scope of the project
- Cite data sources, the tools used, and include a comparison to the statewide thresholds that are established in each tool
- **Do not exceed the space provided**



Sustainable Transportation Planning Grant Program
CLIMATE ADAPTATION PLANNING - GRANT APPLICATION
NARRATIVE

2C. Underserved Communities Engagement (5 points)

See Grant Application Guide, Appendix A. for best practices in community engagement

- Describe how the proposed project will engage underserved communities and how the effort was informed by engagement with underserved communities, including Tribal, local, regional, and rural communities as applicable
 - Include specific outreach methods for involving underserved communities
- Describe how underserved communities will continue to be engaged during the next phases after the proposed planning project is complete, including implementation
- **Do not exceed the space provided**

3. Grant Specific Objectives (Total 40 points)

Integrate the following Grant Program Considerations (Grant Application Guide, Chapter 1.2) in the responses for 3A-D below, as applicable:

- Caltrans Strategic Plan
- California Transportation Plan (CTP)
- Modal Plans that Support the CTP
- Title VI and Environmental Justice
- Climate Action Plan for Transportation Infrastructure
- California Adaptation Strategy
- Master Plan for Aging



Sustainable Transportation Planning Grant Program
CLIMATE ADAPTATION PLANNING - GRANT APPLICATION
NARRATIVE

3A. Grant Specific Objectives; climate risk and adaptation (15 points)

- Explain how the project identifies and assesses climate change impact risks to multimodal transportation infrastructure vulnerabilities to climate change impacts in the project area
- Explain how the project will identify adaptation strategies and specific actions to remedy identified climate related vulnerabilities. Projects and plans should describe short-, medium-, and long-term strategies that will address the overall risk for the entire service life of the asset or capital project using the best available science and guidance.
- Articulate how the project will advance the planning of specific climate adaptation projects, such as developing a cost estimate, pursuing a technical feasibility study for adaptation options, or developing a conceptual design (up to 30%)
- When applicable, explain how the project includes economic analysis and/or cost-benefit analysis of identified adaptation strategy or strategies
- **Do not exceed the space provided**



Sustainable Transportation Planning Grant Program
CLIMATE ADAPTATION PLANNING - GRANT APPLICATION
NARRATIVE

3A. Grant Specific Objectives; climate risk and adaptation (continued)

[Empty text box for grant objectives]



Sustainable Transportation Planning Grant Program
CLIMATE ADAPTATION PLANNING - GRANT APPLICATION
NARRATIVE

3B. Grant Specific Objectives; co-benefits (10 points)

- Identify co-benefits of the adaptation work, such as benefits to public health, natural ecosystems, air quality, social equity, the economy, or reductions in greenhouse gas (GHG) emissions.
 - If reductions in GHG emissions are identified as a co-benefit, explain how the project advances transportation related GHG emission reductions specifically through different project types/strategies (e.g., mode shift, demand management, accessibility, etc.)
- Describe if and how nature-based solutions will be integrated into the proposed project
- Describe how adaptation needs of environmental resources in proximity to the transportation system such as coastal resources like tidal marsh or beaches, wildlife connectivity, wetlands, or fish passage needs are considered in the proposed project (if applicable)
- **Do not exceed the space provided**



Sustainable Transportation Planning Grant Program
CLIMATE ADAPTATION PLANNING - GRANT APPLICATION
NARRATIVE

3C. Grant Specific Objectives; partnerships and stakeholder process (10 points)

- Explain how the project demonstrates on-going collaboration and partnerships between sectors and jurisdictions, and across levels of government at a regional scale
- Explain if the project also includes collaboration and partnerships with diverse external stakeholders such as businesses, non-governmental agencies, federal, state, or local agencies, community-based organizations, and community residents
- Explain how the project includes a multistakeholder process that provides an opportunity for meaningful community engagement from communities potentially impacted by any project identified or developed as part of the planning grant

Do not exceed the space provided



Sustainable Transportation Planning Grant Program
CLIMATE ADAPTATION PLANNING - GRANT APPLICATION
NARRATIVE

3D. Grant Specific Objectives; alignment with other plans and State Goals (10 points)

- Explain how the project is consistent with priorities, goals, and actions of the California State Adaptation Strategy, follows State guidance on adaptation planning, and is consistent with any applicable local/regional resilience planning.
- Articulate if the project will identify ways to incorporate transportation-related climate adaptation needs into existing transportation plans, specifically how the project will lead to the identification and development of capital projects that can be programmed as part of local or regional plans
- Explain how the project is in alignment with or augments existing plans, including climate action/adaptation plans, hazard mitigation plans, safety elements of general plans, resilience improvement plans, and/or Coastal Act/Certified Local Coastal Program plans
- Explain how the proposed project addresses public access and Complete Streets needs
- **Do not exceed the space provided**



Sustainable Transportation Planning Grant Program
CLIMATE ADAPTATION PLANNING - GRANT APPLICATION
NARRATIVE

4. Project Management (Total 30 points)

See Scope of Work and Cost and Schedule samples and checklists for requirements (Grant Application Guide, Appendix B), also available on the Caltrans grants website:
<https://dot.ca.gov/programs/transportation-planning/division-of-transportation-planning/regional-and-community-planning/sustainable-transportation-planning-grants>

4A. Scope of Work (15 points)

4B. Cost and Schedule (15 points)

Scope of Work Checklist

The Scope of Work (SOW) is the official description of the work that is to be completed during the contract. Tasks 1-6 outlined in the SOW are for illustrative purposes only.

Applications with missing components will be at a competitive disadvantage. Please use this checklist to make sure your Scope of Work is complete.

Scope of Work Checklist	
(✓)	Ensure these items are completed prior to submitting to Caltrans
X	Use the Fiscal Year 2024-25 template provided
X	Include the activities discussed in the grant application
X	List all tasks using the same title as stated in the Project Cost and Schedule
X	Include task numbers in accurate and proper sequencing, consistent with the Cost and Schedule
X	Exclude sub-task numbers; only include sub-headings
X	Exclude tasks for project management and/or staff/consultant coordination; these activities should be spread among relevant tasks
X	Include a thorough Introduction to describe relevant background, related planning efforts, the project and project area demographics, including a description of the underserved community involved with the project, if applicable
X	Include a thorough and accurate narrative description of each task
X	Task 01 is a required task. It must be titled "Project Administration", it cannot exceed 5% of the grant award amount, and only the grantee and sub-recipient(s) can charge against this Task. This Task must only include the following activities and deliverables: <ul style="list-style-type: none"> • Caltrans and grantee Project kick-off meeting at the start of the grant • Invoicing and quarterly reporting to Caltrans • DBE Reporting (federal grants only)
X	Include Task 02 for the procurement of a consultant (if needed). This task is for the <u>grantee and sub-recipient(s) only</u> .
X	Include detailed public participation and services to diverse communities in the Public Outreach Task (excluding technical projects)
X	Identify public outreach strategies in a manner that provides flexibility and allows for a diverse range of outreach methods (both in-person and on-line), excluding technical projects
X	Include a Task(s) for a Draft and Final product. The draft plan must include an opportunity for the public to provide feedback (excluding technical projects).
X	Include a summary of next steps your agency will take towards implementing the project in the Final Product
X	List achievable project deliverables for each Task
X	EXCLUDE environmental, complex design, engineering work, and other ineligible activities outlined in the Grant Application Guide

SCOPE OF WORK

Project Information	
Grant Category	Climate Change
Grant Fiscal Year	2024/2025
Project Title	SBCTA Evacuation and Resilience Center Design Study
Organization (Legal name)	San Bernardino County Transportation Authority

Disclaimer

Agency commits to the Scope of Work below. Any changes will need to be approved by Caltrans prior to initiating any Scope of Work change or amendment.

Introduction

The San Bernardino County Transportation Authority (SBCTA) requests \$725,000 to hire an experienced consultant to develop an Evacuation and Resilience Center Design Study (Study) building upon the recently funded Caltrans Emergency Evacuation Network Resilience (EENR) Study and as a compliment to the IE Resilient Tool Kit. The Study will conduct local-level evacuation compliance assessments identifying residential communities in hazardous areas that lack at least two access roads for emergency use, as required by Senate Bill 99 (SB 99) and Assembly Bill (AB 747), and will include a feasibility study evaluating strategies to improve access to and from these areas during climate-related emergencies. Additionally, locations for new Resilience Centers (Centers) equipped with microgrids to temporarily provide shelter during climate-related events will be identified in these communities. Conceptual drawings of the Center (30% design) will be completed.

The Study will use results of the recently completed 2020 Resilient IE Study ([Resilient IE | WRCOG, CA](#)), previously funded by the 2017 SB 1 Caltrans Climate Adaptation Planning Grant Program. The Resilient IE Study resulted in a Transportation Toolkit that provides data on the risk from climate-related hazards along with tools/resources for developing and implementing climate adaptation and resilience strategies to reduce these risks. The Toolkit specifically addresses the anticipated increasing risks and impacts of climate-related hazards on the inland areas of Southern California.

The Evacuation and Climate Resilience Center Design Study will provide additional planning resources from the IE Resilient Tool Kit and EENR Study for extreme weather events by focusing on:

- Identifying communities with inadequate evacuation ingress/egress;
- Evacuation planning and scenario analyses;
- Conducting a feasibility study of alternative evacuation strategies, including Class I bike lanes constructed with sufficient width and support to accommodate vehicles for emergency evacuations; and
- Planning and designing conceptual drawings of new resilience centers equipped with microgrids in vulnerable evacuation corridors.

Background

Current projections show that the region will most likely experience some of the most severe climate-induced effects in Southern California. A February 5, 2023, Washington Post article stated, "California's mountain snowpack is the largest it's been in decades, thanks to a barrage of atmospheric rivers in late December into January. The snow is a boon for the state's water supply but could also pose a flood risk as the season progresses." The San Bernardino County Resilience Strategy Plan highlighted strategies to protect the most vulnerable communities, including "identifying ways for individuals with restricted mobility to reach cooling centers and resilience hubs, ensure shelters are available during highly hazardous events, and integrating climate change adaptation into transportation plans."

To address these anticipated impacts, some agencies in the region have already begun resilience planning efforts. San Bernardino County completed a regional vulnerability assessment for unincorporated areas of the County in 2018 and prepared draft adaptation and resilience strategies to address these vulnerabilities.

The recently completed Resilient IE Toolkit specifically focused on the following elements:

- **Section 1, Introduction:** Describes the project background, the preceding planning projects leading up to its inception, its funding sources, and the legal frameworks that have shaped its development.
- **Section 2, Vulnerability Assessment:** Features vulnerability assessments produced for San Bernardino County subregions, lists the major findings from the analysis for the region and explains the methodology used to prepare the vulnerability assessments.
- **Section 3, Evacuation and Transportation Route Hazard Mapping:** Discusses the purpose, approach, and data summary of the Evacuation Route Mapping tool.
- **Section 4, Adaptation Strategies:** Contains regional adaptation strategies to address the major vulnerabilities in the SBCTA subregions and help support a consistent adaptation approach across jurisdictions.
- **Section 5, Climate Resilient Transportation Infrastructure Guidebook:** Summarizes the Guidebook's purpose and its contents and contains a link to access the document electronically.
- **Section 6, Resilience Template:** Contains the model strategies that communities can use as a foundation to build their own adaptation approach. This section also contains the Implementation Handbook, which shows jurisdictions how to incorporate model strategies into their planning documents, such as their safety, housing, and environmental justice elements; capital improvement plans; and other relevant local government planning documents that pertain to adaptation and resilience.

As noted earlier, this Study (the subject of this application) will build upon the Resilient IE *Section 3, Evacuation and Transportation Route Hazard Mapping*, by conducting local-level evacuation compliance assessments (SB 99) and a high-level evacuation route capacity, safety, and viability analysis (AB 747) for up to 25 member agencies within SBCTA's jurisdictions. **This Study will help vulnerable communities identify routes that can be modified to include buffered bike lanes able to accommodate extra egress lanes or other methods of expanding capacity during evacuation scenarios. It will also help agencies determine how to improve the evacuation network during those events. The Study will also identify locations for new Resilience Centers.**

Disadvantaged Communities

San Bernardino County has a significant number of Disadvantaged Communities (DACs) within their jurisdictions. San Bernardino County is the largest county in the United States by area (20,105 square miles) and the 12th most populous. It contains roughly 2.1 million residents and 630,000

enrolled students across 24 cities/towns and 33 school districts of highly diverse character. A significant proportion of San Bernardino County residents live in community areas considered disadvantaged. Approximately 650,000 county residents and 170,000 students live in locales ranked by the CalEnviroScreen 4.0 as among the top 10% most disadvantaged communities statewide. The County's Community Vital Signs (CVS) initiative measured the proportion of county residents less than 18 years of age living in poverty as 26.1%, slightly higher than the California statewide average of 22.8%.

Please see Exhibit 2 - CalEnviroScreen 4.0 map.

San Bernardino County remains one of the fastest-growing areas in California and the United States. As fires rage and floods inundate areas of California, causing fatality numbers to rise, it is a reminder of the extreme impact climate change can have on SBCTA's residents. Low-income and vulnerable populations can suffer the worst in these disasters, experiencing the longest paths to recovery. The proposed project aims to level the playing field among SBCTA's jurisdictions and provide the best, easy-to-use, quality information to help achieve resilience in our member agencies.

Project Stakeholders

As with the Resilient IE project, SBCTA will continue SBCTA's collaboration and partnerships between sectors and jurisdictions across levels of government at a regional scale as well as tribal communities within San Bernardino and West Riverside Counties. SBCTA will leverage existing contacts with tribal communities to solicit input on the project and obtain feedback. Multiple stakeholders will be involved in the planning effort, providing input through quarterly Technical Advisory Committee (TAC) meetings during the 30-month planning process. In addition to Caltrans and the SBCTA local member cities, project stakeholders will include the following:

- **Southern California Association of Governments (SCAG).** An association of local governments that convene as a forum to address regional issues encompasses six counties and 191 cities;
- **Omnitrans.** The public transit agency serving the San Bernardino Valley;
- **San Bernardino County Department of Public Health (DPH).** Providing relevant data and collaboration with the County;
- **San Bernardino Sheriff's Department (SBSD).** SBSB serves over 2.1 million residents, with eight county and 14 contract patrol stations; and
- **I-REN.** A coalition of SBCOG, CVAG, and WRCOG, representing 52 cities, 78 unincorporated county areas and 17 tribes.

AWAITING SUPPORT LETTERS:

- **San Bernardino County Fire Chiefs' Association (SBCFCA).** A consortium of fire departments that collaborate together regularly to discuss local issues and strategies;
- **Inland Southern California Climate Collaborative (ISC3).** A diverse, cross-sectoral network of agencies, organizations, companies, and institutions working together to advance equitable solutions to create a resilient and thriving Inland Southern California in the face of climate change;

Please see the attached Support Letters.

Quarterly meetings will be held for the member cities and tribal communities within San Bernardino County as well as the TAC and other interested stakeholders. Virtual breakout rooms will be used to engage stakeholders at a more personal level. Project updates will also be posted on the SBCTA website and social media to encourage additional input. Community engagement advertising materials will be bilingual in English and Spanish, which will help engage hard-to-reach populations. However, not everyone has access to these platforms, so

SBCTA will also consider in-person meetings at selected jurisdictions to ensure that a better representation of disadvantaged community input is obtained.

As mentioned previously, a consultant will be hired to guide the comprehensive planning process. The consultant will be involved with the following activities:

- **Task 1 – Technical Advisory Committee/Stakeholder and Public Outreach.** Confirm advisory groups; Schedule and host meetings; Host webinars with cities, stakeholders, and the public; Provide project updates on SBCTA websites and social media.
- **Task 2 – Planning and Design Assessment.** identify communities within San Bernardino County in high-hazard areas lacking multiple ingress/egress routes for emergencies and to analyze the evacuation time of these single-access communities, including a capacity-enhancing component.
- **Task 3 – Additional Infrastructure Resiliency Assessment.** Identify communities where climate resilience centers with microgrid technology may be beneficial and adaptable for climate emergency situations.
- **Task 4 – Development of Draft and Final Studies.** Present draft Study to the advisory groups and other stakeholders; Incorporate edits and present second version to the two advisory groups and stakeholders; Post to websites for public feedback; Incorporate edits/comments into Final Study.
- **Task 5 - Board Review/Approval.** Present the Final Study to the SBCTA Board for final adoption.

More detailed task descriptions are provided in the Summary of Project task section below.

Overall Project Objectives

Identification of resilient transportation system vulnerabilities and climate-related risks to existing resilient transportation infrastructure is paramount to SBCTA. The overarching goal of this Study is to provide planning actions at local and sub-regional levels to advance climate change adaptation efforts for resiliency infrastructure, especially in vulnerable communities, building on the EENR Study and IE Resilient Tool Kit.

A variety of events can require an evacuation within areas of San Bernardino County. These events could be caused by nature, including wildfires, floods, and geological or seismic events, while others can be caused by human-initiated events such as utility failures, infrastructure failures, or other factors (such as civil unrest and airplane or vehicular crashes). With climate change increasing drought conditions and weather events throughout the state, it is prudent to review the capacity of the evacuation system (e.g., the capacity of the evacuation roadways) to assist with planning for these events. Additionally, recent events like the Camp Fire in Paradise, California (discussed below), reinforce the notion to better prepare for rapid evacuations during these types of events.

This proposed Study will build upon the EENR Study and the IE Resilient Tool Kit by:

- Helping local agencies to identify the most vulnerable communities where evacuations would occur (e.g., those with the least amount of redundant access and those areas furthest from evacuation centers);
- Determining the amount of time needed to facilitate an evacuation; and
- Developing strategies to improve emergency egress during these events, helping to promote sustainability and resilience for even the most vulnerable residents.

This Study provides a detailed look at the evacuation system and resources for residents affected by emergency climate activities and focuses on estimating the time needed to evacuate. The

results are intended to provide information to help inform jurisdictions in addition to meeting the requirements associated with two recent California legislative bills:

- **Senate Bill 99 (2019) - Residential Developments and Evacuation Routes.** SB 99 requires city or county governments to identify in their safety element residential developments that do not have at least two emergency evacuation routes. This requirement applies when jurisdictions next update their housing element.¹ The 2018 wildfire season eclipsed 2017 as



the most destructive and deadliest year for wildfires in California. The Mendocino Complex Fire alone burned 459,123 acres to become the largest fire in California history. Even more devastating, the Camp Fire in November 2018 became California's most destructive and deadliest wildfire, which decimated the Town of Paradise, killing 86 people and destroying nearly 19,000 structures. One reason the Camp Fire was so deadly was that the Town of Paradise lacked adequate evacuation

routes to simultaneously allow residents to leave and public safety personnel to enter. Modern development practices require adequate ingress and egress to new developments, but existing developments that weren't built to those standards occur throughout the state. SB 99 ensures that cities and counties identify residential developments in any hazard area, including fire hazard severity zones, that lack this basic safety precaution in their general plans.

- **Assembly Bill 747 (2019) - Evacuation Route Capacity and Safety.** AB 747 requires jurisdictions to identify evacuation routes and their capacity, safety, and viability under various emergency scenarios in the jurisdiction's safety element. The bill states that this must occur with the next update to a jurisdiction's Local Hazard Mitigation Plan (LHMP) (or safety element if the jurisdiction does not have an LHMP) beginning January 1, 2022. The jurisdiction may use its LHMP or emergency operations plan to comply with this law by incorporating descriptions of the evacuation routes' capacity, safety, and viability into those documents, provided that the jurisdiction's safety element references the document.²

The Town of Paradise provides a tragic example of the importance of evacuation route capacity. In 2015, Skyway Boulevard, one of the main outbound roads, underwent lane reduction from a four to a two-lane road. During the Camp Fire, residents were forced to evacuate southbound via Skyway Boulevard. By 10am that day, evacuees were forced to abandon their vehicles and proceed on foot.

The 2018 Camp Fire resulted in 86 civilian casualties; the deadliest in California history. AB 747 will help save lives by requiring local governments to preemptively plan their evacuation route capacity needs under a range of emergency scenarios.



There are areas that SBCTA would like to explore as part of this effort: 1) identify five areas in San Bernardino County where the transportation network needs redundancy improvements to improve resilience; 2) examine how to make the transportation system more resilient by adding infrastructure to adapt to climate change in the future; 3) conduct a feasibility study to evaluate constructing Class 1 bike lanes and other capacity expanding

¹ Full text of SB 99 (2019): http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB99

² Full text of AB 747 (2019): https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB747

options, to be used as access roads during emergency climate incidents; and 4) plan for new Resiliency Centers along routes in these vulnerable communities.

The key considerations for SBCTA when reviewing network redundancy improvements to enhance resiliency are:

- Improved emergency access during evacuations; and
- Identification of new or existing facilities that may be used for resilience efforts that could be upgraded to assist during evacuation events.

This Study is consistent with multiple state and regional plans, including:

- **Caltrans 2020-2024 Strategic Plan** as the Plan aims to “Strengthen our capability to withstand and recover from the impacts from climate change” by engaging the most vulnerable communities to inform development and implementation of Climate Action activities.
- **California Transportation Plan (CTP) 2050**, Goal 2 “Preserve the Multimodal Transportation System,” and Policy 3 “Adapt the transportation system to reduce impacts from climate change.”
- **2021 California State Adaptation Strategy** as this project will help improve resilience, which is a state of readiness to face climate risks, within disadvantaged and vulnerable communities.
- **Connect SoCal 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)**, especially as it pertains to climate adaptation and resilience of the transportation network.

Summary of Project Tasks

Task 01: Project Administration

Upon project award, SBCTA will coordinate a project kick-off meeting with Caltrans to discuss grant procedures and project expectations including invoicing, quarterly reporting and all other relevant project information (i.e., scope, consultant type, and stakeholders). SBCTA will highlight and determine scope refinements.

As the project progresses, SBCTA will prepare and submit invoice packages, quarterly reports, and a final close-out report in accordance with Caltrans' requirements. Invoice packages and reports will be based upon completion of project phases as identified in the grant contract and include project expenditures to-date.

Task Deliverables
Project kick-off meeting at the start of the program with Caltrans and SBCTA; Invoicing and quarterly reporting to Caltrans

Task 02: Consultant Procurement

SBCTA will procure an experienced consultant, consistent with state and federal requirements, Local Assistance Procedures Manual for procuring non-Architectural and Engineering

Consultants, the Grant Application Guide, Regional Planning Handbook, and the executed grant contract between Caltrans and SBCTA.

SBCTA will develop a draft scope of work and initial Request for Proposal (RFP) which will include Tasks 1- 5 of this Scope of Work for Caltrans' Review. SBCTA will then refine the RFP and gain approval from SBCTA Board of Directors and Caltrans.

SBCTA and Caltrans will review and determine the most qualified consultant, with SBCTA awarding the contract to a selected consultant.

A project kick-off meeting will be scheduled with the consultant and stakeholders to discuss the proposed Study and establish tasks and timeline in accordance with Caltrans grant requirements. The Consultant will finalize the outline of an action plan for SBCTA staff approval.

Task Deliverables
<ul style="list-style-type: none"> • Meeting agenda, participant list, meeting notes, list of action items; • Draft Scope of Work and Request for Proposal (RFP); • Final RFP; • Review and ranking of qualifications by SBCTA staff/Caltrans; • Executed consultant contract; • Meeting agenda, participant list, meeting notes, list of action items, and action plan.

Task 1: Technical Advisory Committee, Stakeholder and Public Outreach

SBCTA/Consultant will confirm advisory group participation from stakeholders, city managers, engineers and any planning staff and other community-based organizations (CBOs) from vulnerable communities. Two groups will be confirmed: 1) a Core Technical Working Group; and 2) a larger Stakeholder Group that may include targeted underserved cities, the County, Emergency Responders, and other high-level stakeholders. This Stakeholder Group will be involved in the decision-making process from the start - ensuring that the process used to develop the Study and resulting priorities/projects are created and implemented in such a way that gives legitimate decision-making power to the most impacted, underserved communities including tribal communities. Additionally, SBCTA is committed to engaging with tribal communities within San Bernardino and Western Riverside counties and will also be a key part of the outreach. SBCTA will leverage existing contacts with tribal communities to solicit input on the project and obtain feedback.

SBCTA and the Consultant will schedule and host **8-10 quarterly advisory group meetings**. Separately, SBCTA and the Consultant will advertise and host **six interactive (or in-person) workshops with jurisdictions, stakeholders, and interested members of the public** to provide informational updates and solicit input. SBCTA and Consultant will also provide regular project updates on the SBCTA website and social media. SBCTA will also solicit commentary from viewers on various elements of the project.

Virtual breakout rooms will be used to engage stakeholders at a more personal level. Project updates will also be posted on the SBCTA website and social media to encourage additional input. Community engagement materials will be in English and Spanish, which will help to engage hard-to-reach populations. The engagement strategy will be discussed at the very outset of the project, documented in an Outreach Plan, and integrated with the technical work.

Engagement of **disadvantaged communities** and tribal communities will be a key part of the outreach. The consultant will specifically reach out to key stakeholders to determine if certain underserved communities would benefit from this planning effort. The consultant can then provide

a summary of existing community feedback to the Stakeholder Group to ground truth and ensure community priorities are fully captured.

Task Deliverables
<ul style="list-style-type: none"> • Confirmed list of core technical group and larger stakeholder group members; • Outreach plan; • Meeting agendas, participant lists, comments, summaries; • Webinar meeting schedule, agendas, participant lists (including DAC participation), and follow-up comments from stakeholders and public;

Task 2: Planning and Design Assessment

SBCTA/Consultant will develop a study in five communities within San Bernardino County in high-hazard areas lacking multiple ingress/egress routes for emergencies and will analyze the evacuation time of these single-access communities, including a capacity-enhancing component. The Consultant will focus on the five high hazard areas of the county where vehicle access is problematic and where emergency accessibility is challenging, such as high fire zones and other hazardous areas.

SBCTA/Consultant will review information of isolated communities in high fire or flooding zones selecting areas to serve as pilot projects for the Study. After gaining input from emergency services personnel and the public, SBCTA will identify up-to five pilot locations to focus on. Based on available accessibility maps several key areas that have limited accessibility have been preliminarily identified (See Exhibits 4-7).

Two key considerations for the selection of pilot areas include:

- Areas with single access roads between two and seven miles long; and
- Roads identified by Statewide SB 99 CalFire Hazard Severity Zones as very high or high hazard.

The consultant and project team will work with the community to develop strategies to improve access without increasing vehicle capacity. These may include:

- An enhanced Class I bikeway parallel to the existing roadway that could be used to serve for ingress to these communities during an evacuation while, at the same time, using the existing ingress lane on a two-lane road as a contra-flow egress lane (e.g. doubling outbound capacity during an evacuation while maintaining access for emergency responders).
- Modification of the roadway to include buffered bike lanes or a two-way cycle track that would be constructed with sufficient width that they could be used to accommodate an extra egress lane during an evacuation.
- Other treatments that would generally improve the communities' ability to evacuate during an emergency.

A feasibility study will be completed to evaluate the evacuation strategies.

Once SBCTA/Consultant completes the planning and design assessment, local cities in the County can adopt and implement the results for their jurisdiction's needs.

Task Deliverables
<ul style="list-style-type: none"> • Maps identifying very high or high hazard severity zones • Summary of analysis of high fire zones and single access roads

- Identification of potential pilot study areas
- Feasibility Study for evacuation strategies

Task 3: Additional Infrastructure Resiliency Assessment

The Consultant will conduct an additional infrastructure resiliency assessment to evaluate and identify communities where Climate Resilience Centers with microgrid may be beneficial to shelter evacuees from an emergency event, whether manmade or climate-related. The microgrids will allow the resilience center to operate off the grid and provide shelter for several hours or days until emergency response is dispatched and can provide assistance.

The consultant, with input from SBCTA and stakeholders, will prepare no more than 30% complete conceptual designs for the resilience center. Key constraints will be identified (e.g., agency coordination requirements, right of way concerns, environmental constraints, etc.) for consideration for planning-level cost estimates. The cost estimates will be sufficient enough to support grant applications for the implementation of the projects.

The consultant will work with SBCTA and their grant-writing experts to discuss potential funding strategies for these projects. Additionally, the consultant shall summarize the results of the previous activities into a project deliverable for SBCTA. The Consultant shall work with SBCTA on the format for the deliverable, as it may take the form of a story map or a traditional report deliverable.

Task Deliverables
<ul style="list-style-type: none"> • Identified potential locations for resilience centers • Conceptual designs for resilience centers (30% design) • Report or story map summarizing conceptual project designs, cost estimates, and funding strategies.

Task 4: Draft and Final Studies

Data and results from the Planning and Design Assessment and the Additional Infrastructure Resiliency Assessment will be compiled into draft and final Study reports.

The Consultant will incorporate SBCTA staffs' comments as applicable and prepare a revised Draft Study for stakeholder and general public review. The Study will be in a format that is compatible for uploading to SBCTA's website and used individually as needed. A request for public comments will be advertised through various media. At the end of the public comment period, the Consultant will compile all comments and prepare responses. This response to comments document will be made available for public access on SBCTA's website for 30-60 days. The Consultant will incorporate stakeholder and public comments into the Final Study report, as applicable, and will prepare the Final Study in formatted, electronic form. The Final Study report will credit FHWA, FTA, or Caltrans' financial participation on the cover and title page, and will be submitted to the Caltrans district office in an ADA accessible electronic copy.

The reports may be drafted in an "eStudy" format. For SBCTA, an eStudy is similar to a standalone website, where the contents of the Study can be viewed using an array of digital devices and follows design standards so that Studies' content is visually appealing, interactive, and meets web accessibility requirements (WCAG 2.0).

Task Deliverables
<ul style="list-style-type: none"> • Draft Study • Final Study

- Technical Appendices
- Public Review – list of comments/responses

Task 5: Board Review/Approval

The Final Study Plan will be scheduled on SBTA's calendars/agendas for final adoption. SBCTA staff and the Consultant will prepare a summary report of the Final Study and present this to the SBCTA Board at the scheduled Board meeting. If any critical issues are raised, The Consultant will respond and resolve these issues, so Study adoption can be finalized by the Board.

Next Steps

Once the Studies are complete and adopted, SBCTA will notify lead agencies regarding the next steps for prioritized projects. In some cases, the lead will be SBCTA or local jurisdictions. Some of the progress will be dependent upon competitive funding from the state, and potential funding sources will be identified. The goal will be to start implementing evacuation strategies that help protect the lives of residents in the most disadvantaged neighborhoods as well as for all residents.

Task Deliverables
<ul style="list-style-type: none"> • Final Adopted Study (published) that include a summary of the next steps towards implementation, credits Caltrans on the cover or title page, submitted to Caltrans in an ADA-accessible electronic copy.



Sustainable Transportation Planning Grant Program

**San Bernardino County Transportation Authority
SBCTA Evacuation and Resilience Center Design Study**

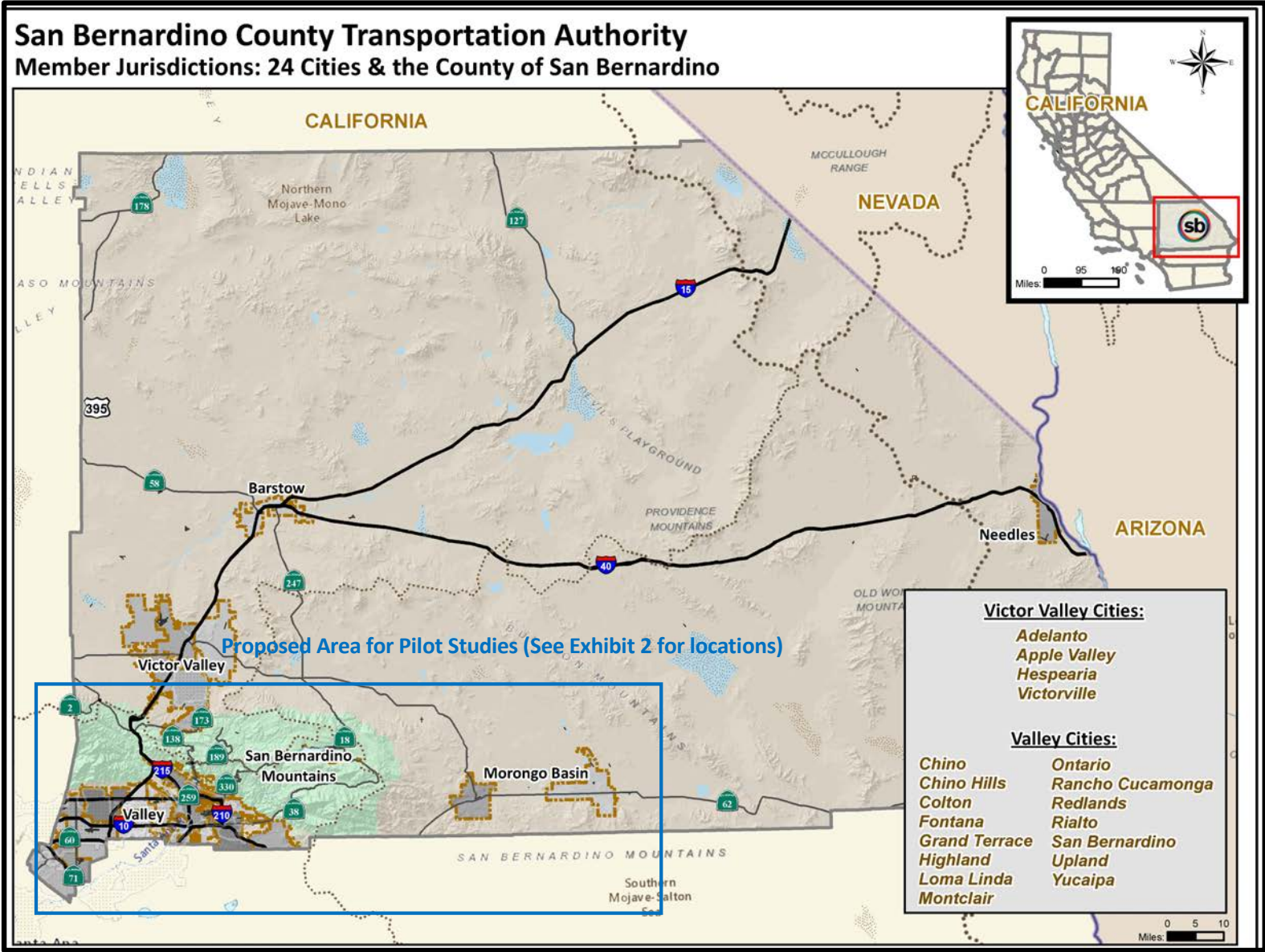
PROJECT MAPS



Sustainable Transportation Planning Grant Program

San Bernardino County Transportation Authority Project Area

San Bernardino County is the largest county in the United States by area at over 20,000 square miles and is the 12th most populous. It is located in the northeastern portion of Southern California and boasts a wide variety of urban and rural settings. The County contains roughly 2.1 million residents and 630,000 enrolled students across 24 cities/towns and 33 school districts of highly diverse character. The majority of the County's residents reside in an area covering 450 square miles in the southwest section of the County adjacent to Riverside and Los Angeles Counties.



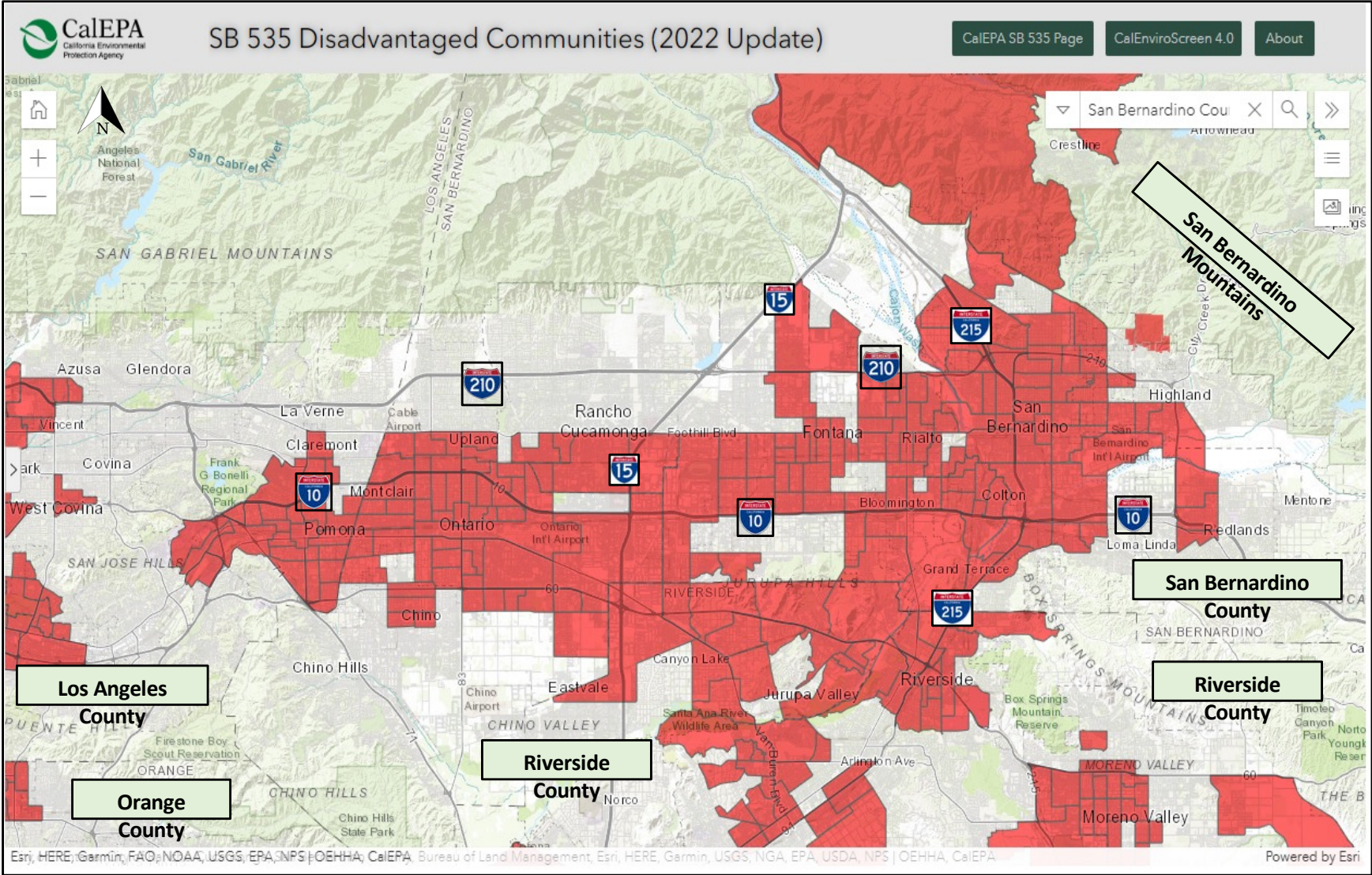
Attachment: ERCD Study Final Application and Scope of Work (10822 : SBCTA Evacuation and



Sustainable Transportation Planning Grant Program

San Bernardino County Transportation Authority

Disadvantaged Communities – Southwestern San Bernardino County



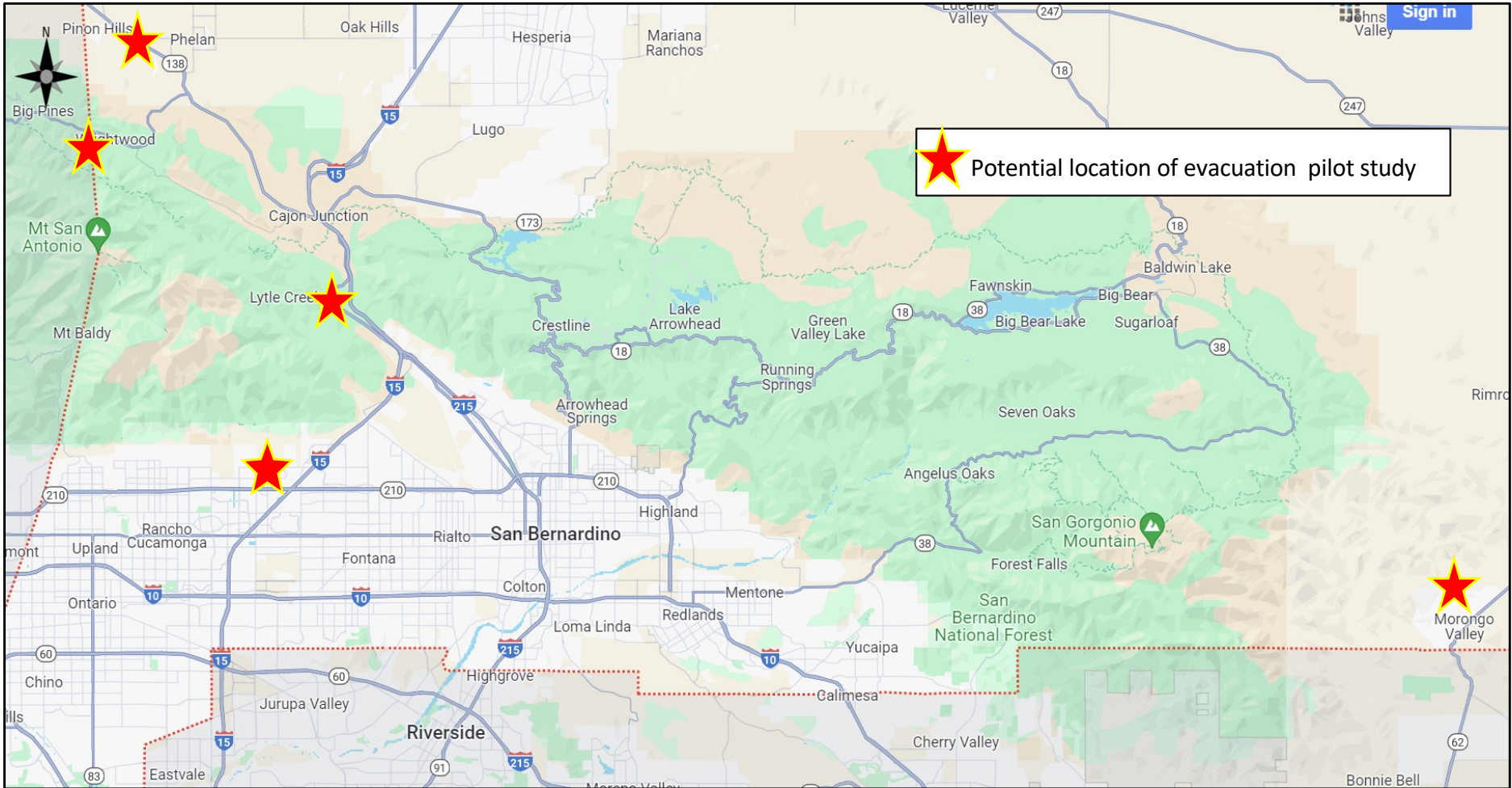
Approximately 650,000 county residents and 170,000 students live in locales ranked by the CalEnviroScreen 4.0 as among the top 10% most disadvantaged communities statewide. This map shows the disadvantaged communities in the most populated area (southwest corner) of the County.

Attachment: ERCD Study Final Application and Scope of Work (10822 : SBCTA Evacuation and



Sustainable Transportation Planning Grant Program

San Bernardino County Transportation Authority Project Area – Proposed Pilot Study Locations



Based on existing accessibility information for high-hazard communities, five key areas having limited accessibility have been preliminarily identified as pilot study areas, including Pinon Hills/Phelan Area, Wrightwood Area, Lytle Creek Area, Upland, Rancho Cucamonga, and Fontana Area north of State Route 210, and Morongo Valley Area. Individual area location maps are provided as Exhibits 5 through 7 on the following pages.

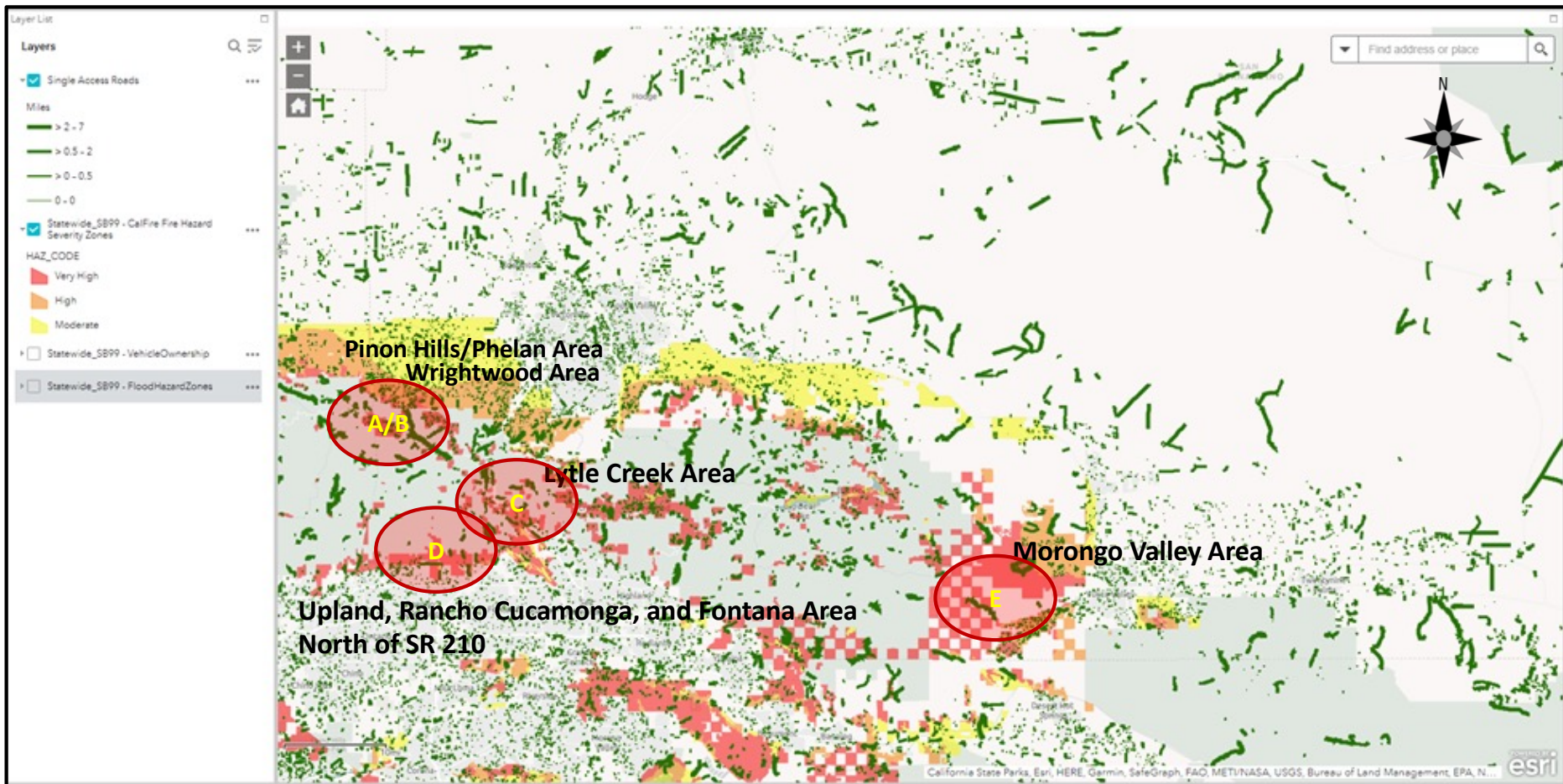
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Sustainable Transportation Planning Grant Program

San Bernardino County Transportation Authority

Accessibility and CalFire Hazard Severity Map - San Bernardino County

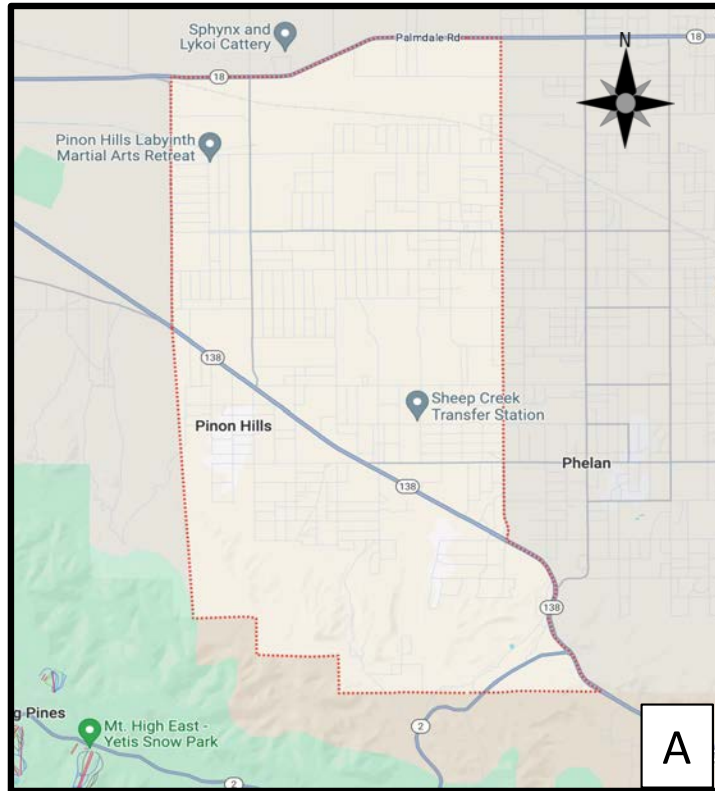


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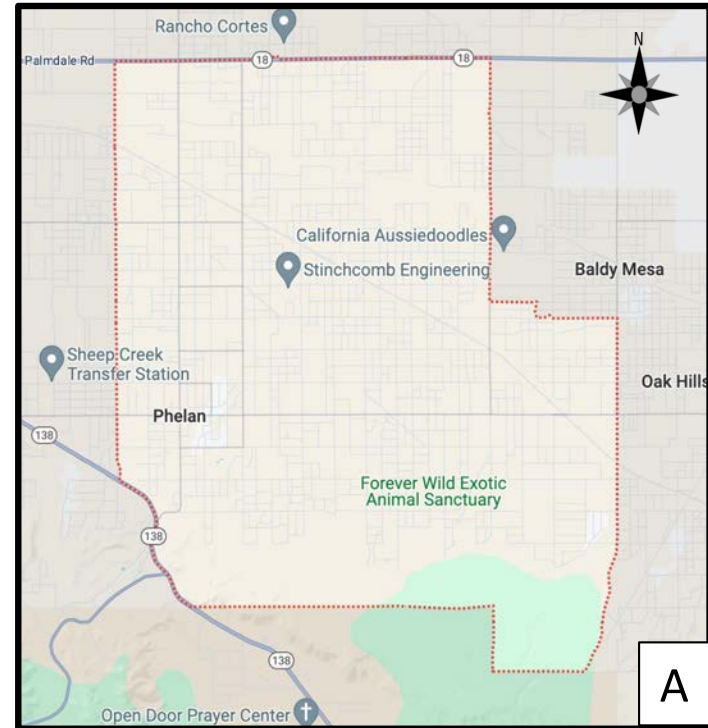


Sustainable Transportation Planning Grant Program

San Bernardino County Transportation Authority Preliminary Pilot Study Area - Pinon Hills/Phelan Area



A. Piñon Hills is a census-designated place in San Bernardino County near the Los Angeles County line. It is located along Pearblossom Highway, 28 miles east of Palmdale, and 15 miles west of the Cajon Pass where Pearblossom Highway meets Interstate 15. The population was 6,937 per the 2020 census.



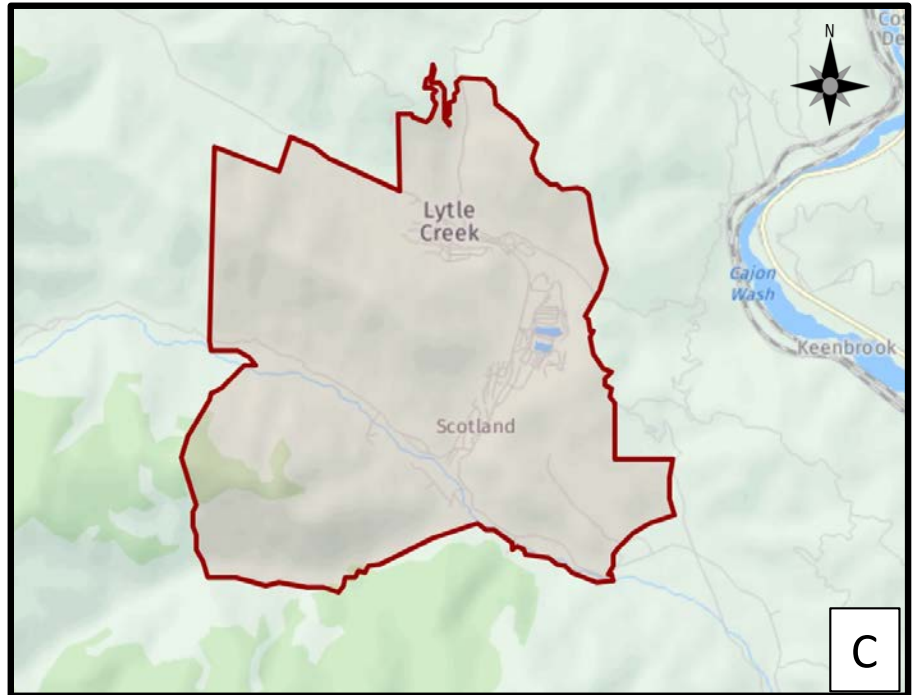
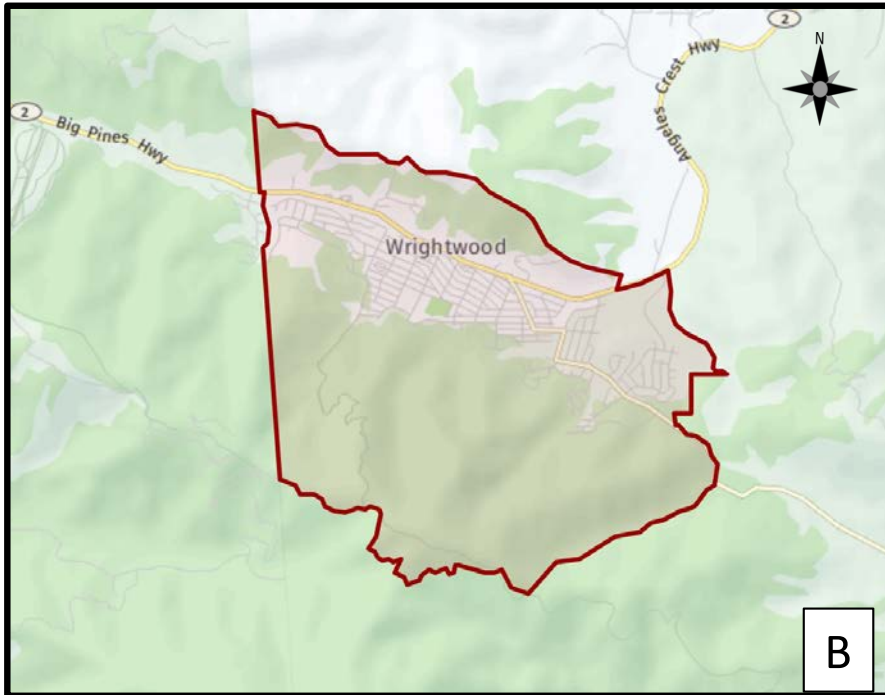
A. Phelan is an unincorporated community and census-designated place in San Bernardino County in the Victor Valley of the Mojave Desert, north of the San Gabriel Mountains. The population was 14,304 per the 2010 census.

Attachment: ERCD Study Final Application and Scope of Work (10822 : SBCTA Evacuation and



Sustainable Transportation Planning Grant Program

San Bernardino County Transportation Authority Preliminary Pilot Study Area – Wrightwood Area and Lytle Creek Area



B. Wrightwood is a census-designated place in San Bernardino County, California. It sits at an elevation of 6,000 feet. The population was 4,525 per the 2010 census, up from the population of 3,837 per the 2000 census. Wrightwood is 77 miles northeast of Los Angeles and is on the Pacific Crest Trail.

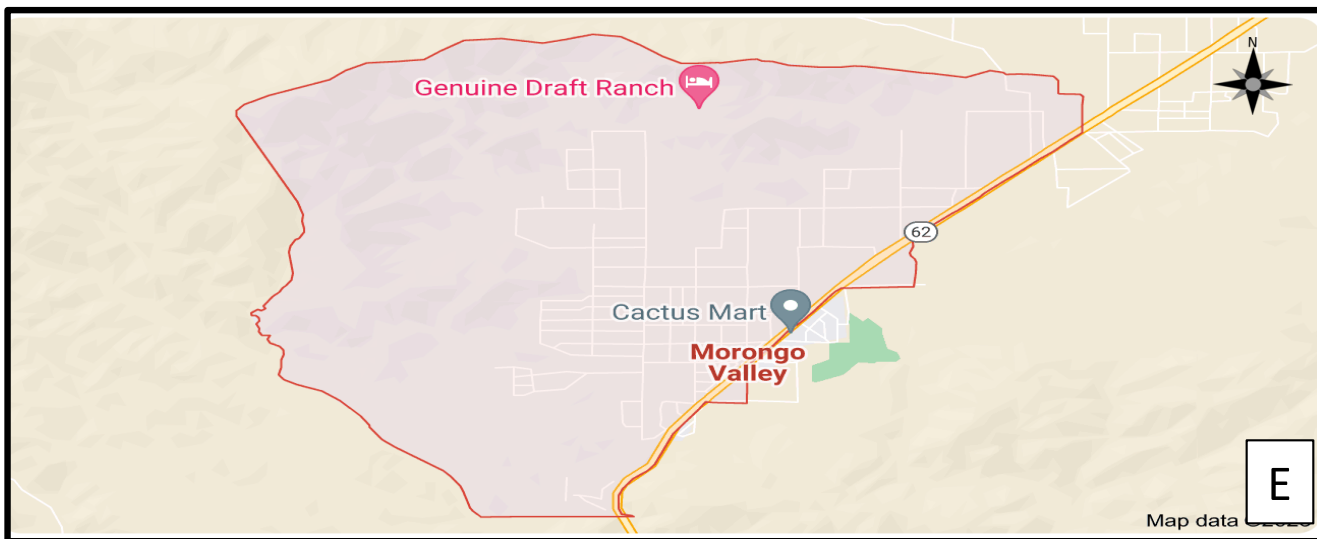
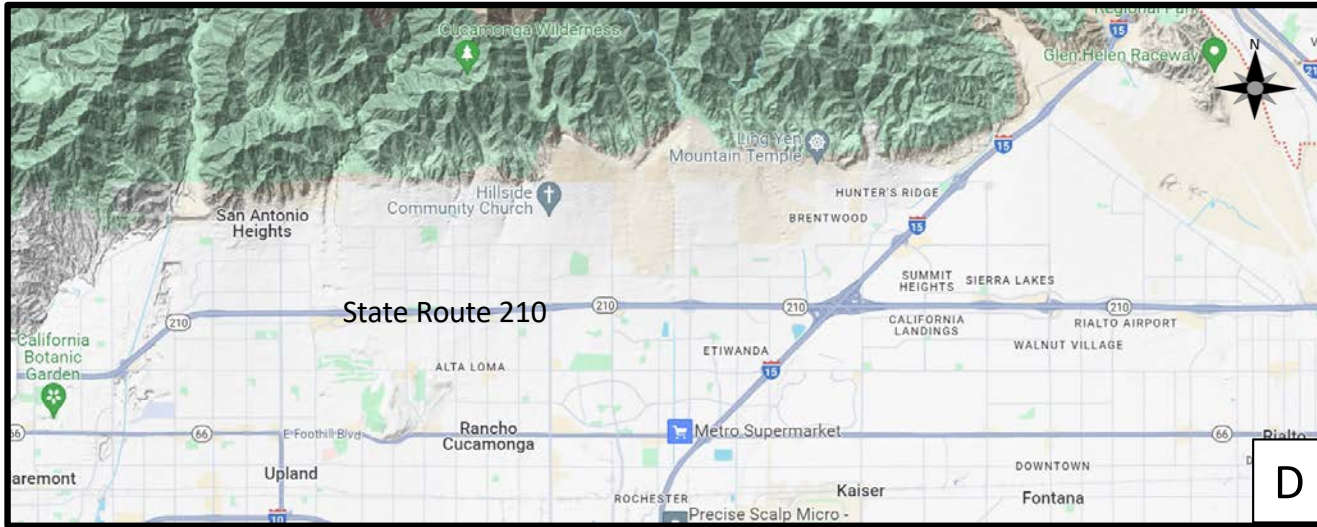
C. Lytle Creek is a census-designated place in the San Gabriel Mountains, within San Bernardino County. It is about 16 miles northwest of downtown San Bernardino and 10 miles from the cities of Fontana and Rialto. The population was 656 per the 2020 census.



Sustainable Transportation Planning Grant Program

San Bernardino County Transportation Authority
Preliminary Pilot Study Area

Upland, Rancho Cucamonga, and Fontana Area North of SR-210 and
Morongo Valley Area



D. The cities of Upland, Rancho Cucamonga, and Fontana are located just south of the foothills of the San Gabriel Mountains and Angeles National Forest in San Bernardino County, California. These cities are about 30 to 46 miles east of downtown Los Angeles.

As of the 2020 Census, Upland had a population of 79,040; Rancho Cucamonga's population was 175,142 and Fontana's population was 212,704. Smaller communities within these cities north of State Route 210 and close to the foothills are within a high fire hazard area per the Statewide SB99 CalFire Hazard Severity Zone mapping (see Exhibit 4)

E. Morongo Valley is a census-designated place on State Route 62 in San Bernardino County, California. The population was 3,552 per the 2010 census, up from 1,929 per the 2000 census. The town is bordered by Yucca Valley, California.

Attachment: ERCD Study Final Application and Scope of Work (10822 : SBCTA Evacuation and



iren.gov

Attachment: ERCD Study Final Application and Scope of Work (10822 : SBCTA Evacuation and Resilience Center Design Study Caltrans Grant

January 9, 2024

Dr. Raymond Wolfe
Executive Director
San Bernardino County Transportation Authority (SBCTA)
1170 W. 3rd Street, 2nd Floor
San Bernardino, CA 92410-1715

Re: **SBCTA Evacuation Planning and Resilient Center Design Study
Caltrans Sustainable Transportation Planning Grant Program**

Dear Mr. Wolfe

I am writing to express the Inland Regional Energy Network's (I-REN) support for San Bernardino County Transportation Authority's (SBCTA) application to the Caltrans Sustainable Transportation Climate Adaptation Planning Grant Program. Through these grant funds, SBCTA will work with a qualified consultant to develop an Evacuation Planning and Resilience Center Design Study to design active transportation facilities and Resilience Centers in residential areas that can also serve for emergency use.

Initiated in 2019, I-REN is a coalition of three councils of government, the Western Riverside Council of Governments (WRCOG), the Coachella Valley Association of Governments (CVAG), and the San Bernardino Council of Governments (SBCOG), encompassing San Bernardino County, Riverside County, and all the jurisdictions within the region. Together, I-REN represents 52 cities, 78 unincorporated county areas and 17 tribes, approximately 11 percent of California's population. I-REN connects residents, businesses, and local government to a wide range of energy efficiency resources to increase energy savings and equitable access throughout San Bernardino and Riverside counties.

Historically, the Inland Empire has faced challenges in receiving equitable opportunities to participate in energy efficiency and advanced energy. The Study will allow for SBCTA and its member agencies to be better prepared to withstand and adapt to the impact of climate change. I-REN fully supports the SBCTA's Evacuation Planning and Resilient Center Design Study grant application and will assist in the development of the Study as needed.

Sincerely,

DocuSigned by:
Crystal Ruiz
C1340EDAAAF1494...

Mayor Pro Tem, Crystal Ruiz, City of San Jacinto
I-REN Executive Committee Chair

We are a network of partners, including the Coachella Valley Association of Governments, the San Bernardino Council of Governments, and the Western Riverside Council of Governments, formed to serve the cities and communities of our region.





1700 W. Fifth St
San Bernardino, CA 92411
909-379-7100
www.omnitrans.org

January 4, 2024

Mr. Raymond Wolfe
Executive Director
San Bernardino County Transportation Authority (SBCTA)
1170 W. 3rd Street, 2nd Floor
San Bernardino, CA 92410-1715

Subject: SBCTA Evacuation Planning and Resilient Center Design Study

Dear Mr. Wolfe:

On behalf of Omnitrans, I write in support of the San Bernardino County Transportation Authority’s (SBCTA) application to the Caltrans Sustainable Transportation Planning Grant Program to develop an Evacuation Planning and Resilient Center Design Study (Study). The intent of the Study is to build upon the recently funded Evacuation Network Resilience (EENR) Study and the Energy Resilience Implementation Plan.

Omnitrans is the public transit agency serving the San Bernardino Valley, providing safe, reliable, affordable, and environmentally responsible transportation. We currently operate local and express bus routes, sbX bus rapid transit service, and Access, a paratransit service for the disabled. Established in 1976 through a joint-powers agreement, Omnitrans carries approximately 11 million passengers each year (pre-pandemic number) throughout our 480-square-mile service area, covering 15 cities and portions of the unincorporated areas of San Bernardino County. Major destinations within the Omnitrans service area include transportation centers, medical centers, educational facilities, shopping malls, business parks, and community centers.

The proposed Evacuation Planning and Resilient Center Design Study is needed now more than ever. The impacts of climate change need to be evaluated so that we can better respond to a variety of emergency evacuation scenarios on our transportation network, especially in vulnerable communities where residents rely on public transportation. Omnitrans is happy to participate in an advisory capacity for this planning effort – for more information, please feel free to contact Chief Strategy and Planning Officer Jeremiah Bryant at Jeremiah.bryant@omnitrans.org or (909) 379-7252.

Sincerely,


Erin Rogers
CEO/General Manager

Attachment: ERCD Study Final Application and Scope of Work (10822 : SBCTA Evacuation and Resilience Center Design Study Caltrans Grant



Public Health Administration

Joshua Dugas, MBA, RE
Director

Jennifer Osorio, RE
Assistant Director

Janki Patel, M
Assistant Director

Michael A. Sequeira, M
Health Officer

Mr. Raymond Wolfe
Executive Director
San Bernardino County Transportation Authority (SBCTA)
1170 W. 3rd Street, 2nd Floor
San Bernardino, CA 92410-1715

RE: **Caltrans Climate Adaptation Transportation Planning Grant – SBCTA Emergency Evacuation Planning and Design Study**

Dear Mr. Wolfe:

The County of San Bernardino Department of Public Health (DPH) is writing to express our commitment to the San Bernardino County Transportation Authority (SBCTA) application to the Caltrans Sustainable Transportation Planning Grant Program to develop an Emergency Evacuation Planning and Design Study. This Study will focus on emergency evacuation routes for hazard areas that do not have more than two access points and design for resilience centers to be used during an evacuation.

A key aspect of this effort will build upon SBCTA’s recently funded Emergency Evacuation Network Resilience Study that will include conducting local-level evacuation compliance assessments (required by Senate Bill 99) and a high-level evacuation route capacity, safety, and viability analysis (required by Assembly Bill 747).

DPH will work with SBCTA to provide relevant data that illustrates the level of transit dependency among communities we serve (e.g., those who depend on public transit or bus vouchers; and current health reports, which include age and rates of disease and disability among the population, etc.), which will help the team identify San Bernardino County communities most vulnerable to climate change impacts.

San Bernardino County’s agencies, including DPH and SBCTA, have a history of collaboration, as demonstrated in the San Bernardino County Community Transportation Plan, which exemplifies the idea that all sectors are interrelated and must work in concert for collective action. DPH is happy to participate in an advisory capacity with SBCTA to help develop this important Study. Through this and past efforts, San Bernardino County jurisdictions have been, and will continue to be, leaders in promoting sustainability. Together with SBCTA and other community stakeholders, we look forward to providing valuable input and continuing this progress.

Sincerely,

Josh Dugas
Director

BOARD OF SUPERVISORS

COL. PAUL COOK (RET.)
Vice Chairman, First District

JESSE ARMENDAREZ
Second District

DAWN ROWE
Chair, Third District

CURT HAGMAN
Fourth District

JOE BACA, JR.
Fifth District

Luther Snoke

Packet Pg. 354

Attachment: ERCD Study Final Application and Scope of Work (10822 : SBCTA Evacuation and Resilience Center Design Study Caltrans Grant



January 9, 2024

Mr. Raymond Wolfe
 Executive Director
 San Bernardino County Transportation Authority (SBCTA)
 1170 W. 3rd Street, 2nd Floor
 San Bernardino, CA 92410-1715

RE: SCAG Support for the San Bernardino County Transportation Authority’s Caltrans Sustainable Transportation Planning Grant Program Application – Evacuation Planning and Resilient Center Design Study

Dear Mr. Wolfe:

On behalf of the Southern California Association of Governments (SCAG), I am pleased to submit this letter of support for the San Bernardino County Transportation Authority (SBCTA)’s application to the Caltrans Sustainable Transportation Climate Adaptation Planning Grant Program for their Evacuation Planning and Resilient Center Design Study. As required by SB 99, SBCTA’s Plan studies isolated local-level evacuation compliance assessments and the design of resilience centers to serve these areas.

SBCTA serves over 20 local jurisdictions within the SCAG region, many of which have high concentrations of low-income or disadvantaged households. Planning and prioritization of transportation projects is often too burdensome for these local agencies, which are already stretched thin.

The study builds on “Resilient I.E.,” a project that received funding from Caltrans to similarly support regional efforts mitigating risks associated with climate adaptation on the region’s transportation infrastructure. As part of Resilient I.E., five project components were completed, including:

1. A newly established regional climate collaborative – the Inland Southern California Climate Collaborative (ISC3) – to advance local, equitable, and resilient climate-adaptation solutions;
2. Subregional vulnerability assessments and adaptation strategies;

SOUTHERN CALIFORNIA
 ASSOCIATION OF GOVERNMENTS
 900 Wilshire Blvd., Ste. 1700
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 www.scag.ca.gov

REGIONAL COUNCIL OFFICERS

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 Art Brown, Buena Park

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 Curt Hagman, County of San Bernardino

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Community, Economic & Human Development
 Frank Yokoyama, Cerritos

Energy & Environment
 Deborah Robertson, Rialto

Transportation
 Tim Sandoval, Pomona

Attachment: ERCD Study Final Application and Scope of Work (10822 : SBCTA Evacuation and Resilience Center Design Study Caltrans Grant

3. City-level climate-related transportation hazards and evacuation maps;
4. A regionally tailored climate-resilient transportation infrastructure guidebook; and
5. A template regional climate adaptation and resiliency element.

This new study will build upon Resilient IE component #3 (above), the recently funded Emergency Evacuation Network Resilience (EENR) Study through Caltrans, and the Energy Resilience Implementation Plan through the Regional Early Action Planning (REAP).

As a project consistent with the policies and goals set forth in Connect SoCal, the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), we support and respectfully request full and fair consideration of their grant application. If you have any questions, please do not hesitate to contact Mr. Lyle Janicek, Senior Regional Planner, at (213) 630-1966 or email at janicek@scag.ca.gov.

Sincerely,



Kome Ajise
Executive Director



SHANNON D. DICUS, SHERIFF - CORONER

January 4, 2024

Mr. Raymond Wolfe
Executive Director
San Bernardino County Transportation Authority (SBCTA)
1170 W. 3rd Street, 2nd Floor
San Bernardino, CA 92410-1715

Subject: SBCTA Evacuation Planning and Resilient Center Design Study

Dear Mr. Wolfe:

It is my pleasure to provide this letter of support on behalf of the San Bernardino County Sheriff's Department for the San Bernardino County Transportation Authority's (SBCTA) application to the Caltrans Sustainable Transportation Planning Grant Program to develop an Evacuation Planning and Resilient Center Design Study (Study). The Study will build upon the recently funded Emergency Network Resilience Study (funded by Caltrans).

The San Bernardino County Sheriff's Department is the law enforcement agency for the largest geographical county in the nation. The department serves over 2.1 million residents, with 8 county and 14 contract patrol stations, and over 4,200 employees to ensure the quality and safety of those we serve. The Sheriff's Department mission is to provide collaborative law enforcement solutions that meet the needs of our communities and partners by delivering quality professional services.

The proposed Study is essential to help ensure that our fire departments and emergency services personnel can better respond to emergency evacuation scenarios, especially in vulnerable communities where residents may have limited capacity to evacuate. The Sheriff's Department would be happy to participate in an advisory capacity for this planning effort to ensure a broad, proactive outreach among many stakeholders.

Sincerely,

Shannon Dicus, Sheriff-Coroner

Attachment: ERCD Study Final Application and Scope of Work (10822 : SBCTA Evacuation and Resilience Center Design Study Caltrans Grant

California Department of Transportation

DIVISION OF TRANSPORTATION PLANNING
 P.O. BOX 942873, MS-32 SACRAMENTO, CA 94273-0001
 (916) 261-3326 | TTY 711
www.dot.ca.gov



July 9, 2024

SENT VIA E-MAIL

On behalf of the California Department of Transportation (Caltrans), Division of Transportation Planning, we are pleased to congratulate you on your Sustainable Transportation Planning Grant award.

Sustainable Transportation Planning Grant Program					
Grant Award Fiscal Year	24-25	Grant Category	Climate Adaptation Planning	Grant Fund Source	SHA-CAP
Project Title	SBCTA Evacuation and Resilience Center Design Study				
Grantee/Agency	San Bernardino County Transportation Authority				
Executive Director	Raymond Wolfe				
Grantee/Agency Contact	Mairany Anaya				
Sub-Recipient(s)					
Caltrans District Contact(s)	Ricky Rivers				
Caltrans District Contact(s) E-mail	ricky.rivers@dot.ca.gov				
Grant Award	Local Match (Cash)	Local Match (In-Kind)	Total Local Match	% Local Match	Total Project Cost
\$725,000	\$101,250	NA	\$101,250	12.25%	\$826,250
Conditions of Award Due to Caltrans		Grant Expiration Date		Final Invoice Due	
8/16/24		6/30/27		8/29/27	
* The final contractually agreed upon Local Match and Fund Source are located on the Grant Application Cover Sheet and Project Cost and Schedule. Any change in Local Match that increases/decreases the Total Project Cost must be approved by Caltrans and may require a Formal Amendment. Each invoice must include the contractual/agreed upon local match % - any deviation to this amount requires an approved Tapered Local Match Amendment prior to invoice submittal. Any change to the Local Match Fund Source requires prior Caltrans approval and an Administrative Amendment.					

Attachment: ERCD Study Caltrans Award Letter (10822 : SBCTA Evacuation and Resilience Center Design Study Caltrans Grant Award)

Next Steps

1. The Caltrans District Grant Manager will schedule a Conditional Award Meeting with your agency soon.
 - The attached specific and general conditions and project revisions necessary to accept grant funding will be discussed at this meeting.
2. The required conditions must be submitted to the Caltrans District Grant Manager no later than the date listed in the table above.
 - Failure to satisfy these conditions will result in the forfeiture of grant funds.
3. The Caltrans District Grant Manager will review and approve all items required to fulfill the attached specific and general conditions.
4. Once the required conditions are met and the agreement is executed, the Caltrans District Grant Manager will:
 - Send a Notice to Proceed letter (for MPO/RTPAs, this will happen after the OWP/OWPA formal amendment is processed). *Grant work cannot begin until the Notice to Proceed letter is received by your agency.*
 - Coordinate and schedule a grant kick-off meeting with your agency.

If you have questions concerning your Conditional Grant Award, please reach out to your Caltrans District contact listed in the table above.

Sincerely,



ERIN THOMPSON
 Chief, Office of Regional and Community Planning

Attachments:
 Specific and General Conditions

Sustainable Transportation Planning Grant Program

Grant Award Specific and General Conditions

Specific Conditions

If Specific Conditions have been identified for this grant, they will be listed below. Please make all necessary revisions to the Grant Application Cover Sheet, Scope of Work (SOW), and/or the Cost and Schedule, and complete the right column to indicate where the specific conditions were addressed.

Specific Conditions	Conditions Addressed List Document, Section & Page(s)
1. Clarify responsibility of work, duplication efforts, and defining the need and source for the resiliency center.	
2. Include some level of public involvement, outreach, and engagement.	
3. Resiliency center needs to be defined.	
4. SOW Tasks 2 and 3 do not meet the 11.47% minimum threshold.	
5. Confirm that Task 5 in the Scope of Work is 6-months and \$50,000.	
6. Task 02 in the Scope of Work is 3 months during the holiday season, consider extending to account for delays	
7. Identify the authorized signer(s) and email address(s) for the grant agreement that will be routed via Adobe Acrobat Sign	

Specific Conditions	Conditions Addressed List Document, Section & Page(s)

General Conditions

Please review the General Conditions below and complete them, as necessary. Most of these items are outlined in the Grant Application Guide, Ch. 6 and Appendix B.

- **Board Resolution** – A current (less than one year old) Local Board Resolution, signed by the governing board that includes the grant project title and job title of the person authorized to enter into a contract with Caltrans, is required to be submitted to Caltrans by September 13, 2024.
- **Government Entity Taxpayer ID Form** is now required in place of the previously required STD-204. It is required by Caltrans Accounting to ensure payments are sent to the correct recipient and address.
- **Generative Artificial Intelligence (GenAI) Disclosure (STD 1000)** is a new form now required by Caltrans for all contract submittals. The Solicitation Number field can be left blank.
- **Scope of Work (SOW) and Project Cost and Schedule** (Refer to Grant Application Guide, Appendix B Checklists) These are frequently missed requirements:
 - Project Management stand-alone tasks, staff and/or consultant coordination are not allowed. Project Management activities must be charged to the tasks in which they are accrued.
 - Include tasks for a kick-off meeting with Caltrans, invoicing, quarterly reporting, and Board adoption or acceptance.
 - Ensure the deliverable for the consultant procurement task includes: Request for Proposal (RFP), executed consultant contract, and a copy of your agency's procurement procedures.
 - The earliest project start date is November 4, 2024, with an end date of June 30, 2027. The Project Cost and Schedule will need be updated to reflect your proposed start date. At least one task must extend to the grant expiration date on June 30, 2027.
 - Indirect Costs - For Local Government Agencies requesting to bill for indirect costs: Indirect costs must be identified in the SOW and Project Cost and Schedule, and the indirect cost rate included at the bottom of the Project Cost and Schedule.
- **Grant Application Cover Sheet and Project Cost and Schedule**
 - Ensure the grant award, local match, and total project costs are consistent with the award letter amounts.
- **Grant Application Cover Sheet** - Must identify the specific source of cash and in-kind local match funds; and must identify the agency providing the local match.
 - If your agency is using staff time as a cash match, the application cover sheet must identify the source of local match funds for staff time (e.g., General Fund).
 - Direct grantee staff time is not an allowable in-kind match and must be identified as cash match.
- **Third Party In-Kind Valuation Plan, if applicable** - Third-party in-kind contributions consist of goods and services donated from outside the grantee's agency (e.g., printing, facilities, interpreters, equipment, advertising, staff time, and other goods or services). If utilizing third-party in-kind contributions to satisfy the local match requirement:
 - Ensure in-kind contribution information is identified on the Grant Application Cover Sheet and Project Cost and Schedule.
 - To clarify, sub-recipient staff time, if reimbursed, is considered cash match. If donating their time, it is considered in-kind.

- Submit a Third-Party In-kind Valuation Plan. The district can provide a copy of the valuation plan checklist and template.
- **Ensure Consistency** - All changes made to the Grant Application Cover Sheet, SOW, and Project Cost and Schedule are made consistently in all documents.

Grant Administrative Requirements

Refer to the Grant Application Guide, Ch. 6, and the Restricted Grant Agreement boilerplate for a detailed overview of the Grant Administrative Requirements that must be adhered to over the life of the project. In summary:

- **Third Party Contracts** - Competitive consultant procurement, i.e., Request for Proposals (RFP) is required for all grant projects.
 - If there is a consultant on-board, ensure the process to procure the consultant was a competitive process (documentation must be provided to Caltrans); the grant work must have been part of the original RFP.
 - If using an on-call consultant list, the process for establishing the list must be competitive and less than five years old (documentation must be provided to Caltrans)
 - If the consultant helped to prepare the Project Scope of Work or grant application, they shall not be considered in the consultant procurement.
- **Quarterly Reporting** – Quarterly Progress Reports (a narrative of completed project activities) are submitted on a quarterly basis.
- **Invoicing and Financial Requirements** –
 - Maintain a proper accounting system (MS Excel is unacceptable).
 - Request for Reimbursements/invoices (RFRs) at least quarterly, but no more than monthly.
 - One-time, lump sum invoices are not allowed.
 - If requesting reimbursement of indirect costs, a copy of the ICAP/ICRP acceptance letter must be submitted with the first invoice.
 - Local match commitments must be satisfied with every RFR/invoice, including any local match amount above the minimum amount. If you are unable to meet this commitment, coordinate with your district Contract Manager.
 - All work must be completed by June 30, 2027.
 - Final RFR/invoice and the final product are due no later than August 29, 2027.
 - The final RFR/invoice will not be processed without the final product.
 - An Indirect Cost Allocation Plan/Indirect Cost Rate Proposal (ICAP/ICRP) must be submitted each year to the Inspector General Independent Office of Audits and Investigations for approval. Instructions for submitting an ICAP/ICRP are available at the following webpage: <https://ig.dot.ca.gov/resources>
- **Grant Amendments** - Proposed changes to the Grant Application Cover Sheet, SOW, and Project Cost and Schedule (e.g., local match amount, fund source, movement of funds) will require an Amendment and Caltrans approval. Please contact Caltrans for guidance on this process.

Minute Action

AGENDA ITEM: 18

Date: *September 4, 2024*

Subject:

Update on the Measure I Valley Freeway Interchange Phasing Program

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority:

Reduce the set-aside of Measure I Valley Freeway Interchange Phasing Program funds to \$23 million from the original \$40 million authorized for the program in December 2016. These remaining funds shall be accessible for the following projects, based on requests previously received from the respective cities: Interstate 10/Wildwood Canyon Interchange in the City of Yucaipa, State Route (SR) 210/Waterman Avenue Interchange in the City of San Bernardino, SR-210/5th Street Interchange in the City of Highland, and the SR-60/Euclid Avenue Interchange in the City of Ontario.

Background:

In December 2016, the San Bernardino County Transportation Authority (SBCTA) Board of Directors (Board) approved an Interchange Phasing Program for the Measure I Valley Freeway Interchange Program (Phasing Program), resulting from the Board's direction to re-examine the San Bernardino Valley interchange priority list and evaluate lower-cost phased improvements to stretch resources to an even greater number of interchanges. The 2017 update to the 10-Year Delivery Plan included a \$40 million reserve for the newly adopted Phasing Program. The 2019 and 2021 updates continued to include funding for the Phasing Program.

The structure of the Phasing Program is that specific allocation requests from local jurisdictions are brought to the Board for approval, consistent with Valley Freeway Interchange (VFI) Program Measure I 2010-2040 Strategic Plan Policy No. 40005 VFI-36 on a "first-come/first-served" basis. The policy limits the cost of the phased improvements to \$10 million per interchange, with the local share being determined by the table on interchange "fair shares" in the SBCTA Development Mitigation Nexus Study. Since its adoption, the Phasing Program has prompted action on several interchanges for phased improvements. As identified in Section 4.3.4 of the 2021 update to the 10-Year Delivery Plan, three projects have been initiated to date: Interstate 10 (I-10)/Wildwood Canyon Interchange in the City of Yucaipa, State Route (SR) 210/Waterman Avenue Interchange in the City of San Bernardino, and SR-210/5th Street Interchange in the City of Highland. The 10-Year Delivery Plan states that SBCTA expects to allocate more of the interchange phasing funding in the future; however, the magnitude of the Freeway Interchange Program being delivered over the next five years could require delays to further commitments for the Phasing Program. In addition, the California Department of Transportation (Caltrans) State Highway Operations and Protection Program (SHOPP) and Minor Projects Program have also helped to fill funding gaps for other phased interchange improvements, such as improvements to selected ramps at I-10/Mountain View Avenue in the City of Loma Linda and I-10/California Street in the City of Redlands.

Staff presented the status of the Phasing Program to the Board at the November 2023 meeting, requesting further direction. At the time, staff had no knowledge about other potential Phasing Program requests or about projects local jurisdictions may have in the pipeline. Out of the
Entity: San Bernardino County Transportation Authority

Board of Directors Agenda Item

September 4, 2024

Page 2

\$40 million being reserved for the phasing projects, \$18.5 million can be considered as committed funding. This would include Waterman Avenue at SR-210 (\$7.9 million) in the City of San Bernardino, 5th Street at SR-210 (capped at \$5.6 million) in the City of Highland, and Wildwood Canyon Road at I-10 (capped at \$5 million) in the City of Yucaipa.

It was explained to the Board that if future demand for funding under the Phasing Program will be limited or non-existent, other plans for some of the remaining funding could be made for interchange projects outside the Phasing Program. To determine the potential extent of additional phased projects, staff requested authorization to issue a “request for information” to Valley jurisdictions regarding interchange phasing projects that are in the pipeline. This was structured as a final solicitation of interest for projects that are on the phasing list (not just any interchange). The request for information was provided on November 27, 2023, to City Managers in the Valley, the County Administrative Officer, and local Valley representatives of the Transportation Technical Advisory Committee (TTAC). An ample amount of time was provided to the jurisdictions to determine whether one or more such projects could be forthcoming, along with the potential timeline and cost. It was indicated that, following the receipt of responses, staff would bring back to the Board a set of options for using that funding to foster other interchange project development, or it could be used to reduce potential future borrowing needs for the overall Freeway Interchange Program. An additional email to jurisdictions was provided on February 27, 2024, reminding them about this opportunity, and mention was also made at two TTAC meetings. The list of eligible projects under the Interchange Phasing Program is shown in Table 1 on the following page.

Table 1. List of Phases in the Valley Freeway Interchange Phasing Program

INTERCHANGE PHASING PROGRAM (in alphabetical order)

INTERCHANGE	PHASE IMPROVEMENT
I-10/California	Widen eastbound off-ramp
I-10/Euclid	Median southbound left turn (& restripe eastbound off-ramp)
I-10/Mountain View-A	Add side-by-side single left turn lanes
I-10/Mountain View-B	Widen eastbound off-ramp
I-10/Wildwood*	Construct partial interchange, remove rest stop
I-215/Palm-A	Widen northbound right turn ramp
I-215/Palm-B	Add westbound left turn pocket
SR-210/5th-A*	Widen northbound off-ramp
SR-210/5th-B*	Improve westbound between northbound & southbound intersections
SR-210/Del Rosa-A	Dual northbound left turn & widen westbound on-ramp & widen Del Rosa between Date & eastbound ramps
SR-210/Del Rosa-B	Widen eastbound off-ramp
SR-210/Waterman-A*	Add right turn to eastbound off-ramp
SR-210/Waterman-B*	Add 2 nd southbound right turn on Waterman approaching 30 th
SR-210/Waterman-C*	Restripe southbound at eastbound ramp & widen eastbound ramp
SR-60/Euclid-A	Widen eastbound off-ramp
SR-60/Euclid-B	Add northbound dual left turn at westbound ramps & northbound thru lane at eastbound ramps
SR-60/Euclid-C	Add southbound dual left turn at eastbound ramps
SR-60/Grove-A	Widen eastbound off-ramp
SR-60/Grove-B	Widen westbound off-ramp
SR-60/Grove-C	Northbound & southbound dual left turn lanes
SR-60/Mountain-A	Widen westbound off-ramp
SR-60/Mountain-B	Add southbound right turn lane at westbound ramps
SR-60/Ramona-A	Widen eastbound off-ramp
SR-60/Ramona-B	Add northbound left turn at westbound on-ramp
SR-60/Vineyard-A	Widen eastbound off-ramp
SR-60/Vineyard-B	Widen westbound off-ramp
SR-60/Vineyard-C	Northbound & southbound dual left turns

*Phasing improvements under development.

While several inquiries were received concerning potential requests for funding under the interchange phasing program, there was only one firm request to reserve funding for a specific interchange. The request was from the City of Ontario to reserve funding for the SR-60/Euclid Avenue Interchange, Phases B and C (see Table 1 for scope). The estimated construction cost for these phases is \$2.25 million each. SBCTA will ask for a formal request letter and approval from the City Council after Board approval of this agenda item. The local share (development share) for this project is 44.5%. Therefore, the estimated additional Measure I Interchange Phasing Program funding to be reserved would be approximately \$2.5 million. To allow for a modicum of flexibility in construction cost estimates, staff suggests reserving an additional \$2 million for the phasing program, which means that a total of \$23 million would be considered committed funding going forward. This means that \$17 million out of the original \$40 million could be freed up for potential application elsewhere in the interchange program.

Board of Directors Agenda Item
September 4, 2024
Page 4

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2024/2025.

Reviewed By:

This item was reviewed and recommended for approval (19-0-0) with a quorum of the Board present at the Board of Directors Metro Valley Study Session on August 15, 2024.

Responsible Staff:

Steve Smith, Director of Planning & Regional Programs

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

Minute Action

AGENDA ITEM: 19

Date: *September 4, 2024*

Subject:

San Bernardino County Multimodal Transportation Quarterly Update for Fiscal Year 2023/2024
Third Quarter

Recommendation:

Receive and file the Third Quarter San Bernardino County Multimodal Transportation Quarterly Update for Fiscal Year 2023/2024.

Background:

Multimodal services are an important part of how people travel throughout San Bernardino County. This is reflected in projects and programs that San Bernardino County Transportation Authority (SBCTA) is currently constructing and managing, as well as its involvement with the transit operators and the Southern California Regional Rail Authority (SCRRA).

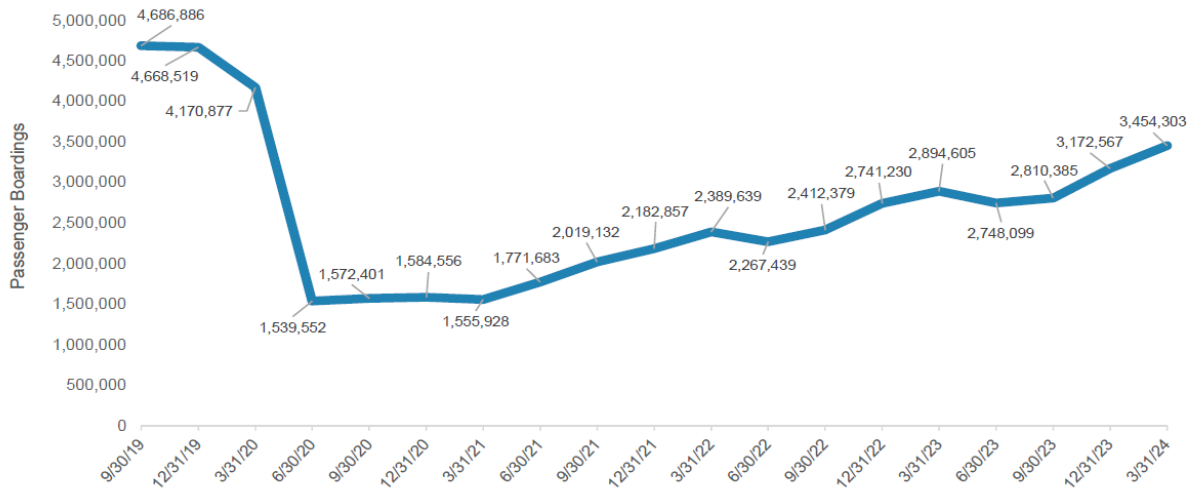
Although SBCTA's primary responsibility to the operators is to allocate funding, SBCTA is still required to be tuned in to the trends and statistics of its operators. To help facilitate this, as well as keeping the SBCTA Transit Committee and Board of Directors apprised of this information, SBCTA staff, in consultation with the transit operators, SCRRA, and AMMA Transit Planning, created the San Bernardino County Multimodal Transportation Quarterly Report (Report).

The primary source of data used in the Report is from TransTrack. TransTrack is a countywide transit performance software that the San Bernardino County (County) transit operators, except SCRRA, use to provide operations and financial data on a monthly basis. This allows SBCTA to pull data reports independently from the transit operators. The other data sources for this report came from SBCTA's rideshare program database, transit operators' staff, and their respective Board of Directors agenda reports. This allows for collaboration between SBCTA staff and the operators' staff to ensure that an accurate picture is presented. SCRRA data is collected directly from SCRRA staff and reviewed as part of the SCRRA Member Agency Advisory Committee (MAAC) activities. SBCTA is working with SCRRA on adding access to the Arrow Service data through TransTrack for consistency.

Throughout the third quarter of Fiscal Year (FY) 2023/2024, San Bernardino County bus and rail transit operators provided 3.5 million trips system wide (as shown in Exhibit 2 on the following page). This was an increase of more than 280,000 trips from the prior quarter.

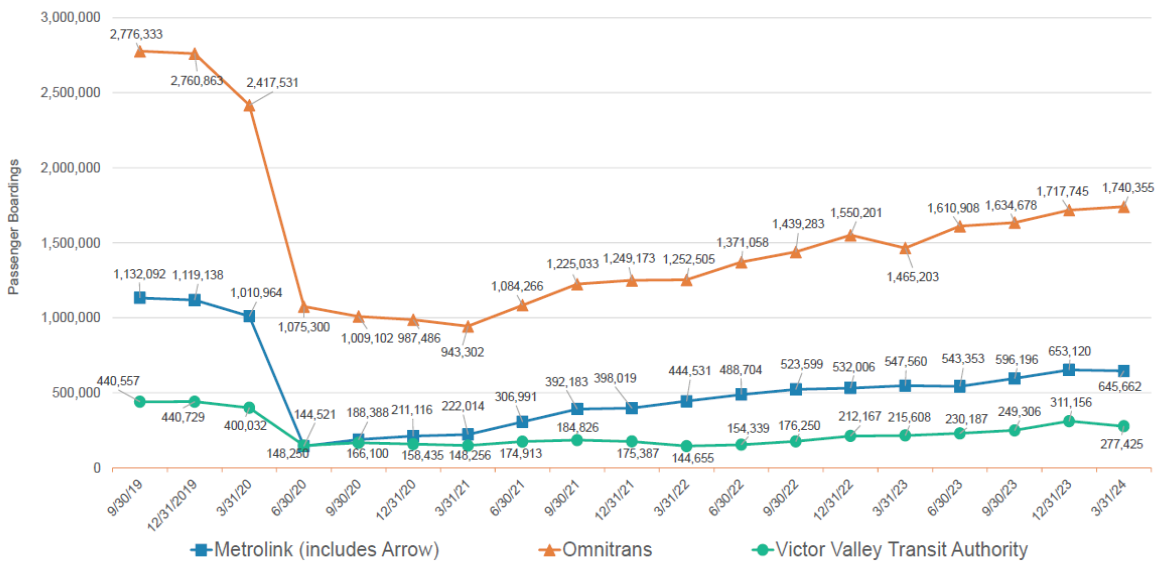
Entity: San Bernardino County Transportation Authority

Exhibit 2, San Bernardino County Passenger Trips by Quarter, Fall 2019 to Spring 2024



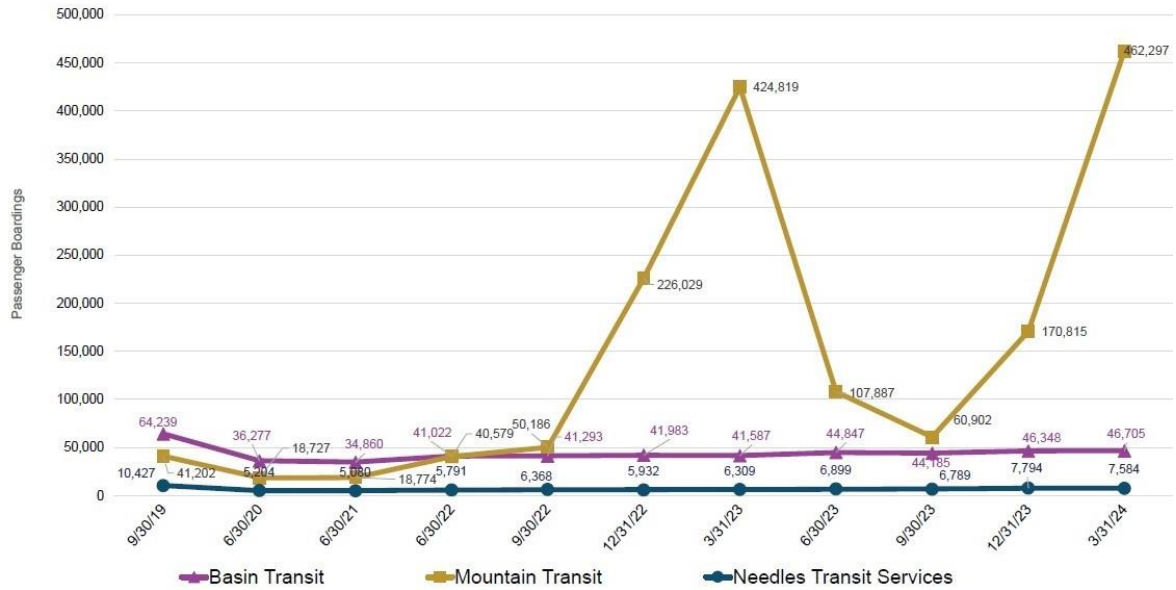
Among the larger operators, Metrolink provided 645,000 trips, which was a decrease of more than 21,000 trips from the prior quarter (as shown in Exhibit 3 below). More than 33,000 trips were made on the Arrow Service, which is a 13% increase from the prior quarter. Omnitrans saw a slight 1% increase and the Victor Valley Transit Authority (VVTA) saw an 11% decrease in trips in the third quarter.

Exhibit 3, Larger Operators' Quarterly Ridership, Fall 2019 to Spring 2024



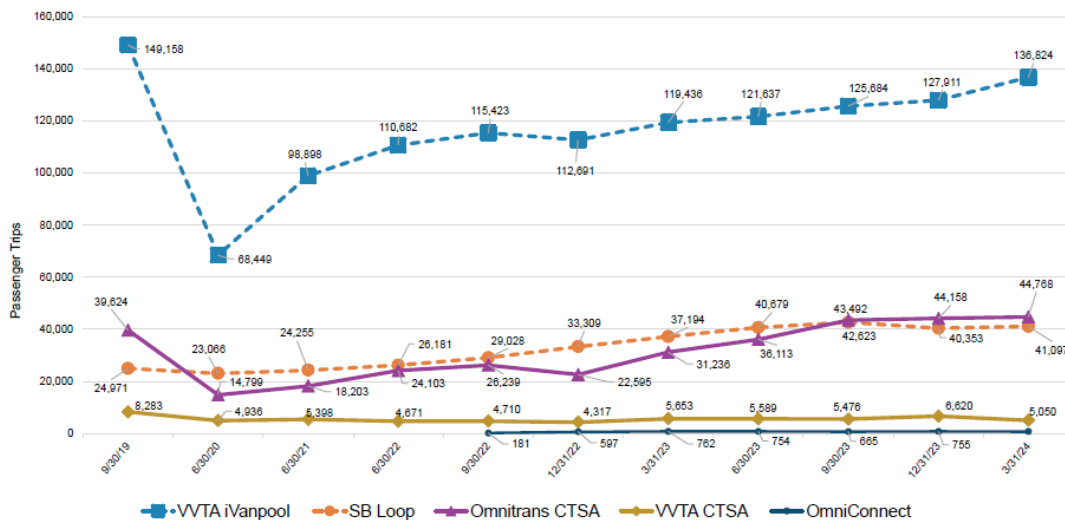
Mountain Transit seasonal ridership continued to increase through the third quarter, with a winter-time high of more than 460,000 trips, which is an increase of 171% from the prior quarter and 12% more than last winter (as shown in Exhibit 4 on the following page). Basin Transit's ridership saw a slight increase of 1%, which was approximately 40,000 trips, and Needles Transit Services saw a decrease of 3%, approximately 7,500 trips during this quarter.

Exhibit 4, Small Operators' Quarterly Ridership, Fall 2019 to Spring 2024



Amongst the smaller transportation programs, VVTA’s Vanpool program saw an increase of 7% or 137,000 trips from the prior quarter, and SBCTA’s Vanpool program saw a 2% increase with 41,000 trips (as shown in Exhibit 5 below). Omnitrans’ Consolidated Transportation Services Agency (CTSA) saw a 1% growth, providing 45,000 trips, and VVTA’s CTSA saw a decrease, providing 5,000 trips this quarter. Finally, the OmniConnect shuttle SB Connect serving the Downtown San Bernardino area saw a 29% increase this quarter, providing 129 trips. The OMT Connect shuttle serving the Ontario International Airport provided 700 trips this quarter, an 11% decrease from the previous quarter.

Exhibit 5, Smaller Transportation Programs' Quarterly Ridership, Fall 2019 to Spring 2024



Current Initiatives

Responding to persistent negative public perceptions about public transportation, SBCTA’s Multimodal Transportation Working Group sought out strategies to combat these and developed a soon-to-be-released campaign that focuses on messaging and information to build confidence in the transit experience.

Following listening sessions with riders, non-riders, and transit operators, the Multimodal Transportation Working Group explored the concept of transit etiquette. What could riders and drivers expect of one another? What are the do’s and don’ts in riding transit? What would make people feel good in a transit space? At the same time, the team compiled the extensive work already done by each transit system to identify Rider Rules of the Road and to review this information in comparison with similar information from transit systems elsewhere in the country.

The resulting product is the Ride Happy! campaign, with its tagline, Be Safe, Be Respectful, Be Kind. A series of upbeat, positive messages convey the various ways in which you can stay safe, be respectful of other riders, and be thoughtful.



Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2024/2025.

Reviewed By:

This item was received by the Transit Committee on August 15, 2024.

Responsible Staff:

Nancy Strickert, Transit Manager

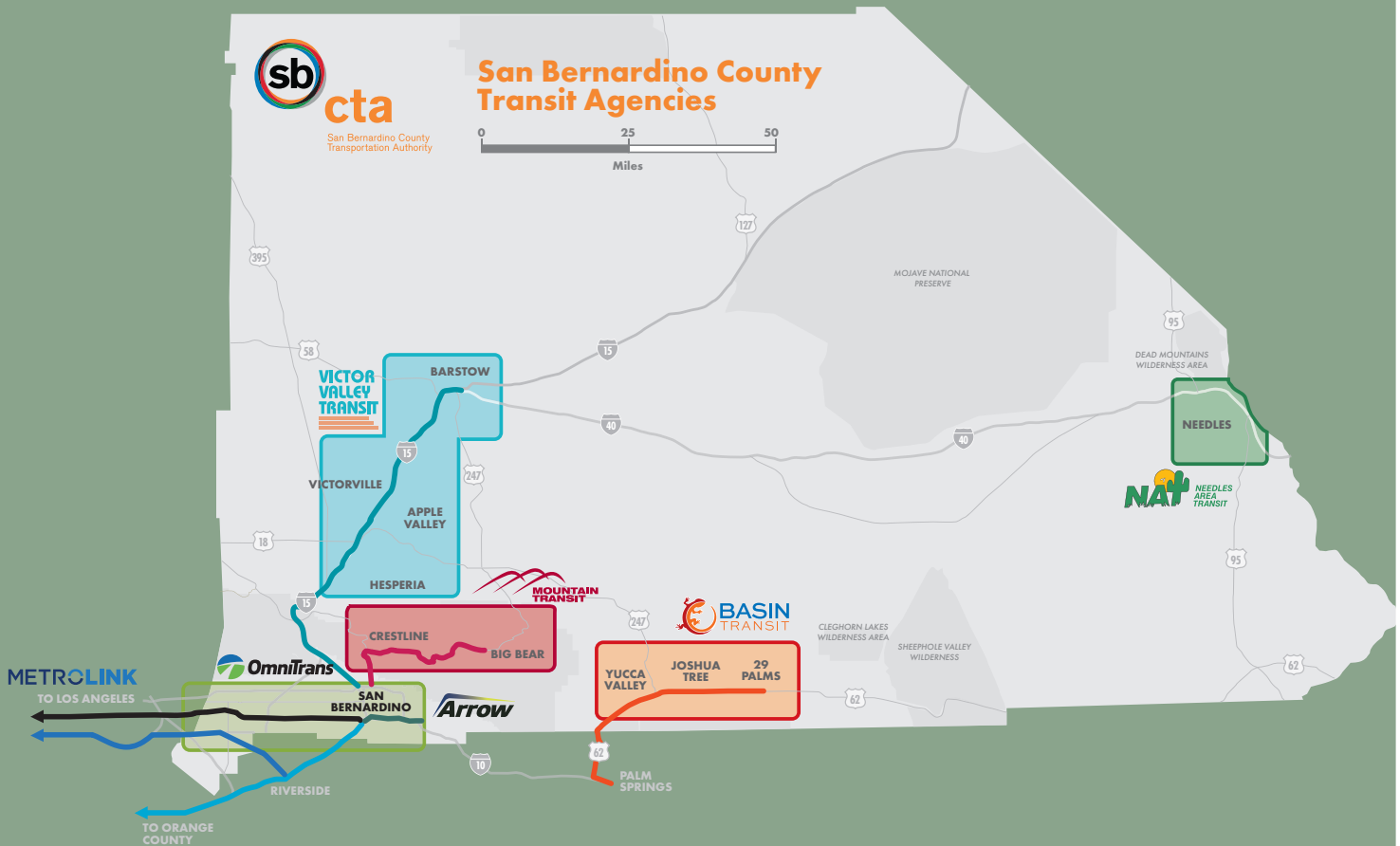
Approved
Board of Directors
Date: September 4, 2024
Witnessed By:



cta

San Bernardino County
Transportation Authority

San Bernardino County Multimodal Transportation Quarterly Update



Third Quarter Fiscal Year 2023/2024 Volume 5, Number 3

Attachment: Include SBCTA Quarterly Report 3rd Quarter FY 24-25 Final 072624 (10840 : San Bernardino County Multimodal Transportation



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Attachment: Include_SBCTA Quarterly Report 3rd Quarter FY 24-25 Final 072624 (10840 : San Bernardino County Multimodal Transportation

Introduction

Each of San Bernardino County’s public transit programs continues to report recovering ridership from low points in the summer of 2020, near the outset of the COVID-19 pandemic. This iteration of the SAN BERNARDINO COUNTY MULTIMODAL TRANSPORTATION QUARTERLY REPORT (Volume 5, Number 3) presents operators’ third quarter experience of January, February and March 2024 of Fiscal Year 2023/2024 (FY 23/24). Third quarter performance is contrasted with the prior quarter (second quarter), of the same year. Four years of public transportation performance provide additional context. Also reported are current initiatives by San Bernardino County Transportation Authority (SBCTA) and the County’s operators to grow ridership and enhance community-level and regional transit services.

This report has two primary purposes in informing San Bernardino County policy makers, members of the general public and interested stakeholders:

1. To provide high-level information about specific transportation services and programs available.
2. To report on current initiatives and track trends in key performance indicators.

San Bernardino County’s Public Transportation Modes and Programs

San Bernardino County is served by six public transit operators, providing rail, fixed-route bus services, microtransit and Americans with Disabilities Act (ADA) complementary paratransit services. The new Metrolink Arrow San Bernardino-Redlands train service commenced in October 2022. Its sixth quarter of service is presented in this report. The service areas of the County’s five bus operators, plus Metrolink service, are depicted in Exhibit 1.

- **Metrolink** – Providing passenger rail service across a 538-mile network throughout the counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura. Metrolink launched the Arrow service in October 2022, adding nine additional miles, four new stations and new Diesel Multiple Unit (DMU) trains, and connecting Downtown San Bernardino with the University of Redlands.
- **Omnitrans** – Providing services in the San Bernardino Valley, connecting to Riverside and Los Angeles counties.
- **Victor Valley Transit Authority (VVTA)** – Providing services in the Greater Victor Valley and the Barstow area, connecting to the San Bernardino Valley.
- **Basin Transit (previously Morongo Basin Transit Authority)** – Providing services in Twentynine Palms, Yucca Valley, Joshua Tree and the Morongo Valley communities, connecting to the Coachella Valley.
- **Mountain Transit** – Providing services in the Lake Arrowhead and Big Bear communities, connecting to the San Bernardino Valley.
- **Needles Transit Services** – Providing services within the City of Needles and limited connections into Arizona.

Three additional modes of transportation support San Bernardino County residents:

- **Consolidated Transportation Services Agencies (CTSAs) programs** – Specialized transportation services administered by Omnitrans and VVTA.
- **Vanpool programs** – Programs are operated by SBCTA and VVTA.
- **IE Commuter** – A rideshare program of SBCTA and Riverside County Transportation Commission (RCTC).

Exhibit 1, San Bernardino County Public Transit Bus Operators



Attachment: Include_SBCTA Quarterly Report 3rd Quarter FY 24-25 Final 072624 (10840 : San Bernardino County Multimodal Transportation

Commentary

Strong Ridership Growth Continues

San Bernardino County's public transit operators continue to work hard at rebuilding transit use, now reflected in eight quarters of steadily increasing ridership. Systemwide ridership for the third quarter of FY 23/24 is approaching 3.5 million passenger trips, up 20% from third quarter a year ago (Exhibit 2). This represents recovery of almost three-quarters of the peak 2019 ridership of 4.7 million passenger trips. San Bernardino County's public transit operators are continuing to build their ridership base, adding more than 280,000 trips by retaining existing riders and attracting new ones.

Exhibit 2, San Bernardino County Passenger Trips by Quarter, Fall 2019 to Spring 2024

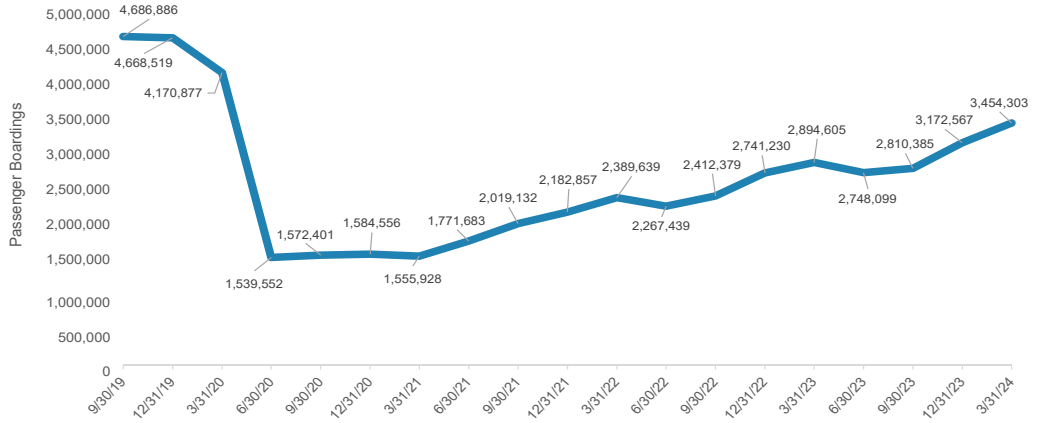
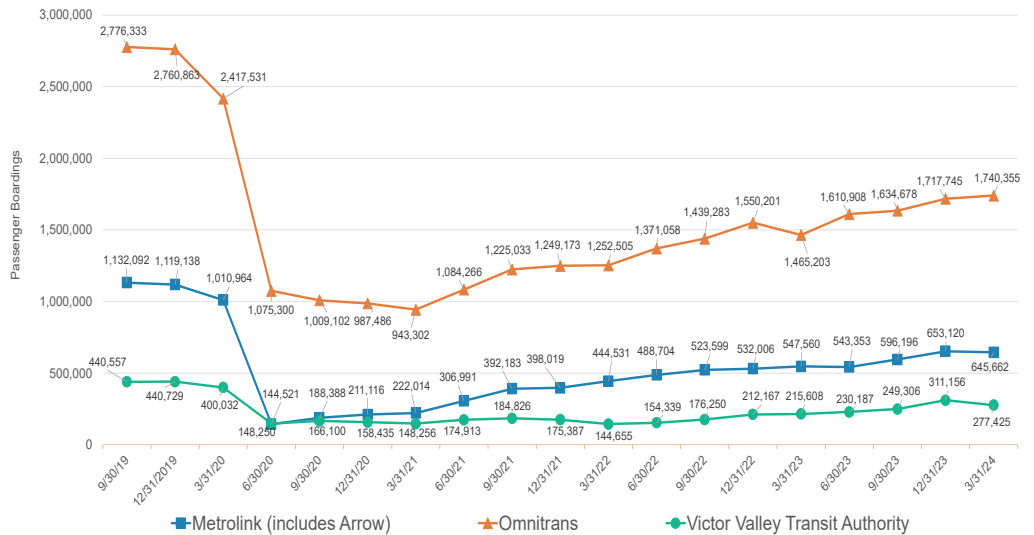


Exhibit 3 reflects the larger operators' quarterly ridership experience. Omnitrans saw a smaller increase of 1%, up from the prior quarter, while the 12-month ridership comparison is up 19% from a year ago. VVTA ridership declined by 11% this quarter, compared to last. Nonetheless, year-over-year ridership is up almost 30%, carrying an additional 62,000 passengers this quarter compared to this period last year.

Metrolink, including Arrow ridership, reports a 1% decline in ridership this quarter, from the prior quarter, but is nonetheless up 18% in the year-over-year comparison.

Exhibit 3, Larger Operators' Quarterly Ridership, Fall 2019 to Spring 2024



Commentary

Exhibit 4 presents the smaller operators' ridership history. Mountain Transit realized a winter-time ridership high, providing more than 460,000 trips this quarter and 12% more than last winter as it continues its local ski resort partnerships that enable provision of free trips to visitors and locals alike.

Basin Transit saw modest ridership growth this quarter, less than 1%, but overall, realized a 12% increase from last year's third quarter report.

Similarly, Needles Transit Services saw a 3% decrease in ridership compared to last quarter, but it too realized a substantial 20% one-year ridership increase, comparing the third quarter's year-over-year experience.

Smaller San Bernardino County programs presented in Exhibit 5 include vanpool and specialized transportation services that receive public transportation funds and serve an array of San Bernardino County residents. Together, this group of programs provided more than a quarter of a million trips in the third quarter, the larger proportion of which were vanpool trips on VVTA's iVanpool and SBCTA's SB Loop. These programs continued adding vanpool trips, in response to increased marketing and outreach to increase ridership.

iVanpool increased 7%, approaching 140,000 quarterly trips and 15% above the prior-year ridership level. SB Loop grew by 2% to exceed 41,000 quarterly trips and 11% above the prior year.

The County's CTSA's – Consolidated Transportation Services Agencies – each provide a mix of specialized services further detailed in this Quarterly Report.

Omnitrans' CTSA services increased ridership by 1% while the VVTA CTSA ridership decreased this quarter by 24%.

OmniConnect, serving the Rancho Cucamonga and Downtown San Bernardino Metrolink Stations, provided more than 700 trips this quarter, down about 6% from the prior quarter.

Exhibit 4, Small Operators' Quarterly Ridership, Fall 2019 to Spring 2024

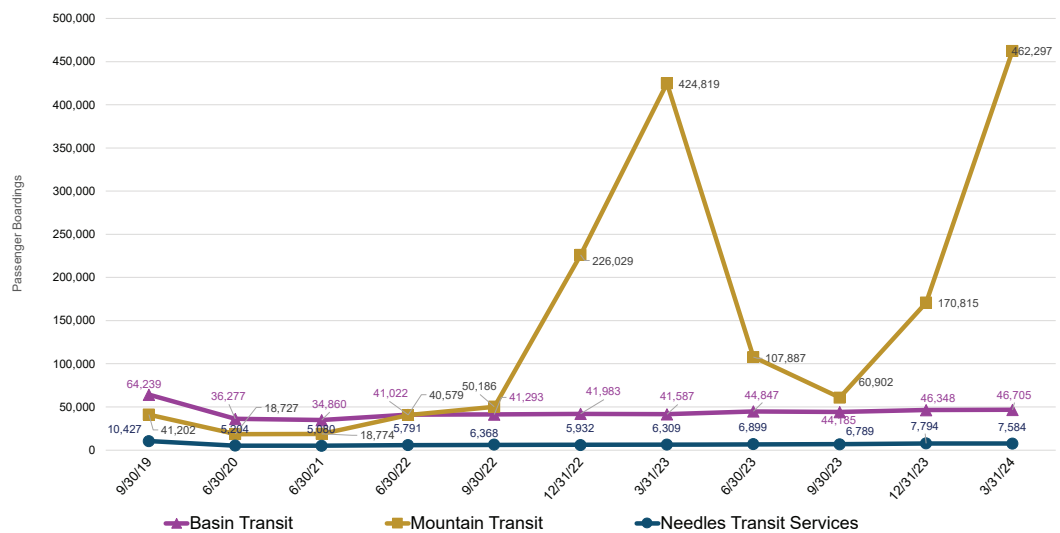
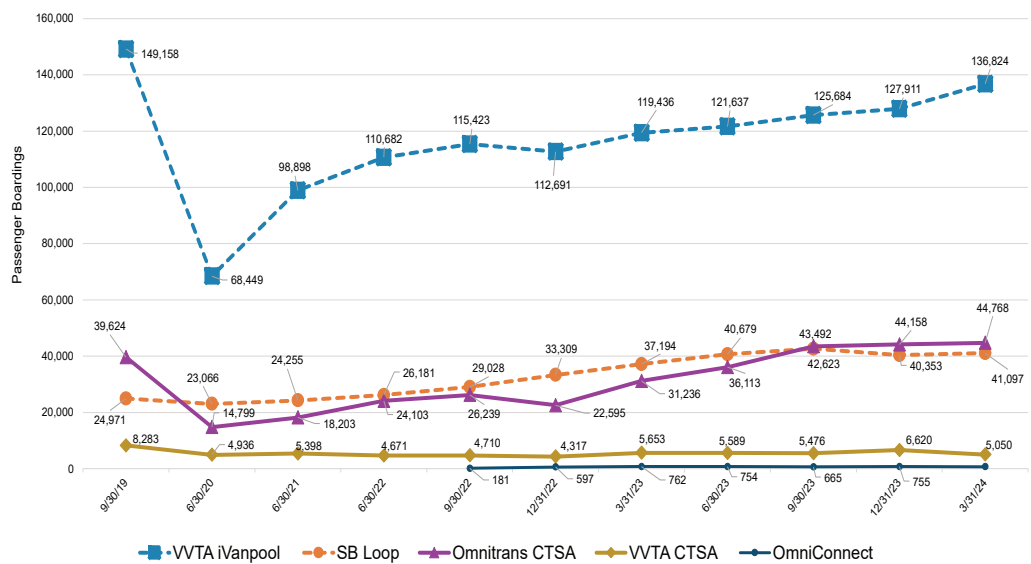


Exhibit 5, Smaller Transportation Programs' Quarterly Ridership, Fall 2019 to Spring 2024



Current Initiatives

Promoting Transit as a Safe Space, a Happy Place

Responding to persistent negative public perceptions about public transportation, SBCTA's **Multimodal Transportation Working Group** sought out strategies to combat these. A 10-month effort is culminating in a soon-to-be-released campaign that focuses messaging and information to build confidence in the transit experience. There was early interest in BART's very successful "Not One More Girl" anti-harassment campaign as an approach, but there was uncertainty as to what topics were appropriate to address in San Bernardino County and in what ways.

Identifying Safety-Related Concerns

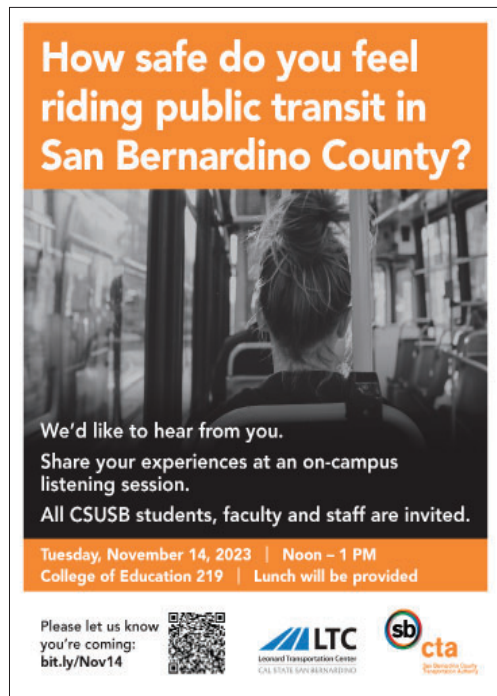
SBCTA's transit team, with the County's transit operators, recruited riders to focus groups and invited non-riders to listening sessions in multiple locations around the County. These were conducted to develop an understanding of safety-related concerns in using public transit or in thinking about using public transportation. Conversations were held with students, other young people and families, as well as public transit drivers, to explore experiences when individuals felt unsafe. Discussions considered the messages and tools that would improve confidence of new or prospective transit users.

While experiences varied somewhat around the County, and by particular groups, those currently using public transportation consistently reported good news – riders did not feel unsafe on the buses. Non-riders perceived an unsafe environment but were often surprised to discover otherwise, for those that had tried transit. What resonated with all groups was a desire for "Rules of the Road." Riders wanted to be able to communicate to other riders what was unacceptable behavior. Drivers wanted to have something to point to, to indicate what was allowable and what was not. Current non-riders wanted assurance that they would be safe, respected and could enjoy their transit experience.

Developing Transit Etiquette Messaging

To address these needs, the SBCTA's transit and creative team, with ongoing input from the **Multimodal Transportation Working Group**, explored the concept of transit etiquette. What could riders and drivers expect of one another? What are the do's and don'ts in riding transit? What would make people feel good in a transit space? At the same time, the team compiled the extensive work already done by each transit system to identify Rider Rules of the Road and to review this information in comparison with similar information from transit systems elsewhere in the country.

The resultant product is the Ride Happy! campaign, with its tagline Be Safe, Be Respectful, Be Kind (Exhibit 6). A series of upbeat, positive messages convey the various ways in which you can stay safe, be respectful of other riders and be thoughtful. The "do not" messages were reduced to just four regarding no smoking or alcohol use, no fighting, no harassment or threatening behavior, and no weapons. The campaign pieces will be printed as good-sized posters for prominent display within each bus, tailored to each transit system, by conveying in the lower left corner how to report bad behavior.



Attachment: Include_SBCTA Quarterly Report 3rd Quarter FY 24-25 Final 072624 (10840 : San Bernardino County Multimodal Transportation

Exhibit 6, Rider Etiquette Poster for On-Board Vehicles, Tailored to Each System

Ride Happy!

Be Safe. Be Respectful. Be Kind.

DO

- Treat your driver and fellow riders with **respect and courtesy**.
- **Use headphones** for electronic devices and keep your phone conversations brief.
- **Make room for everyone.** Keep extra seats and the aisle clear.
- **Be kind.** Offer seats to those less able to stand.
- **Keep it clean.** No food or beverages in open containers.
- **Stay safe.** Sit when you can, hold on when you can't.
- **Be polite.** No obscene language, rudeness or shouting.
- Keep **service animals** under control and **pets** in enclosed carriers.

DON'T

- No smoking or vaping
- No alcohol or drug use
- No fighting, harassment, or threatening behavior
- No weapons

To report bad conduct or harassment on the bus please...

powered by

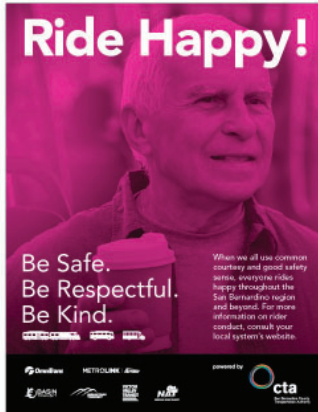
San Bernardino County
Transportation Authority

Attachment: Include_SBCTA Quarterly Report 3rd Quarter FY 24-25 Final 072624 (10840 : San Bernardino County Multimodal Transportation

Current Initiatives

A second part of the campaign is geared more broadly, intended for display in a wide array of settings. The team envisions that these Ride Happy! posters can be distributed through stakeholder partners throughout the region — for example, municipalities, public agencies, health care facilities, senior centers, other non-profit organizations. The SBCTA transit team hopes to use this campaign to enlist partner support in promoting public transportation as a mobility choice. In addition to physical posters, there is an array of social media posts by which these messages can be shared.

Exhibit 7, Rider Etiquette Posters for Broad Distribution to the General Public, Countywide



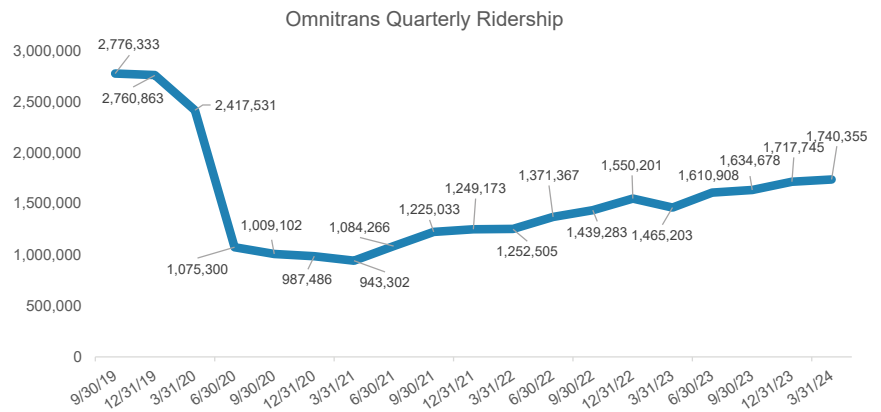
Attachment: Include_SBCTA Quarterly Report 3rd Quarter FY 24-25 Final 072624 (10840 : San Bernardino County Multimodal Transportation

Commentary and Trends

Omnitrans' fixed-route service experienced a 1% increase during the third quarter, reaching a pandemic recovery high of 1.74 million trips. Demand response transportation increased by 2% during this quarter, adding almost 1,000 additional trips.

Operating costs increased slightly while passenger revenue increased by 7%, improving farebox recovery to 25.9%. The increase in farebox recovery effectively lowered fixed-route per trip costs by 3% while an increase of 13% was experienced for demand response trip costs.

Passengers per revenue hour and revenue mile remained unchanged between the second and third quarters of FY 23/24.



Performance*

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
SYSTEM Total Passenger Trips	1,717,745	1,740,355	1%
Fixed-Route Trips**	1,679,507	1,701,197	1%
Demand Response Trips	38,238	39,158	2%
SYSTEM Performance			
Revenue Hours	151,790	153,582	1%
Passengers per Rev Hour	11.3	11.3	0%
Revenue Miles	2,062,550	2,089,031	1%
Passengers per Rev Mile	0.83	0.83	0%
Passenger Miles	8,768,915	8,845,910	1%
Average Trip Length (miles)	5.10	5.08	0%
OPERATIONS Expense			
Total Operating Cost	\$22,097,432	\$22,331,979	1%
Passenger Revenue	\$5,375,015	\$5,776,162	7%
Farebox Recovery Ratio Systemwide	24.3%	25.9%	6%
Cost per Revenue Mile	\$10.71	\$10.69	0%
Subsidy/Pass Trip – Systemwide	\$9.74	\$9.51	-2%
Fixed-Route Cost per Trip	\$11.25	\$10.96	-3%
Demand Response Cost per Trip	\$83.59	\$94.37	13%
FLEET Characteristics			
Vehicles in Peak Service	(Includes sbX)	(Includes sbX)	
Fixed-Route	109	109	
Demand Response	40	40	
Total Vehicles in Peak Service	149	149	
Battery-Operated Vehicles	4	4	

* Extracted from TransTrack Manager Quarterly Scorecard during July 2024.

** OmniConnect performance data are also counted as fixed-route trips for Omnitrans services and should not be double counted.

OmniConnect Shuttle Services:

- ONT Connect • SB Connect

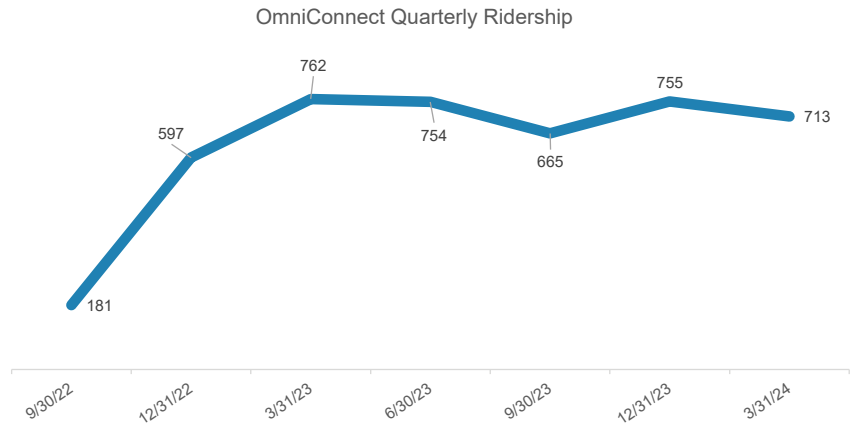


Commentary and Trends

OmniConnect provides shuttle service between the Ontario Airport and Metrolink stations on the ONT Connect and from the San Bernardino Transit Center to Downtown San Bernardino employment locations on the SB Connect.

During the third quarter of FY 23/24, OmniConnect ridership decreased slightly by 6%, after gains in the previous quarter. Route 380 ONT Connect decreased ridership by 11% to 584 trips while Route 300 SB Connect experienced a 29% increase in ridership, possibly related to fewer trainings during the winter months and inclement weather.

Total revenue hours increased slightly by 2% while revenue miles grew by 4% compared to the second



Performance*

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	% change from 2nd Quarter
	Current Year FY 23/24	Current Year FY 23/24	
Total Passenger Trips**	755	713	-6%
Route 300 SB Connect	100	129	29%
Route 380 ONT Connect	655	584	-11%
Performance			
Revenue Hours	2,058	2,107	2%
Passengers per Rev Hour	0.4	0.3	-8%
Revenue Miles	20,004	20,780	4%
Passengers per Rev Mile	0.04	0.03	-9%
OPERATIONS Expense			
Total Operating Cost	\$251,420	\$254,082	1%
Passenger Revenue	\$43,457	\$44,719	—
Farebox Recovery Ratio	17.3%	17.6%	—
Subsidy per Pass Trip	\$275.45	\$293.64	7%
FLEET Characteristics			
Vehicles in Peak Service	2	2	
Service Area Square Mileage	31	31	
Vehicles per Square Mile	0.1	0.1	

* Extracted from TransTrack Manager Quarterly Scorecard during July 2024.

** OmniConnect performance data are also counted as fixed-route trips for Omnitrans services and should not be double counted.

Omnitrans Consolidated Transportation Services Agency (CTSA)



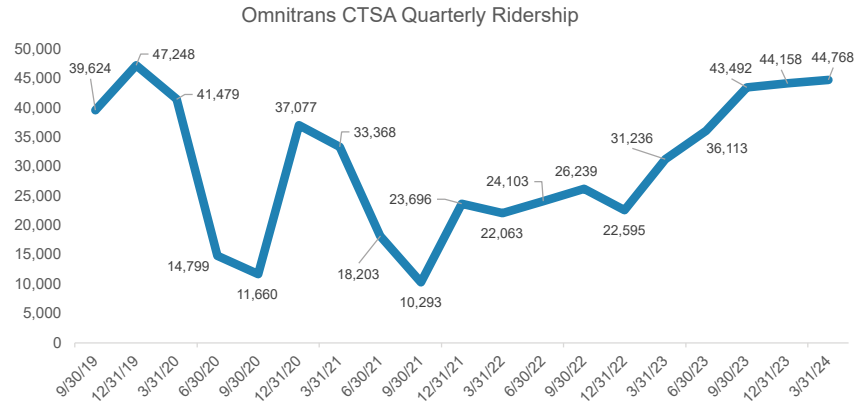
Commentary and Trends

Omnitrans' CTSA programs support transportation to vulnerable populations by providing specialized transit services and through funding partnerships with human service agencies.

Total CTSA ridership increased slightly by 1% during the third quarter, with a 20% improvement in the TREP Mileage Reimbursement program and an 18% increase in the Uber/Taxi Ride program. The Travel Training program trained 28 persons, a decrease of 65% from the second quarter, possibly relating to fewer trainings during the winter months and inclement weather.

The third quarter's total ridership of almost 45,000 trips is the highest since the second quarter of 2019, just prior to the onset of the COVID-19 pandemic.

Service providers in the Regional Mobility Partnership decreased slightly by less than 100 trips across the nine active specialized transportation providers with some fluctuation amongst the group.



Performance*

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
TOTAL TRIPS	44,158	44,768	1%
TREP Mileage Reimbursement Trips	6,002	7,204	20%
Uber/Taxi Ride Program Trips	5,236	6,153	18%
Travel Training Program*	80	28	-65%
Regional Mobility Partnership (RMP) Trips	32,840	31,383	-4%
Anthesis	11,213	11,135	-1%
Lutheran Social Services	991	773	-22%
City of Grand Terrace	184	144	-22%
AgingNext	6,365	6,970	10%
OPARC	9,639	7,320	-24%
City of Chino	1,379	1,875	36%
Highland Senior Center	1,238	1,300	5%
Loma Linda University Adult Day Health	1,260	1,129	-10%
City of Ontario	571	737	29%
City of Rialto**			—
FAP**			—
City of Redlands			
	Ended Dec. 2022		

* Reporting numbers are for number of individuals trained.

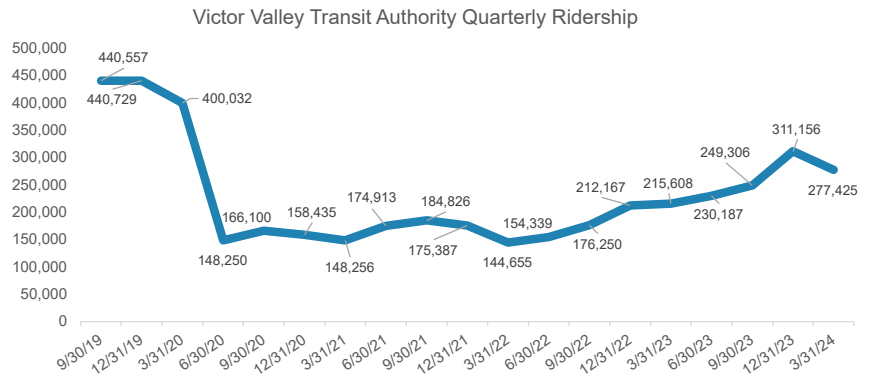
** New Regional Mobility Partnership contracts have been executed. Partners are in the process of starting their programs.



Victor Valley Transit

Commentary and Trends

VVTA experienced a slight decrease in trip production during the third quarter, declining by 11% systemwide. Fixed-route ridership was down 15% while demand response service increased by 28% or almost 8,000 additional trips, which includes trips provided on the new microtransit service. Operating costs increased by 6% while passenger revenue grew by 17% systemwide. The increase in operating expenses coupled with the reduction in ridership resulted in a 19% increase in systemwide cost per trip.



Performance*

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
SYSTEM Total Passenger Trips	311,156	277,425	-11%
Fixed-Route Trips	274,547	232,923	-15%
Commuter Bus Trips	8,505	8,417	-1%
Demand Response Trips	28,104	36,085	28%
SYSTEM Performance [excludes vanpool revenue hours & miles]			
Revenue Hours	62,755	63,514	1%
Passengers per Rev Hour	5.0	4.4	-12%
Revenue Miles	1,099,843	1,109,782	1%
Passengers per Rev Mile	0.28	0.25	-12%
OPERATIONS Expense [excludes vanpool expense & revenue]			
Total Transit Operating Cost	\$8,000,035	\$8,495,473	6%
Passenger Revenue	\$376,823	\$439,187	17%
Farebox Recovery Ratio Systemwide	4.7%	5.2%	10%
Cost per Revenue Mile	\$7.27	\$7.66	5%
Subsidy/Pass Trip – Systemwide	\$24.50	\$29.04	19%
Fixed-Route Cost per Trip	\$21.99	\$27.16	24%
Commuter Bus Cost per Trip	\$26.93	\$32.53	21%
Demand Response Cost per Trip	\$46.51	\$52.51	13%
FLEET Characteristics			
Vehicles in Peak Service	Includes 12 Electric Vehicles		Includes 12 Electric Vehicles
Fixed-Route	47		47
Commuter	6		6
Demand Response	40		40
Total Vehicles in Peak Service	93		93
Service Area Square Mileage	1,082		1,082
Vehicles per Square Mile	0.07		0.07

* Extracted from TransTrack Manager Quarterly Scorecard during July 2024.

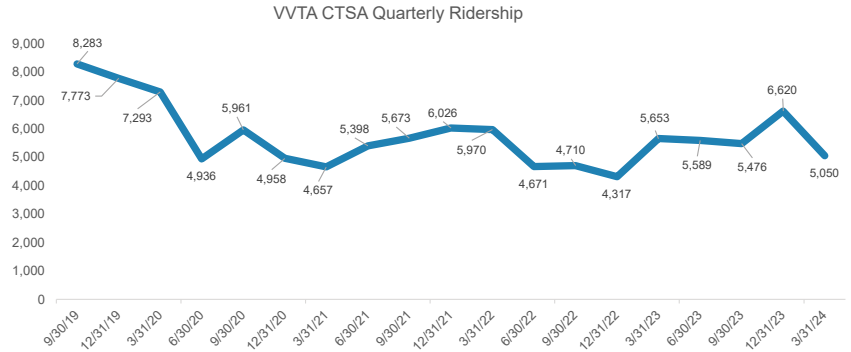


Victor Valley Transit Consolidated Transportation Services Agency (CTSA)

Commentary and Trends

VVTA's CTSA programs include a range of projects that provide specialized service for seniors and persons with disabilities. Overall, the program experienced a decrease of ridership of 24% during the third quarter, driven mostly by the Fare Media Scholarship program for low-income, disabled and older adults.

Nonprofit provider trips declined by 16%, but a new provider was added in Heart's Extended during the third quarter. The TRIP mileage reimbursement program has a small increase of 1% while reimbursing 4% fewer miles than during the second quarter. The Travel Training program trained 55% fewer individuals, possibly related to fewer trainings during the winter months, while the Transit Ambassador program had a 33% increase in service hours.



Performance

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
TOTAL TRIPS	6,620	5,050	-24%
TRIP Program	3,441	3,473	1%
Nonprofit Providers	1,355	1,137	-16%
Foothill AIDS Project	493	339	-31%
Abundant Living Church	725	531	-27%
Heart's Extended		78	
Trona Community and Senior Center	113	180	59%
Bonnie Baker Senior Center	24	9	-63%
Travel Training Program	92	41	-55%
Fare Media Scholarship Program	1,732	399	-77%
TOTAL MILES	89,428	86,049	-4%
TRIP Program	89,428	86,049	-4%
TOTAL HOURS	52	69	33%
Transit Ambassador Program	52	69	33%

Attachment: Include_SBCTA Quarterly Report 3rd Quarter FY 24-25 Final 072624 (10840 : San Bernardino County Multimodal Transportation

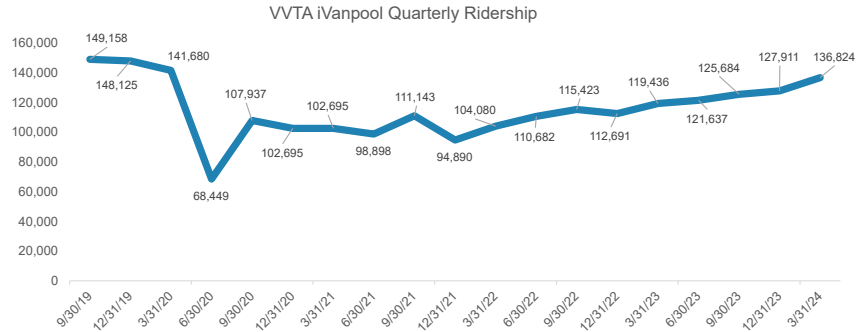
Victor Valley Transit iVanpool



Commentary and Trends

VVTA's vanpool program added an additional vanpool during the third quarter with a 7% increase in passenger trips.

All vanpools are eligible to receive up to \$500 per month in program subsidy toward the cost of a vanpool. This subsidy increased by 2% during the third quarter to almost \$380,000. Passenger participation fees that cover the remaining vanpool costs decreased by 2% to almost \$300,000. The vanpool program generated 5% more revenue hours and 6% more revenue miles during this reporting period.



Performance

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
Performance			
Number of Vanpools	208	209	0%
Revenue Miles	1,354,840	1,433,203	6%
Revenue Hours	27,800	29,275	5%
Unlinked Passenger Trips	127,911	136,824	7%
Passenger Miles	6,384,636	6,878,271	8%
Subsidies Disbursed	\$371,960	\$379,315	2%
Participation Fees	\$307,946	\$300,354	-2%

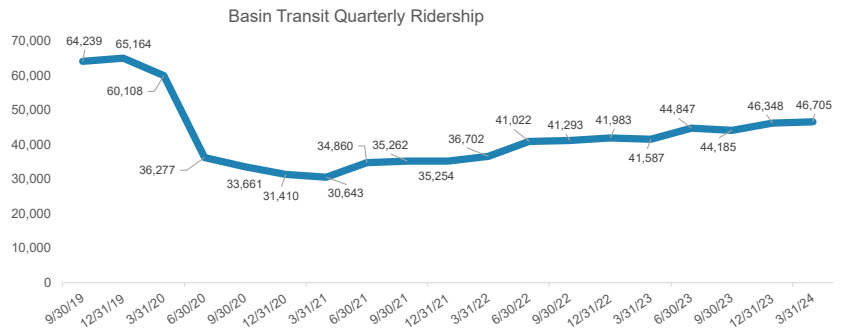
Basin Transit



Commentary and Trends

Basin Transit's experienced a nominal increase in systemwide ridership of 1% during the third quarter. While fixed-route and demand response ridership remained constant, commuter trips increased by 33%. Revenue hours increased by 1% and revenue miles increased by 5%, with relatively no change in passengers per hour and per mile. Total operating costs increased by 2% while passenger revenue grew by 8%, increasing systemwide farebox recovery by 6% during the third quarter.

The TREP mileage reimbursement program served three more clients while reimbursing for 8% fewer trips and 5% fewer miles.



Performance*

	2nd Quarter (Oct-Nov-Dec)		3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
SYSTEM Total Passenger Trips	46,348	46,705	46,705	1%
Fixed-Route Trips	40,761	40,358	40,358	-1%
Commuter Bus Trips	1,893	2,523	2,523	33%
Demand Response Trips	3,694	3,824	3,824	0%
SYSTEM Performance				
Revenue Hours	7,993	8,108	8,108	1%
Passengers per Rev Hour	5.8	5.8	5.8	0%
Revenue Miles	153,796	161,209	161,209	5%
Passengers per Rev Mile	0.30	0.29	0.29	0%
OPERATIONS Expense				
Total Operating Cost	\$1,094,842	\$1,118,275	\$1,118,275	2%
Passenger Revenue	\$88,139	\$95,409	\$95,409	8%
Farebox Recovery Ratio Systemwide	8.1%	8.5%	8.5%	6%
Cost per Revenue Mile	\$7.12	\$6.94	\$6.94	-3%
Subsidy/Pass Trip – Systemwide	\$21.72	\$21.90	\$21.90	1%
Fixed-Route Cost per Trip	\$19.05	\$19.74	\$19.74	4%
Commuter Bus Cost per Trip	\$57.42	\$44.11	\$44.11	-23%
Demand Response Cost per Trip	\$56.74	\$54.96	\$54.96	-3%
TREP Mileage Reimbursement Program				
TREP Clients	188	191	191	2%
TREP Trips	1,256	1,154	1,154	-8%
TREP Miles Reimbursed	27,661	26,213	26,213	-5%
Mileage Reimbursement Cost	\$8,298	\$10,485	\$10,485	26%
FLEET Characteristics				
Vehicles in Peak Service				
Fixed-Route/Commuter	9	9	9	
Demand Response	4	4	4	
Total Vehicles in Peak Service	13	13	13	
Service Area Square Mileage	1,300	1,300	1,300	
Vehicles per Square Mile	0.01	0.01	0.01	

* Extracted from TransTrack Manager Quarterly Scorecard during July 2024.

Mountain Transit

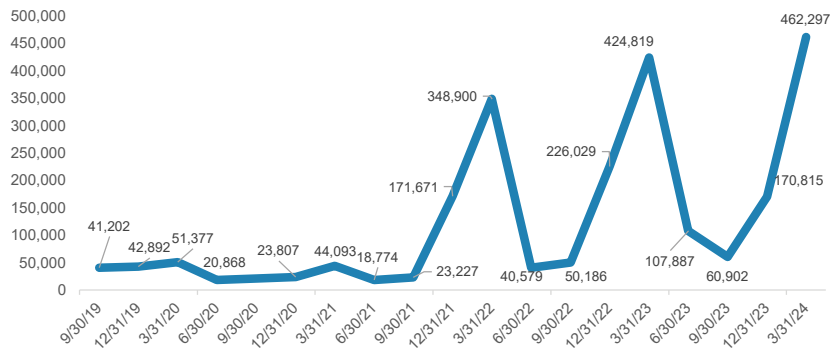


Commentary and Trends

Mountain Transit's ridership increased significantly during the third quarter due to the utilization of winter seasonal service to the mountain ski lifts. The increase represents almost 300,000 more trips than during the second quarter. Ridership on the commuter off-the-mountain service also increased by 36% while demand response trips experienced a slight 5% decrease.

Systemwide, revenue hours only increased by 13% compared to the second quarter, contributing to a 139% increase in passengers carried per revenue hour. Operating costs increased by 16%, while passenger revenue – augmented by contributions from local sponsors – increased by 155%, or almost \$500,000.

Mountain Transit Quarterly Ridership



Performance*

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
SYSTEM Total Passenger Trips	170,815	462,297	171%
Fixed-Route Trips	165,663	456,642	176%
Commuter Bus Trips	1,836	2,504	36%
Demand Response Trips	3,316	3,151	-5%
SYSTEM Performance			
Revenue Hours	14,357	16,229	13%
Passengers per Rev Hour	11.9	28.5	139%
Revenue Miles	208,150	208,089	-0%
Passengers per Rev Mile	0.82	2.22	171%
OPERATIONS Expense			
Total Operating Cost	\$1,689,143	\$1,960,022	16%
Passenger Revenue	\$312,210	\$796,354	155%
Farebox Recovery Ratio Systemwide	18.5%	40.6%	120%
Costs per Revenue Mile	\$8.12	\$9.42	16%
Subsidy/Pass Trip – Systemwide	\$8.06	\$2.52	-69%
Fixed-Route Cost per Trip	\$7.95	\$3.52	-56%
Commuter Bus Cost per Trip	\$76.53	\$53.04	-31%
Demand Response Cost per Trip	\$69.76	\$70.29	1%
FLEET Characteristics			
Vehicles in Peak Service			
Fixed-Route	12	12	
Demand Response	4	4	
Off the Mountain	2	2	
Seasonal Service	14	14	
Airport Shuttle	1	1	
Total Vehicles in Peak Service	33	33	
Service Area Square Mileage	269	269	
Vehicles per Square Mile	0.05	0.05	

* Extracted from TransTrack Manager Quarterly Scorecard during July 2024.

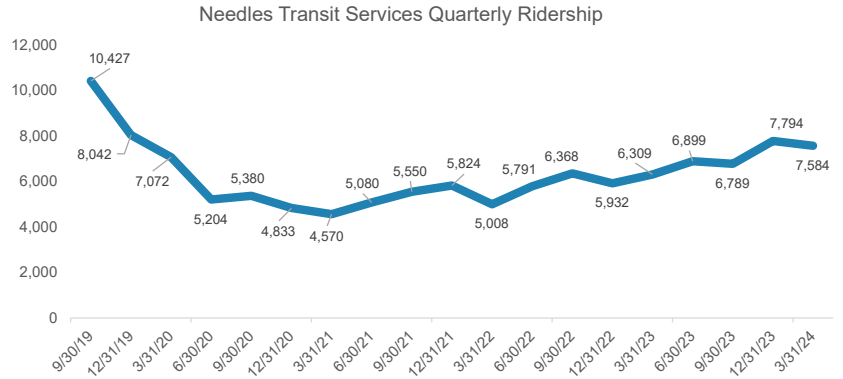
Needles Area Transit City of Needles



Commentary and Trends

Needles Transit Services had a slight decrease in total ridership of 3% during the third quarter. Fixed-route trips decreased by 2% while demand response trips for shopping and medical appointments decreased by 5% during this period.

There was almost no change in revenue hours, but productivity decreased by 3% to 6.1 passengers carried per hour. Revenue miles dropped slightly by a single percent while operating costs remained relatively flat. Passenger revenue almost doubled to nearly \$10,000, influenced by large purchases of bus passes, which increased farebox recovery to 6.8% systemwide.



Performance*

	2nd Quarter (Oct-Nov-Dec)		3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
SYSTEM Total Passenger Trips	7,794	7,584	-3%	
Fixed-Route Trips	6,339	6,198	-2%	
Demand Response Trips	1,455	1,386	-5%	
SYSTEM Performance				
Revenue Hours	1,241	1,249	1%	
Passengers per Rev Hour	6.3	6.1	-3%	
Revenue Miles	15,582	15,420	-1%	
Passengers per Rev Mile	0.50	0.49	-2%	
OPERATIONS Expense				
Total Operating Cost	\$145,830	\$146,290	0%	
Passenger Revenue	\$5,093	\$9,990	96%	
Farebox Recovery Ratio Systemwide	3.5%	6.8%	96%	
Costs per Revenue Mile	\$9.36	\$9.49	1%	
Subsidy/Pass Trip – Systemwide	\$18.06	\$17.97	-0%	
Fixed-Route Cost per Trip	\$17.80	\$17.80	0%	
Demand Response Cost per Trip	\$19.18	\$18.73	-2%	
FLEET Characteristics				
Vehicles in Peak Service				
Fixed-Route		1		
Demand Response		1		
Total Vehicles in Peak Service		2		
Service Area Square Mileage		31		
Vehicles per Square Mile		0.06		

* Extracted from TransTrack Manager Quarterly Scorecard during July 2024.

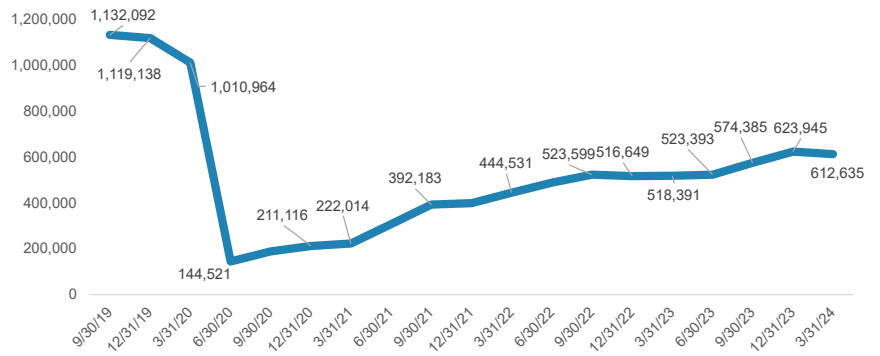


Commentary and Trends

Metrolink service fell slightly during the third quarter, a 4% reduction in total boardings for the San Bernardino Line (SBL) and the Inland Empire Orange County Line (IEOCL) combined.

San Bernardino County station boardings decreased on the San Bernardino and Inland Empire lines but increased on the Riverside line. Passenger miles traveled decreased on the SBL by 2% and less than a percent on the IEOCL. Operating costs are reported on an annual basis and are not yet available for FY 23/24.

Metrolink Quarterly Ridership



Performance*

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter

SYSTEM Passenger Boardings by Line

TOTAL San Bernardino Line (SBL)	463,519	455,104	-2%
TOTAL Inland Empire Orange County Line (IEOCL)	160,426	157,531	-2%
Boardings at San Bernardino County Stations:			
San Bernardino Line	139,784	133,910	-4%
IEOC Line	5,855	5,105	-13%
Riverside Line	7,554	8,462	12%

FINANCIAL - Total San Bernardino Line w/ MOW1

Operating Cost SB Line			
Farebox Revenue SB Line	N/A		N/A
Farebox Recovery Ratio SB Line			

FINANCIAL - Total IEOC Line w/ MOW1

Operating Cost IEOC Line			
Farebox Revenue IEOC Line	N/A		N/A
Farebox Recovery Ratio IEOC Line			

PERFORMANCE MEASURES - San Bernardino Line

Passenger Miles	16,993,584	16,720,093	-2%
Average Passenger Trip Length	36.5	36.7	1%

PERFORMANCE MEASURES - IEOC Line

Passenger Miles	5,155,954	5,153,719	0%
Average Passenger Trip Length	34.1	32.7	-4%

SERVICE LEVELS

San Bernardino Line			
# of trains per weekday WB	18	18	
# of trains per weekday EB	18	18	
# of trains per Saturday WB/EB	8	8	
# of trains per Sunday WB/EB	8	8	
IEOC Line - with stops in San Bernardino County			
# of trains per weekday WB	7	7	
# of trains per weekday EB	7	7	
# of trains per weekend WB	2	2	
# of trains per weekend EB	2	2	

* Metrolink conducts reconciliation on an annual, not quarterly, basis. Figures presented here are subject to change following the reconciliation process.

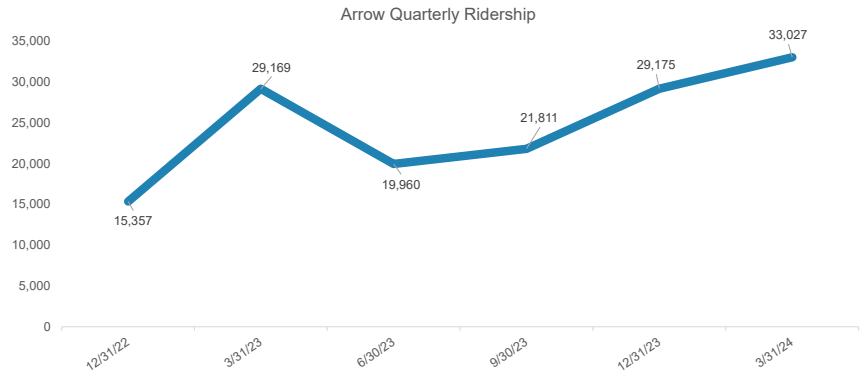
Commentary and Trends

Metrolink’s Arrow service launched on October 24, 2022, adding nine miles of track and four new stations between Downtown San Bernardino and the University of Redlands Metrolink Station.

During the third quarter of FY 23/24, Arrow boardings increased by 13%, an increase of almost 4,000 riders compared to the second quarter and marking the highest quarterly ridership total since the service launched. Part of the service’s success can be attributed to the Student Adventure Pass pilot program, which provides free rides for any student with valid school identification.

Passenger miles, or the cumulative sum of the distances ridden by each passenger, decreased by 12% during this reporting period, with an average passenger trip length of 6.7 miles.

Financial information and additional performance measures will be reported here as they become available.



Performance*

	2nd Quarter (Oct-Nov-Dec)		3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
Passenger Boardings				
Total Passenger Boardings	29,175	33,027		13%
FINANCIAL				
Operating Cost				
Farebox Revenue	N/A	N/A		
Farebox Recovery Ratio				
PERFORMANCE MEASURES - Arrow				
Passenger Miles	251,187	220,164		-12%
Average Passenger Trip Length	6.8	6.7		-1%
SERVICE LEVELS				
# of trains per weekday WB	25	25		
# of trains per weekday EB	25	25		
# of trains per Saturday WB/EB	16	16		
# of trains per Sunday WB/EB	16	16		

* Metrolink conducts reconciliation on an annual, not quarterly, basis. Figures presented here are subject to change following the reconciliation process.

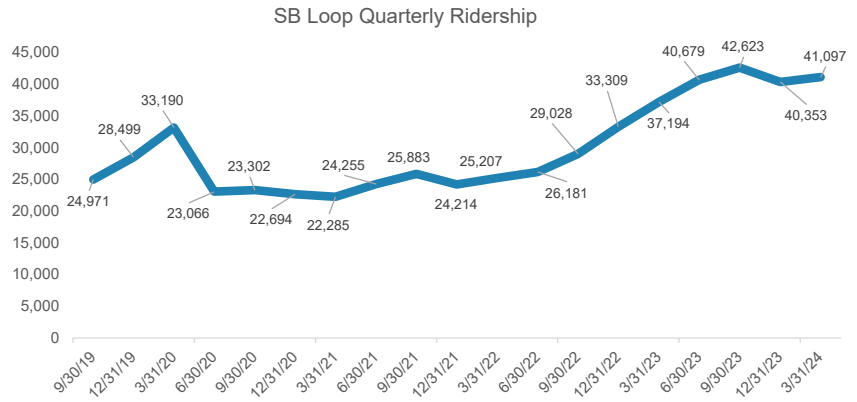
SBCTA Multimodal Programs SB Loop



Commentary and Trends

SB Loop is a vanpool program for the County that provides up to 50%, or a maximum of \$600 per month to organized vanpools toward the cost of a qualifying vehicle. The service area includes trips with destinations in the Valley, the Mountain Communities, the Colorado River Basin and the Morongo Valley.

During the third quarter of FY 23/24, SB Loop lost four vanpools but added almost 750 more trips, an increase in ridership of 2% during this period. SBCTA provided \$132,516 in disbursed subsidies, a modest decrease of 1% from the previous quarter, representing a subsidy per passenger trip of \$3.22. Vanpool participants contributed \$302,327 toward the cost of operating vanpools. The overall cost per trip during the third quarter was \$10.58 per passenger.



Performance

	2nd Quarter (Oct-Nov-Dec)		3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
SYSTEM Totals				
Number of Vanpools	79	75		-5%
Vanpool Passenger Trips	40,353	41,097		2%
SYSTEM Performance				
Passenger Miles	1,600,416	1,559,594		-3%
Passengers/Miles	39.7	37.9		-4%
OPERATIONS Expense				
Subsidies Disbursed	\$133,521	\$132,516		-1%
Participation Fees	\$297,569	\$302,327		2%
Subsidy per Passenger Trip	\$3.31	\$3.22		-3%
Average Cost per Passenger Trip	\$10.68	\$10.58		-1%

Attachment: Include_SBCTA Quarterly Report 3rd Quarter FY 24-25 Final 072624 (10840 : San Bernardino County Multimodal Transportation

SBCTA Multimodal Programs

IE Commuter Rideshare



Commentary and Trends

IE Commuter is a ridesharing program of the Riverside County Transportation Commission and SBCTA, working to reduce traffic and improve air quality in the region by helping businesses develop employee rideshare programs.

IE Commuter added four additional employers while serving 12 more work sites during the third quarter. The number of total IE Commuter accounts decreased slightly, but the number of active accounts for ridematching increased by 3%.

Employer ridesharing activities in the third quarter resulted in fewer vehicle trip reductions and vehicle miles traveled compared to the second quarter while employer programs resulted in a reduction of almost 1.5 million pounds of greenhouse gas emissions. The total number of participants receiving incentives decreased by 37% during this period, but due to periodic fluctuations, it is best to compare ridehare statistics on an annual basis.

Performance

	2nd Quarter (Oct-Nov-Dec)		3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24		Current Year FY 23/24	% change from 2nd Quarter
PROGRAM Totals				
Total Number of Employers	105		109	4%
Total Number of Employer Worksites	1,098		1,110	1%
Total Number of IE Commuter Accounts	102,248		101,574	-1%
Number of Accounts Active for Ridematching	15,295		15,803	3%
EMPLOYER Totals				
Total Employers Surveyed	5		5	0%
Total Commuters Surveyed	5,763		2,404	-58%
Vehicle Trip Reductions (VTR)	62,525		28,717	-54%
Vehicle Miles Traveled (VMT) Reduced	2,179,639		1,907,646	-12%
Greenhouse Gas Emissions (GHG) Reduced (lbs)	1,776,213		1,548,118	-13%
INCENTIVE Totals				
Total Participants	1,217		766	-37%
Vehicle Trip Reductions (VTR)	23,586		9,264	-61%
Vehicle Miles Traveled (VMT) Reduced	861,251		256,579	-70%
Greenhouse Gas (GHG) Emissions Reduced (lbs)	649,412		208,221	-68%

FY 2023/2024 Third Quarter Multimodal Transportation Quarterly Update

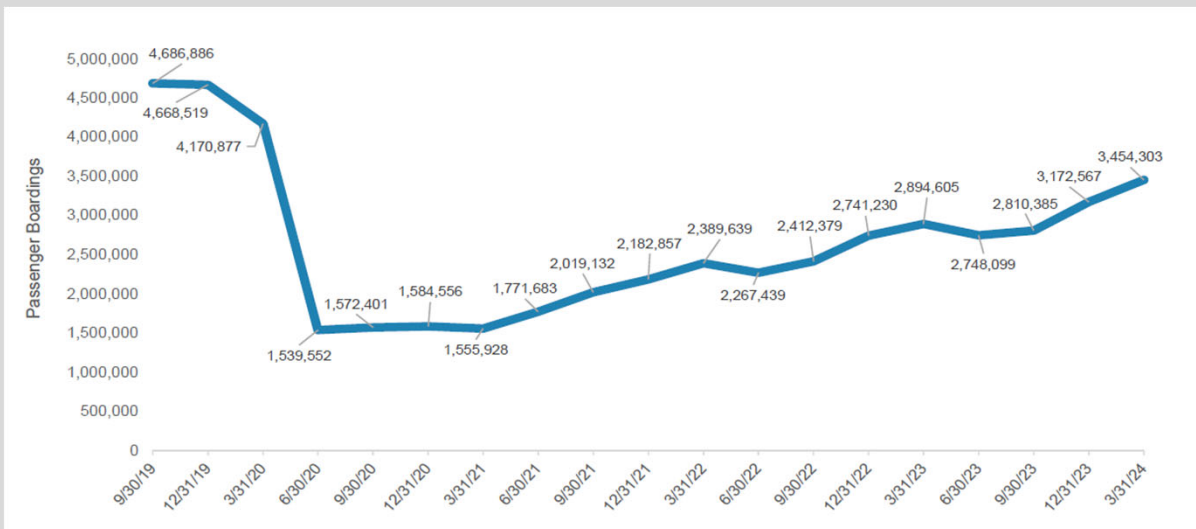
Nancy Strickert
Transit Manager



cta

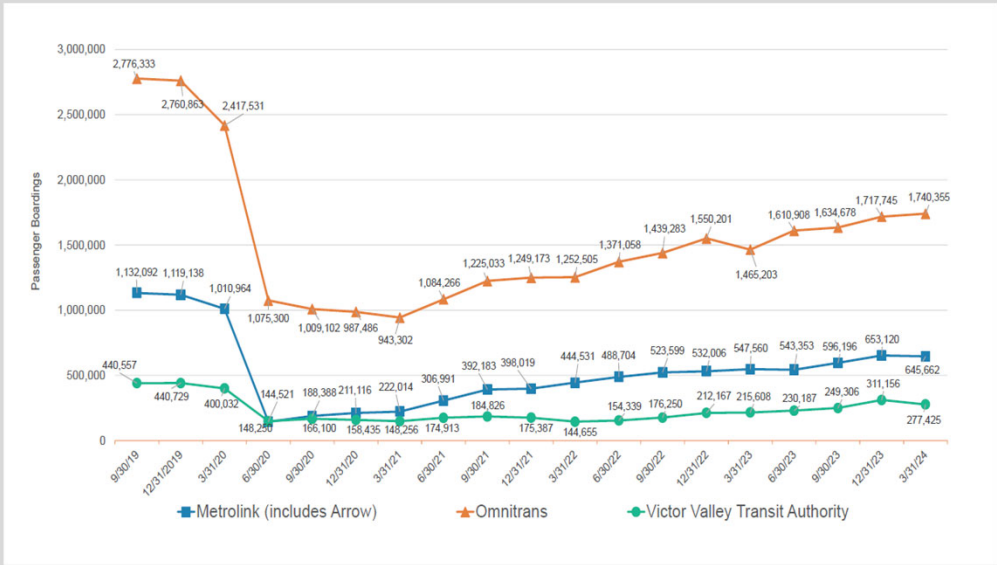
San Bernardino County
Transportation Authority

Countywide Quarterly Ridership Total (All Modes)

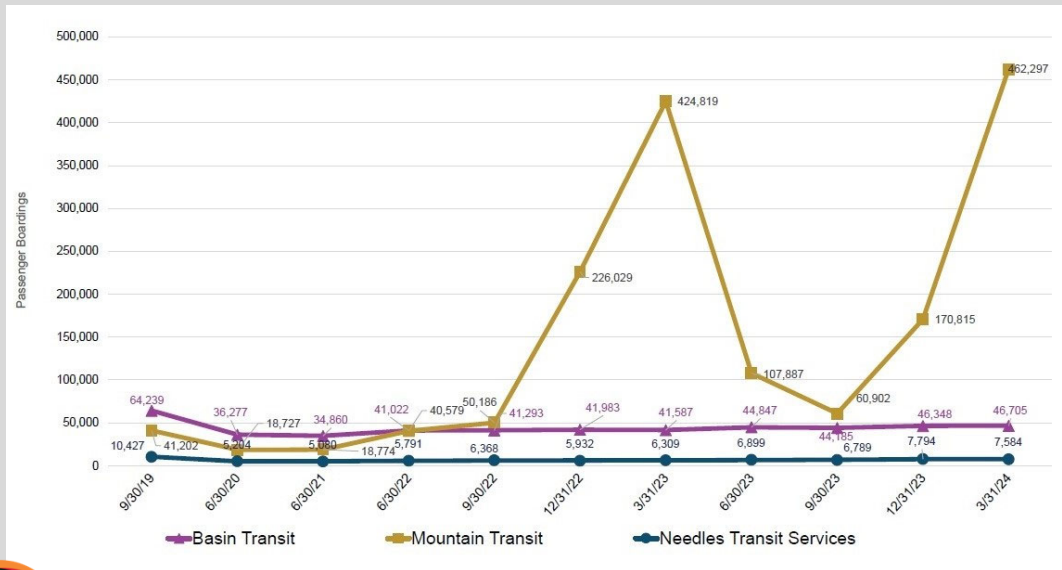


Attachment: Include_Quarterly Multimodal Update PPT Template (10840 : San Bernardino County Multimodal Transportation Quarterly Update)

Large Operators Quarterly Ridership

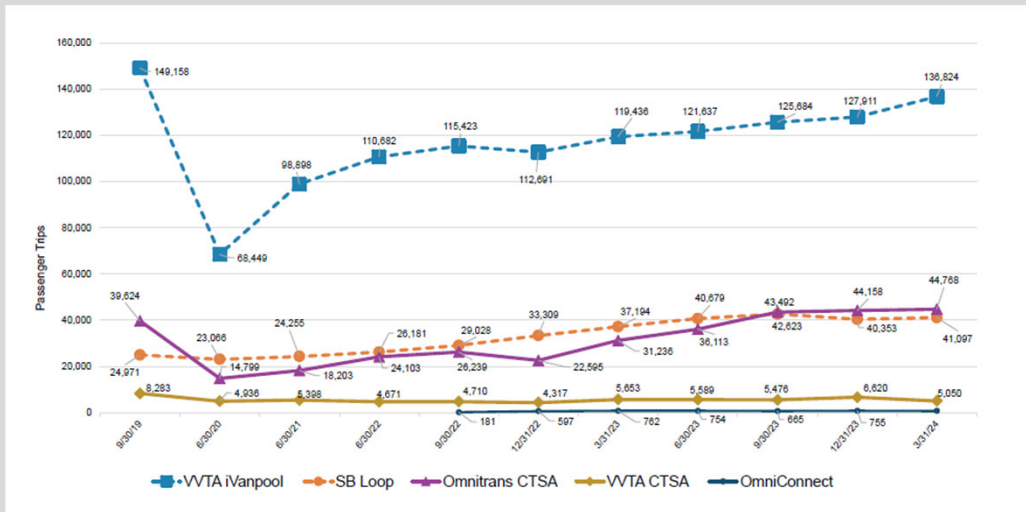


Small Operators Quarterly Ridership



Attachment: Include_Quarterly Multimodal Update PPT Template (10840 : San Bernardino County Multimodal Transportation Quarterly Update)

Small Programs Quarterly Ridership



Rider Etiquette Campaign

Ride Happy!
Be Safe. Be Respectful. Be Kind.

DO

- Treat your driver and fellow riders with **respect and courtesy**.
- Use **headphones** for electronic devices and keep your phone conversations brief.
- Make room for everyone.** Keep extra seats and the aisle clear.
- Be kind.** Offer seats to those less able to stand.
- Keep it clean.** No food or beverages in open containers.
- Stay safe.** Sit when you can, hold on when you can't.
- Be polite.** No obscene language, rudeness or shouting.
- Keep **service animals** under control and **pets** in enclosed carriers.

DON'T

- No smoking or vaping
- No alcohol or drug use
- No fighting, harassment, or threatening behavior
- No weapons

To report bad conduct or harassment:
 • Call Dispatch: 760-366-2395
 • Email: comments@basin-transit.com
 • In an emergency, call 911

powered by

Ride Happy!

Be Safe.
Be Respectful.
Be Kind.

When we all use common courtesy and good safety sense, everyone rides happy throughout the San Bernardino region and beyond. For more information on rider conduct, consult your local system's website.

powered by



Minute Action

AGENDA ITEM: 20

Date: September 4, 2024

Subject:

Omnitrans Specialized Transportation Services for Consolidated Transportation Services Agency Budget for Fiscal Year 2024/2025

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority:

Approve the Omnitrans Specialized Transportation Services Budget for Consolidated Transportation Services Agency activities for Fiscal Year 2024/2025.

Background:

In November 2015, the San Bernardino County Transportation Authority (SBCTA) Board of Directors (Board) approved Resolution No. 16-005, designating Omnitrans as the Consolidated Transportation Services Agency (CTSA) for the San Bernardino Valley. As part of this resolution, and subsequent Contract No. 16-1001458, it is required that the CTSA budget be approved by the SBCTA Board. In November 2020, the SBCTA Board approved Amendment No. 1 to Contract No. 16-1001458, which re-appointed Omnitrans as the CTSA and extended the term an additional five years through November 4, 2025.

When Omnitrans assumed CTSA responsibilities, they created a new department known as Specialized Transportation Services. Subsequently, the department was rebranded and is now known as the Mobility Services Department. It was important to ensure the CTSA/Mobility Services Department received the necessary support with partnerships, program development, and procedures and so the decision was made to separate OmniAccess from the CTSA. Attachment 1 is the Omnitrans CTSA budget for Fiscal Year (FY) 2024/2025. The budget for the CTSA is comparable to that of previous years except as discussed below. Table 1 (below) is a comparison between projects from actuals in FY 2021/2022 and FY 2022/2023 and budgeted for FY 2023/2024 and FY 2024/2025.

Table 1. FY 2021/2022 & FY2022/2023 actuals, Budgeted FY 2023/2024 and FY 2024/2025 Comparison

Programs	Admin	Travel Training	TREP	Lyft/Uber	Microtransit	Mobility Partners	Total
FY 2021/2022	\$74,009.87	\$26,128.71	\$65,201.84	\$121,303.07	\$283,343.00	\$1,152,827.58	\$1,722,814.07
FY 2022/2023	\$51,041.95	\$20,738.49	\$105,779.24	\$124,462.54	\$368,791.87	\$1,661,009.21	\$2,280,781.35
FY 2023/2024	\$97,574.00	\$89,938.00	\$206,095.00	\$137,219.00	\$592,650.00	\$2,860,979.00	\$3,984,455.00
FY 2024/2025	\$124,390.00	\$89,402.00	\$109,756.00	\$321,951.00	\$549,183.00	\$4,611,707.00	\$5,804,389.00

OmniRide, Omnitrans' microtransit service that serves the cities of Chino Hills, Upland, and Bloomington has been included in this budget approval process. Approximately one-third of the overall OmniRide budget is eligible to use CTSA funding for operations; the percentage is based on the number of seniors and disabled who ride OmniRide.

During FY 2023/2024, Omnitrans completed two primary activities within the CTSA function:

Entity: San Bernardino County Transportation Authority

- 1) **Regional Mobility Partnership (RMP) Program and Call for Projects:** Omnitrans currently has 12 Regional Mobility program partners, of which, five were awarded through the Call for Projects for FY 2024/2025. Of the five, one is a new partner, VIP, Inc. The remaining four partners are the City of Ontario, Anthesis, Foothill Aids Project, and Central City Lutheran Mission, and were awarded for proposed expansions of their current programs. A new Call for Projects will be announced and take place in FY 2025/2026.
- 2) **Expanded Transportation Reimbursement Escort Program (TREP):** TREP provides mileage reimbursement to participants who rely on a volunteer driver for additional mobility options. In May 2024, the Omnitrans Board approved the expansion of TREP to the entire San Bernardino Valley service area. The Omnitrans Board also approved the increase in both the reimbursement rate as well as the maximum number of miles allotted per month (increased from 200 to 300). It should be noted that although the budget is being decreased compared to the prior year budget, actuals for prior year are expected to be much lower than budgeted.

Table 2 (below) shows current partners as well as Omnitrans' programs and their ridership.

Table 2. Annual Ridership Levels by Program

Omnitrans CTSA Program Ridership	FY 2021/2022	FY 2022/2023
TREP Mileage Reimbursement Trips	16,093	11,121
OmniRide Uber Ride Program	657	8,177
OmniRide Chino Hills, Upland & Bloomington [^]	12,375	18,841
Travel Training Program*	0	24
Total Omnitrans Programs	29,125	38,163
Regional Mobility Partner Programs	FY 2021/2022	FY 2022/2023
<i>Anthesis</i>	14,806	34,670
<i>Central City Lutheran Mission</i>	1,376	1,410
<i>City of Grand Terrace</i>	3,624	1,593
<i>City of Redlands**</i>	696	201
<i>AgingNext (Formally Community Senior Services)</i>	12,440	18,076
<i>OPARC</i>	10,080	22,086
<i>City of Chino</i>	7,640	7,730
<i>Highland Senior Center</i>	4,003	4,448
<i>Loma Linda University Adult Day Health</i>	8,087	4,275
<i>City of Ontario***</i>	-	-
<i>City of Rialto***</i>	-	-
<i>Foothill Aids Project***</i>	-	-
<i>VIP, Inc.***</i>	-	-
Partners Program Trips	62,752	94,489
Total Trips	91,877	132,652

*This program was temporarily suspended during the pandemic; however, it has resumed during FY 2022/2023

[^]CTSA funding contributes 35 percent of the overall program tied to the share of clients that are senior or disabled

**This program was discontinued by City of Redlands.

*** New Regional Mobility Partnership contracts have been executed. Partners are in the process of starting their programs in FY2023/2024

During FY 2024/2025, CTSA/Mobility Services will continue to grow the recent renewal of travel training and outreach efforts that support travel training and all other programs. There will
San Bernardino County Transportation Authority

Board of Directors Agenda Item

September 4, 2024

Page 3

be a new call for projects to further expand RMP for FY 2026/2027 and 2027/2028. The RMP guidelines and Call for Projects' application are in the process of being updated to add clarity to grow participation.

It is important to note that any funding not used during this fiscal year will be returned to Omnitrans Measure I CTSA fund balance and will be made available to Omnitrans and other mobility partners. Currently, there is a Measure I CTSA balance of approximately \$22.5 million. Omnitrans is actively working on lowering the fund balance for this current fiscal year. The anticipated revenue for FY 2024/2025 is \$4.1 million in Measure I compared to the \$5.8 million CTSA budget they are proposing.

Additionally, Omnitrans is proposing the following programs to decrease the fund balance while ensuring that programs implemented can be maintained in the out years. They are as follows:

- 1) Increased Pass Through to Partners: FY 2024/2025 Call for Projects award to RMPs were \$6.3 million this round versus \$4.7 two years ago.
- 2) TREP Expansion: Three specific increases were implemented on July 1, 2024:
 - a. TREP is now Valley-wide;
 - b. Reimbursement rate for TREP went from \$0.40/mile to the Internal Revenue Service Rate of \$0.665/mile; and
 - c. Mileage increased for TREP, from 200 to 300 miles/month.
- 3) UBER Ride Growth: This service was expanded in FY 2023/2024 to serve all of Omnitrans service area.
- 4) OmniRide Expansion: Although the overall budget is decreasing based on the number of senior and disabled riders, City of Bloomington OmniRide is expanding their service span to three additional hours per weekday compared to previous years.
- 5) Administration: Hiring an additional Community Mobility Specialist to grow Travel Training.

Measure I CTSA funds are passed through to Omnitrans on a monthly basis as they are generated. Staff has reviewed the proposed budget and finds it reasonable in its assumptions.

Financial Impact:

The CTSA budget is included in the adopted Budget for Fiscal Year 2024/2025 and funded with Measure I Senior and Disabled funds in Program 30, Transit.

Reviewed By:

This item was reviewed and unanimously recommended for approval by the Transit Committee on August 15, 2024.

Responsible Staff:

Nancy Strickert, Transit Manager

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

Attachment 1

OMNITRANS								
3000 - EXPENSE BUDGET FOR MOBILITY SERVICES								
FY 2025								
GL ACCT CODE	Salary %	A	B	C	D	E	2400 - OmniRide	Mobility Services(Including OmniRide)
DESCRIPTION		Admin	Travel Train	TREP	Uber/Taxi	Mobility Partners	MicroTransit *	100% Proposed BDGT
501100	Regular Pay - Operators							
501130	Regular Pay - Others	70,684	24,947	62,369	12,474	245,316		415,790
501310	Overtime Pay - Operator	0	0	0	0	0		0
501340	Overtime Pay - Other	0	0	0	0	0		0
TOTAL SALARIES		70,684	24,947	62,369	12,474	245,316	0	415,790
502210	PERS Employer Expense	9,195	3,245	8,113	1,623	31,911		54,086
502240	PERS Reimbursement Expense	0	0	0	0	0		0
502270	PacificCare COPD	7,040	2,485	6,212	1,242	24,434		41,413
502320	Health Saving Acct Expense	0	0	0	0	0		0
502330	Life Insurance Expense	327	115	289	58	1,135		1,923
502360	Employers Medicare Tax Expense	1,195	422	1,054	211	4,146		7,027
502370	LTD CO PD Expense	351	124	309	62	1,217		2,063
502390	Unemployment Insurance expense	0	0	0	0	0		0
502420	Workers Compensation Expense	0	0	0	0	0		0
502450	Sick Leave Expense	3,803	1,342	3,355	671	13,197		22,368
502451	Sick Leave Expense - Operators	0	0	0	0	0		0
502480	Holiday Pay Expense	3,486	1,230	3,076	615	12,098		20,504
502481	Holiday Pay Expense - Operators	0	0	0	0	0		0
502490	Floating Holiday Pay Expense	0	0	0	0	0		0
502491	Floating Holiday Pay Expense - Oper	0	0	0	0	0		0
502510	Vacation Pay Expense	4,100	1,447	3,618	724	14,230		24,119
502511	Vacation Pay Expense - Operators	0	0	0	0	0		0
502580	Car Expense	0	0	0	0	0		0
502600	SDI Reimbursement Expense	852	301	752	150	2,958		5,013
502630	EE Bond Expense	0	0	0	0	0		0
502690	Jury Duty Leave Expense	317	112	280	56	1,100		1,864
502691	Jury Duty Leave Expense - Operators	0	0	0	0	0		0
502721	Military Duty Leave Expense	0	0	0	0	0		0
502720	Military Duty Leave Expense - Operat	0	0	0	0	0		0
502780	Deferred Compensation Expense	1,054	372	930	186	3,660		6,203
502790	Bonus Pay	340	120	300	60	1,180		2,000
502791	Bonus Pay - Operators	0	0	0	0	0		0
502880	Kaiser COPD	10,087	3,560	8,900	1,780	35,006		59,333
502900	Pension Expense	0	0	0	0	0		0
502980	Payroll Expenses Reimbursement	0	0	0	0	0		0
502990	Payroll Claim Expenses	0	0	0	0	0		0
TOTAL BENEFITS		42,146	14,875	37,187	7,437	146,271	0	247,917
503060	Professional & Technical Fees	1,700	600	1,500	300	5,900		10,000
503110	Contract Maintenance Services	0	0	0	0	0		0
503160	Custodial Services Expense	0	0	0	0	0		0
503210	Security Services Expense	0	0	0	0	0		0
503260	Fare Collection Service Expense	0	0	0	0	0		0
503310	Contract Labor Expense	0	0	0	0	0		0
503360	Employee Physicals Expense	0	0	0	0	0		0
503600	Community Partners	0	0	0	0	3,700,000		3,700,000
503990	Other Services	0	0	0	300,000	480,000		780,000
TOTAL SERVICES		1,700	600	1,500	300,300	4,185,900	0	4,490,000
504000	Discounts Received	0	0	0	0	0		0
504010	Bus & Other Rolling Stock Parts	0	0	0	0	0		0
504011	Non Rev Rolling Stock Parts	0	0	0	0	0		0
504012	Outsourced Rolling Stock Maintenance	0	0	0	0	0		0
504020	Tire s & Tubes	0	0	0	0	0		0
504030	Preventative Maintenance	0	0	0	0	0		0
504060	Workshop clearing account	0	0	0	0	0		0
504070	Hydrogen Fuel	0	0	0	0	0		0
504080	Electric Propulsion	0	0	0	0	0		0
504090	LNG/CNG Fuels	0	0	0	0	0		0
504091	CNG Hedging Activities	0	0	0	0	0		0
504100	Gasoline	0	0	0	0	0	24,397	24,397
504110	Diesel Fuel	0	0	0	0	0		0
504120	Oil	0	0	0	0	0		0
504130	Lubricants & Chemicals	0	0	0	0	0		0
504131	CNG Compressor Oil	0	0	0	0	0		0
504140	CNG Fuel Tax Credit	0	0	0	0	0		0
504190	Computer Supplies	0	0	0	0	0		0
504200	Washer & Cleaner Supplies	0	0	0	0	0		0
504210	Office Supplies	510	180	450	90	1,770		3,000
504220	Small Tools	0	0	0	0	0		0
504230	Clothing & Safety Supplies	0	1,000	0	0	0		1,000
504240	Tool Allowance	0	0	0	0	0		0
504900	Price Variance	0	0	0	0	0		0
504910	Inventory Adjustment	0	0	0	0	0		0
504990	Other materials & supplies	0	0	0	0	0		0
TOTAL MATERIALS & SUPPLIES		510	1,180	450	90	1,770	24,397	28,397
505020	Utility Other than Propulsion Power	255	90	225	45	885		1,500
505030	Telephone	0	0	0	0	0		0
505040	Data communication Lines	1,445	510	1,275	255	5,015		8,500
505060	Repairs & Maint - Buildings	0	0	0	0	0		0
505110	Repairs & Maint - Equipment	0	0	0	0	0		0
505160	Repairs & Maint - Office Equipment	0	0	0	0	0		0
505170	R & M Software [Contracts]	0	0	0	0	0		0
505210	Repairs & Maint Grounds	0	0	0	0	0		0
505230	Repairs & Maint Stops & Satations	0	0	0	0	0		0
505960	Other Occupancy Expense	0	0	0	0	0		0
TOTAL OCCUPANCY		1,700	600	1,500	300	5,900	0	10,000

Attachment: Attachment 1 - STS Budget breakout_FY25 v3_NJS (10841 : Omnitrans CTSA Budget for Fiscal Year 2024/2025)

OMNITRANS								
3000 - EXPENSE BUDGET FOR MOBILITY SERVICES								
FY 2025								
GL ACCT	Salary %	A	B	C	D	E	2400 - OmniRide	Mobility Services(Including OmniRide)
CODE	DESCRIPTION	Admin	Travel Train	TREP	Uber/Taxi	Mobility Partners	MicroTransit *	100% Proposed BDGT
506110	Property/Official & Emp Liab Insurance	0	0	0	0	0		0
506160	General Liab & Veh Liab/Loss Insurance		4,500					4,500
506180	General Auto PD/PL Uninsured Ded/	0	0	0	0	0		0
506310	Worker's Comp Excess/Employer's L	0	0	0	0	0		0
506360	Worker's Comp Self Insured IBNR	0	0	0	0	0		0
506960	General Liability/Loss IBNR	0	0	0	0	0		0
TOTAL CASUALTY & LIABILITY		0	4,500	0	0	0	0	4,500
169407	Purchased Transportation	0	0	0	0	0	524,786	0
508900	Purch Trans Lease Cost - LTF	0	0	0	0	0		0
508990	Purch Trans Lease Cost - FTA	0	0	0	0	0		0
TOTAL PURCH TRANSPORT		0	0	0	0	0	524,786	524,786
509080	Advertising/Promotion Media	1,700	600	1,500	300	5,900		10,000
509230	Printing Charges	1,700	600	1,500	300	5,900		10,000
TOTAL PRINTING & ADVERTISING		3,400	1,200	3,000	600	11,800	0	20,000
508000	Interest Expense	0	0	0	0	0		0
509010	Memberships, Dues, Pub, Subscript	374	132	330	66	1,298		2,200
509020	Travel & Meetings	2,805	990	2,475	495	9,735		16,500
509030	Postage and Express Mail	0	0	0	0	0		0
509070	Bad Debt expense /NSF	0	0	0	0	0		0
509100	Bus Pass Sales Discounts	0	40,000	0	0	0		40,000
509200	Safety Training	0	0	0	0	0		0
509210	Employee Training	1,020	360	900	180	3,540		6,000
509220	Educational Reimbursements	0	0	0	0	0		0
509240	Outside Freight	0	0	0	0	0		0
509250	Bank Charges	0	0	0	0	0		0
509260	Employee Recognition	51	18	45	9	177		300
	PO Invoice Over Under	0	0	0	0	0		0
509990	Other Miscellaneous Expense	0	0	0	0	0		0
590300	Distributed Labor - Maintenance - Dir	0	0	0	0	0		0
590400	Allocated Indirect Labor & Benefits	0	0	0	0	0		0
TOTAL MISCELLANEOUS EXPENSE		4,250	41,500	3,750	750	14,750	0	65,000
TOTAL EXPENSES		124,390	89,402	109,756	321,951	4,611,707	549,183	5,806,390

*Approximately One-third of Microtransit budget funded by Measure I funding based on ridership for Senior & Disabled

Minute Action

AGENDA ITEM: 21

Date: *September 4, 2024*

Subject:

Amendment No. 1 to Contract No. 24-1003152 with Nossaman, LLP for Legal Services for Ontario Connector Project

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority:

Approve Amendment No. 1 to Contract No. 24-1003152 with Nossaman, LLP for Legal Services for the Ontario International Airport Connector Project, increasing the contract amount by \$1,400,000, for a new not-to-exceed amount of \$1,500,000, to be funded with State Transit Assistance Funds.

Background:

The Ontario International Airport (ONT) Connector Project (Project) will provide new passenger service between the Cucamonga Metrolink Station and the Ontario International Airport (ONT) Terminals 2 and 4 utilizing fully autonomous, all-electric, rubber-tired transit vehicles. The proposed Project includes the construction of a 4.2-mile-long transit service tunnel, stations to serve Cucamonga Metrolink Station, ONT Terminal 2, and ONT Terminal 4; a maintenance and storage facility to store and maintain vehicles; and an emergency access and ventilation (vent) shaft to provide a means of emergency passenger egress and first responder access. This new connection would increase mobility and connectivity for transit patrons, improve access to existing transportation services, provide a connection to future Brightline West service to/from ONT, and support the deployment of clean, emerging technology for transit opportunities between Cucamonga Metrolink Station and ONT.

On June 24, 2020, San Bernardino County Transportation Authority (SBCTA) and Kaplan Kirsch & Rockwell, LLP (KK&R) executed Contract No. 21-1002451 for Legal Services for the Project, effective June 25, 2020 through June 25, 2025. On or around April 12, 2024, SBCTA General Counsel received notification from Brent Butzin, KK&R Partner and key personnel under the Contract, that he was leaving KK&R to move to Nossaman, LLP, and that his last day with KK&R would be April 26, 2024. Therefore, General Counsel initiated Contract No. 24-1003152 between SBCTA and Nossaman, LLP, to ensure Brent Butzin could continue uninterrupted services, with a contract term effective April 27, 2024, through March 31, 2029 for a not-to-exceed amount of \$100,000. The total contract authority for the KK&R contract is \$1,900,000, with a remaining balance of approximately \$436,000.

On July 3, 2024, the Board of Directors (Board) approved moving forward with the next phase of the Project's procurement and approved executing the Pre-proposal Works Agreements with the two shortlisted Design-Build firms, ONTheMove Joint Venture and Ontario Tunnel Contractors. The Board also authorized the release of the Request for Proposals (RFP) to the shortlisted Design-Build teams for the ONT Connector Project.

Following approval of the Pre-proposal Works Agreements associated with Request for Qualifications No. 23-1002870 approved on July 3, 2024, continued support of outside legal counsel is required for the next phase of the Project, including the development of the RFP
Entity: San Bernardino County Transportation Authority

documents and Design-Build contract documents, to deliver the Project. Staff is recommending approval of Amendment No. 1 to Contract No. 24-1003152 with Nossaman, LLP, to add \$1,400,000 for a total not-to-exceed amount of \$1,500,000, using previously authorized project funding.

Financial Impact:

The Ontario Connector Project is included in the adopted Budget for Fiscal Year 2024/2025 and funded with State Transit Funds in Program 30, Transit.

Reviewed By:

This item was reviewed and unanimously recommended for approval by the Transit Committee on August 15, 2024. SBCTA General Counsel, Procurement Manager, and Enterprise Risk Manager have reviewed this item and the draft amendment.

Responsible Staff:

Victor Lopez, Director of Transit & Rail Programs

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

AMENDMENT NO. 1 TO CONTRACT NO. 24-1003152**BY AND BETWEEN****SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY****AND****NOSSAMAN, LLP****FOR****LEGAL SERVICES FOR PROCUREMENT OF****ONTARIO CONNECTOR PROJECT**

This Amendment No. 1 to Contract No. 24-1003152 is made by and between Nossaman, LLP (“ATTORNEY”) and the San Bernardino County Transportation Authority (“SBCTA”). ATTORNEY and SBCTA are each a "Party" and are collectively "Parties”.

RECITALS

- A. SBCTA, under Contract No. 24-1003152, engaged the services of ATTORNEY to provide legal services for the Ontario International Airport (ONT) Connector Project ("Contract");
- B. The Parties desire to amend the Contract to increase the not-to-exceed amount.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, ATTORNEY and SBCTA agree as follows:

1. Article 3 “COMPENSATION,” subparagraph 3.1 is deleted and replaced in its entirety to read as follows:

3.1 The total Not-To-Exceed Amount is One Million, Five Hundred Thousand Dollars (\$1,500,000) for Work to be provided under this Contract. SBCTA shall compensate ATTORNEY for Work performed pursuant to the rates set forth in Exhibit B, “Attorneys’ Fees and Charges,” and include ATTORNEY’s direct labor costs, indirect costs, and profit subject to 3.2 below. Escalation shall be at a specific rate, as shown on the Bureau of Labor Statistics Employment Cost Index for Total Compensation for private industry workers Table 5, Private Industry Workers, Occupational Group “Professional and Related” or its successor. The Employment Cost Index will be annually adjusted, apply to total benefits for the private industry economic sector, will not be seasonally adjusted, but will include a 12-month percent change. Escalation of the rates set forth in Exhibit B shall commence as of June 1, 2025, and shall be applied each June 1st for the term of the Contract. All costs and expenses shall be reimbursed for the amounts identified in Exhibit B. SBCTA will not reimburse for any expenses not shown in Exhibit B. Due to the uncertainties and variability of the Work, ATTORNEY does not agree that it can complete the Work within the Not-To-Exceed Amount. However, if the total cost of the Work approaches the Not-To-Exceed figure, ATTORNEY will notify SBCTA so that SBCTA and ATTORNEY can prepare a written amendment to this Agreement increasing the Not-To-Exceed Amount.

- 2. The Recitals set forth above are incorporated herein by this reference.
- 3. Except as amended by this Amendment No. 1, all other provisions of the Contract shall remain in full force and effect.
- 4. This Amendment No. 1 is effective upon execution by SBCTA.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No.1 below.

NOSSAMAN, LLP

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

By: _____
Brent E. Butzin
Partner

By: _____
Ray Marquez
Board President

Date: _____

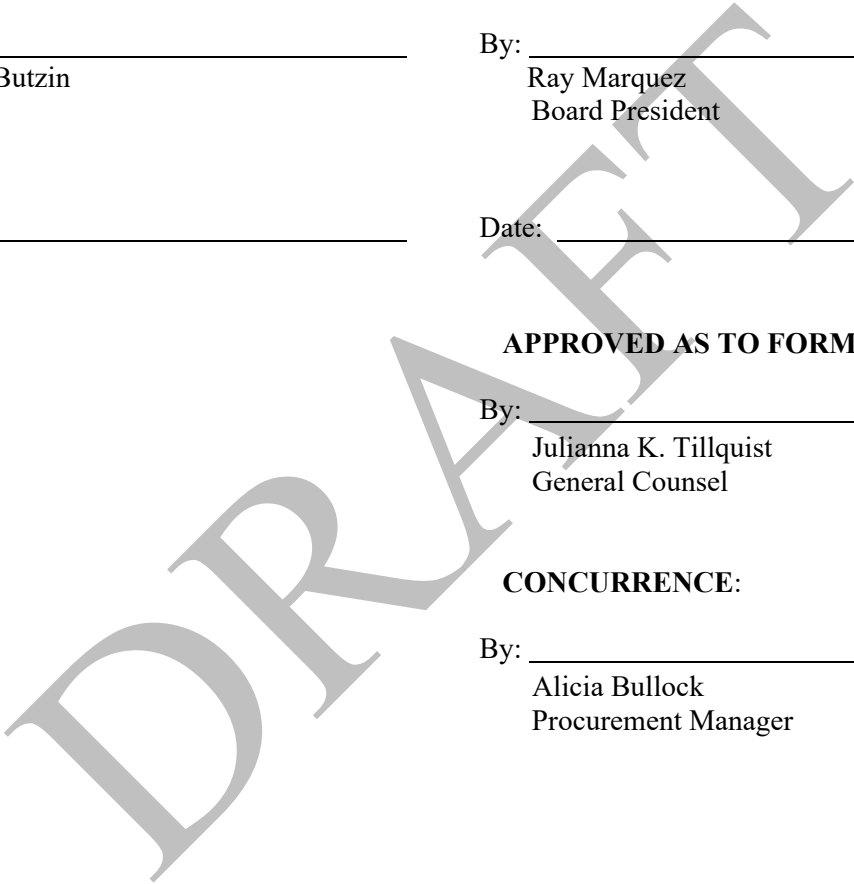
Date: _____

APPROVED AS TO FORM:

By: _____
Julianna K. Tillquist
General Counsel

CONCURRENCE:

By: _____
Alicia Bullock
Procurement Manager



Attachment: 24-1003152-01 (10843 : Amendment No. 1 to Contract No. 24-1003152 with Nossaman for Legal Services for ONT Connector)

Minute Action

AGENDA ITEM: 22

Date: *September 4, 2024*

Subject:

State Legislative Update

Recommendation:

Receive and file the August 2024 State Legislative Update.

Background:

San Bernardino County Transportation Authority (SBCTA) Legislative Affairs staff, along with representatives from state advocates, California Advisors, LLC, updated the Legislative Policy Committee on August 14, 2024, on the final weeks of the 2023-2024 Legislative Session.

Legislative Session

The State Legislature began its month-long summer recess on July 4, 2024, after the second house policy committee deadline on July 3, 2024. Any bills that did not clear policy committees by this date can no longer be passed this session without a rules waiver. Even though there are no committee hearings during July, bills that cleared policy committees can still be worked on informally over the recess. Bill authors and stakeholders will often negotiate during this time to resolve any outstanding issues from policy committees and prepare to guide bills through second house appropriation committees. Additionally, this is typically when the Governor's office begins to engage in legislation before it is sent to his desk.

When the Legislature reconvenes on August 5, 2024, there will be one month of session remaining before final recess begins on August 31, 2024. The first half of August will be occupied by the appropriations committees either passing bills or holding them in suspense. The suspense file process, which assesses legislation with major fiscal impacts, offers the Legislature an efficient way to eliminate controversial or costly bills without extensive debate. Considering the challenging fiscal environment the state is currently operating in, it is safe to assume that many bills with major fiscal impacts will face a tough path forward. August 15, 2024, will be the Appropriations Committee suspense hearing date. The second half of August will be occupied with voting on the respective floors of the Legislature as they work to close out the 2023-24 legislative session.

On July 2, 2024, Governor Newsom signed the remaining budget bills that the Legislature had sent to his desk. The budget managed to resolve a \$46.8 billion deficit without sweeping cuts to social safety net programs. This was accomplished through \$16 billion in spending reductions, \$13.6 billion in internal borrowing from special funds, \$6 billion in withdrawals from the Budget Stabilization Account and \$11.2 billion in other fund shifts, pauses and deferrals. While the negotiated budget has been passed and signed, there can still be changes to the budget in August 2024.

We do expect to see several trailer bills passed when the Legislature returns to session. These are the policy changes that implement the budget.

On July 3, 2024, California's Secretary of State assigned numbers to all qualified November 2024 ballot measures. In the days leading up to that, the California Supreme Court

Entity: San Bernardino Council of Governments, San Bernardino County Transportation Authority

(Court) and the Legislature had acted on several measures to affect what would appear on the ballot. Most notably, the Court ruled on June 20, 2024, that the proposed “Taxpayer Protection Act” was unconstitutional and removed it from the ballot. This ballot measure would have raised the voter approval threshold for some local taxes to two-thirds, instead of simple majority vote, and would have hamstrung many local jurisdictions’ attempts to institute new funding sources. The Court ruled that the ballot measure was unconstitutional because it would have impermissibly changed the Legislature’s power over taxation as established in the State Constitution.

Legislative Calendar

The Legislature reconvenes for the remainder of the legislative session on August 5, 2024. The last day for fiscal committees to meet and report out bills to legislative floors is August 16, 2024. The last day to amend bills on the floor is August 23, 2024, and the final day for each house to pass bills is August 31, 2024.

Attachment A contains a list of legislative bills that the San Bernardino County Transportation Authority (SBCTA)/San Bernardino Council of Governments (SBCOG) have taken a position on. Attachment B reflects bills of interest to SBCTA and SBCOG.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2024/2025.

Reviewed By:

This item was received by the Legislative Policy Committee on August 14, 2024.

Responsible Staff:

Otis Greer, Director of Legislative and Public Affairs

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY (SBCTA) / COUNCIL OF GOVERNMENTS (SBCOG)
LEGISLATIVE BILL POSITIONS - August 2024

ATTACHMENT A

Legislation / Author	Description	Bill Status	Position	Date Position Adopted
AB 6 (Friedman)	Would require the California Air Resources Board to establish additional greenhouse gas emissions targets for 2035 and 2045, as well as imposing new requirements on Metropolitan Planning Organizations, such as the Southern California Association of Governments, regarding technical methodology in developing their Regional Transportation Plan and Sustainable Community Strategy.	Failed Policy Committee deadline, DEAD (7/02/24)	Oppose	6/14/2023
AB 7 (Friedman)	Would require the project selection process for transportation infrastructure projects funded by certain state transportation accounts to incorporate federal principles that promote accessibility, climate change, the environment, resilience, safety, timeliness, among other principles	Failed to be voted upon on Senate Floor, two-year bill. (9/14/23)	Oppose	6/14/2023
AB 2590 (Reyes)	Would amend the California Public Utilities Code to increase the monetary thresholds of certain procurement processes for supplies, equipment and materials that are utilized for SBCTA projects.	Passed out of Senate Committee on Transportation, referred to Senate Floor. (6/17/24)	Sponsor Support	2/14/2024

Attachment: Bill position matrix 8-24 (10814 : State Legislative Update)

**SAN BERNARDINO COUNTY
 TRANSPORTATION AUTHORITY (SBCTA) / COUNCIL OF GOVERNMENTS (SBCOG)
 LEGISLATIVE BILL POSITIONS - August 2024**

Legislation / Author	Description	Bill Status	Position	Date Position Adopted
AB 2645 (Lackey)	Would require agencies that operate tolling facilities to cooperate with law enforcement in the event an emergency alert is issued.	Passed out of Senate Committee on Transportation, referred to Senate Committee on Appropriations. (6/27/24)	Support	4/10/2024
AB 2535 (Bonta)	Would alter the Trade Corridor Enhancement Program to support zero emission freight infrastructure and restrict projects that expand certain highway projects.	Held in Assembly Appropriations Committee. Failed committee deadline, DEAD. (5/16/24)	Oppose	4/10/2024

Attachment: Bill position matrix 8-24 (10814 : State Legislative Update)

Status Report

ATTACHMENT B

Wednesday, July 31, 2024

AB 761 Friedman D (Dist. 44) Local finance: enhanced infrastructure financing districts.

Location: SENATE THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law authorizes the legislative body of a city or a county to designate a proposed enhanced infrastructure financing district by adopting a resolution of intention to establish the proposed district which, among other things, is required to state that an enhanced infrastructure financing district is proposed and describe the boundaries of the proposed district. Current law requires the public financing authority to direct the preparation of and adopt an infrastructure financing plan consistent with the general plan and any relevant specific plan, and consisting of, among other things, a financing section. Current law requires that the financing section include a plan for financing the public facilities, a limit on the total number of dollars of taxes that may be allocated to the district pursuant to the plan, and a date, either not more than 45 years from the date on which the issuance of the bonds is approved for the plan on which the district will cease to exist, by which time all tax allocation to the district will end, or, where the district is divided into project areas, a date on which the infrastructure financing plan will cease to be in effect and all tax allocations to the district will end and a date on which the district’s authority to repay indebtedness with incremental tax revenues will end, as specified. This bill, for plans proposed on or after January 1, 2025, would specify that for the purpose of development and construction of passenger rail projects in the County of Los Angeles where at least 75% of the revenue from the district is used for debt service on a federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, the date on which the district will cease to exist shall not be more than 75 years from the date of the approval of a TIFIA loan, as specified.

Position: Watch

AB 930 Friedman D (Dist. 44) Local government: infrastructure financing districts: Reinvestment in Infrastructure for a Sustainable and Equitable California (RISE) districts: housing development: restrictive covenants.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law authorizes certain local agencies to form a community revitalization authority within a community revitalization and investment area, as described, and authorizes an authority to, among other things, provide for low and moderate-income housing and issue bonds, as provided. Current law authorizes a community revitalization and investment plan to provide for the division of taxes within the plan area. This bill would authorize the legislative bodies of 2 or more specified local governments to jointly form a Reinvestment in Infrastructure for a Sustainable and Equitable California district (RISE district) in accordance with specified procedures. The bill would require at least one of the local governments to be a city or county within the proposed RISE district boundaries. The bill would authorize a local government that lacks the authority to levy a property tax to join a RISE district, by resolution, as specified. The bill would prohibit a RISE district from including territory within the jurisdiction of a participating local government unless the city or county where the territory is located is also a participating local government.

AB 1008 Bauer-Kahan D (Dist. 16) California Consumer Privacy Act of 2018: personal information.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The California Consumer Privacy Act of 2018 (CCPA) grants to a consumer various rights with respect to persona

Attachment: Bill Report 8-24 (10814 : State Legislative Update)

information, as defined, that is collected by a business, as defined, including by requiring a business that collects personal information to, at or before the point of collection, make certain disclosures to the consumer. The CCPA excludes from the definition of “personal information” publicly available information or lawfully obtained, truthful information that is a matter of public concern and defines “publicly available” for that purpose to mean, among other things, information that is lawfully made available from federal, state, or local government records or information that a business has a reasonable basis to believe is lawfully made available to the general public by the consumer or from widely distributed media, except as prescribed. The California Privacy Rights Act of 2020, approved by the voters as Proposition 24 at the November 3, 2020, statewide general election, amended, added to, and reenacted the CCPA. The CCPA establishes the California Privacy Protection Agency and vests it with full administrative power, authority, and jurisdiction to implement and enforce the CCPA. This bill would specify that personal information can exist in various formats

Position: Watch

AB 1777 Ting D (Dist. 19) Autonomous vehicles.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law authorizes the operation of an autonomous vehicle on public roads for testing purposes by a driver who possesses the proper class of license for the type of vehicle operated if specified requirements are satisfied. Current law prohibits the operation of an autonomous vehicle on public roads until the manufacturer submits an application to the Department of Motor Vehicles, as specified, and that application is approved. Current law requires the department to adopt regulations setting forth requirements for the submission and approval of an application, including, among other things, any testing, equipment, and performance standards the department concludes are necessary to ensure the safe operation of autonomous vehicles on public roads, as specified. This bill would require if an autonomous vehicle does not have a person in the driver’s seat and commits a violation of the Vehicle Code, or has a person in the driver’s seat but commits the violation while the autonomous technology is engaged, the manufacturer to be cited for the violation. If an autonomous vehicle has a person in the driver’s seat and commits a violation of the Vehicle Code while the autonomous technology is not engaged, the bill would require the driver to be cited for the violation.

AB 1889 Friedman D (Dist. 44) Conservation element: wildlife and habitat connectivity.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Planning and Zoning Law requires the legislative body of a city or county to adopt a comprehensive general plan that includes various elements, including land use, housing, and conservation elements, as specified. Current law requires the conservation element to consider the effect of development within the jurisdiction on natural resources located on public lands. This bill would additionally require the conservation element to consider the effect of development within the jurisdiction on the movement of wildlife and habitat connectivity. The bill would require the conservation element, upon the next update of one or more elements on or after January 1, 2028, to, among other things, identify and analyze connectivity areas, permeability, and natural landscape areas within the jurisdiction, identify and analyze existing or planned wildlife passage features, and consider the impacts of development and the barriers caused by development to wildlife and habitat connectivity. The bill would authorize a city, county, or city and county to incorporate by reference into its general plan an existing plan that meets these requirements. The bill would authorize a city, county, or city and county preparing to update its conservation element to consider incorporating appropriate standards, policies, and implementation programs, consult with specified entities, and consider relevant best available science.

AB 1893 Wicks D (Dist. 14) Housing Accountability Act: housing disapprovals: required local findings.

Location: SENATE APPR.

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2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered	22.b
	1st House				2nd House								

The Housing Element Law prescribes requirements for a city’s or county’s preparation of, and compliance with, its housing element, and requires the Department of Housing and Community Development to review and determine whether the housing element substantially complies with the Housing Element Law, as specified. The Housing Accountability Act, among other things, prohibits a local agency from disapproving, or conditioning approval in a manner that renders infeasible, a housing development project for very low, low-, or moderate-income households unless the local agency makes written findings as to one of certain sets of conditions, as specified. Among these conditions, the act allows a local agency to disapprove a housing development project that is inconsistent with the jurisdiction’s zoning ordinances and general plan land use designation as it existed on the date the application was deemed complete, if the jurisdiction has adopted a revised housing element that is in substantial compliance with the Housing Element Law, as specified. This bill would make various changes to that condition. The bill would specify that a local agency may disapprove or condition approval of a housing development project or emergency shelter, as described above, if the local agency makes written findings that on the date the application for the housing development project or emergency shelter was deemed complete the jurisdiction did not have an adopted revised housing element that was in substantial compliance with the Housing Element Law and the housing development project is not a builder’s remedy project, as defined.

AB 1904 Ward D (Dist. 78) Transit buses: yield right-of-way sign.

Location: SENATE THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law authorizes a transit bus in the Santa Cruz Metropolitan Transit District and the Santa Clara Valley Transportation Authority to be equipped with a yield right-of-way sign on the left rear of the bus if the applicable entity approves a resolution requesting that this section be made applicable to it. Current law requires the sign to be designed to warn a person operating a motor vehicle approaching the rear of the bus that the bus is entering traffic and be illuminated by a red flashing light when the bus is signaling in preparation for entering a traffic lane after having stopped to receive or discharge passengers. This bill would expand the authorization to equip transit buses, as described above, to apply to any transit agency if the transit agency approves a resolution that this authorization be made applicable to it.

AB 2006 Mathis R (Dist. 33) Sales and Use Tax Law: exemption: over-the-counter medication.

Location: ASSEMBLY REV. & TAX SUSPENSE FILE

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Sales and Use Tax Law provides various exemptions from those taxes. This bill would, until January 1, 2030, exempt from those taxes the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, over-the-counter medication, as defined.

AB 2023 Quirk-Silva D (Dist. 67) Housing element: inventory of land: rebuttable presumptions.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Housing Element Law prescribes requirements for a city’s or county’s preparation of, and compliance with, its housing element, and requires the Department of Housing and Community Development to review and determine whether the housing element substantially complies with the Housing Element Law, as specified. Current law requires the housing element to include an inventory of land suitable and available for residential development. If the inventory of sites does not identify adequate sites to accommodate the need for groups of all household income levels, as provided, current law requires that the local government rezone sites within 3 years after the date the

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housing element is adopted or within one year if the local government fails to adopt a housing element that department finds to be in substantial compliance with the Housing Element Law within 120 days of the statutory deadline to adopt the housing element. This bill, for the 7th and each subsequent revision of the housing element, would require a local government to complete the rezoning of sites within one year of the statutory deadline for the adoption of the housing element or the earlier of 3 years after the date the housing element is adopted or 90 days after receipt of comments from the department, as specified, if the local government satisfies certain requirements, including submitting a draft element or draft amendment to the department for review within specified timeframes and adopting a draft element or draft amendment that the department finds to be insubstantial compliance with the Housing Element Law, as specified.

AB 2086 Schiavo D (Dist. 40) Transportation funding: California Transportation Plan: public dashboard.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law requires the Department of Transportation to prepare the California Transportation Plan for submission to the Governor and the Legislature as a long-range planning document that incorporates various elements and is consistent with specified expressions of legislative intent. Current law requires the department to complete the 3rd update to the plan by December 31, 2025, and to update the plan every 5 years thereafter. This bill would require the California Transportation Plan to also include a financial element that summarizes the full cost of plan implementation, a summary of available revenues through the planning period, and an analysis of what is feasible within the plan if constrained by a realistic projection of available revenues, as specified.

AB 2290 Friedman D (Dist. 44) Transportation: Class III bikeways: bicycle facilities: Bikeway Quick-Build Project Pilot Program.

Location: SENATE APPR. SUSPENSE FILE

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Existing law establishes the Active Transportation Program in the Department of Transportation for the purpose of encouraging increased use of active modes of transportation, such as biking and walking, with specified available funds to be allocated to eligible projects by the California Transportation Commission and regional transportation agencies through the adoption of a program of projects. Existing law requires the commission to develop guidelines regarding, among other topics, project eligibility and project selection for the program of projects, as provided. This bill would prohibit, on and after January 1, 2026, the commission from adding a project that creates a Class III bikeway or adds a specific road marking used to inform road users that bicyclists might occupy the travel lane to the program of projects, unless the bikeway or road marking is on a highway with a design speed limit of 25 miles per hour or less or the project will implement improvements to reduce the design speed limit to 25 miles per hour or less.

AB 2302 Addis D (Dist. 30) Open meetings: local agencies: teleconferences.

Location: SENATE THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Ralph M. Brown Act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative

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teleconferencing in specified circumstances if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law imposes prescribed restrictions on remote participation by a member under these alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year. This bill would revise those limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets.

AB 2400 Rivas, Luz D (Dist. 43) California Alternative Energy and Advanced Transportation Financing Authority Act.

Location: ASSEMBLY APPR. SUSPENSE FILE

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Existing sales and use tax laws impose taxes on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. The California Alternative Energy and Advanced Transportation Financing Authority Act establishes the California Alternative Energy and Advanced Transportation Financing Authority. The act authorizes, until January 1, 2026, the authority to provide financial assistance to a participating party in the form of specified sales and use tax exclusions for projects including those that promote California-based manufacturing, California-based jobs, advanced manufacturing, reduction of greenhouse gases, or reduction in air and water pollution or energy consumption. The act prohibits the sales and use tax exclusions from exceeding \$100,000,000 for each calendar year, except as provided. The Sales and Use Tax Law, for the purposes of the taxes imposed pursuant to that law, until January 1, 2026, excludes the lease or transfer of title of tangible personal property constituting a project to any contractor for use in the performance of a construction contract for a participating party that will use that property as an integral part of the approved project. This bill would extend the authorization to provide financial assistance in the form of a sales and use tax exclusion for qualifying projects to January 1, 2031, and would extend the sales and use tax exclusion to January 1, 2031. The bill would make other conforming changes.

AB 2421 Low D (Dist. 26) Employer-employee relations: confidential communications.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law that governs the labor relations of public employees and employers, including the Meyers-Milias-Brow Act, the Ralph C. Dills Act, and provisions relating to judicial employees, public schools, higher education, the San Francisco Bay Area Rapid Transit District, the Santa Cruz Metropolitan Transit District, the Sacramento Regional Transit District, and other public transit employees, prohibits employers from taking certain actions relating to employee organizations. This includes imposing or threatening to impose reprisals on employees, discriminating or threatening to discriminate against employees, or otherwise interfering with, restraining, or coercing employees because of their exercise of their guaranteed rights. Those provisions further prohibit denying to employee organizations the rights guaranteed to them by existing law. This bill would also prohibit a local public agency employer, a state employer, a judicial employer, a public school employer, a higher education employer, or the district from questioning any employee or employee representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation.

AB 2427 McCarty D (Dist. 6) Electric vehicle charging stations: permitting: curbside charging.

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Location: SENATE APPR. SUSPENSE FILE

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law continues into existence the zero-emission vehicle (ZEV) division within GO-Biz as the Zero-Emission Vehicle Market Development Office. Current law references GO-Biz’s Electric Vehicle Charging Station Permitting Guidebook, which recommends best practices for electric vehicle supply equipment permitting. This bill would require the office to develop a model permitting checklist, model zoning ordinances, and best practices for permit costs and permit review timelines to help local governments permit curbside charging stations as part of the office’s development of the Electric Vehicle Charging Station Permitting Guidebook or any subsequent updates. The bill would also require the office to consult with local governments, electric vehicle service providers, and utilities while developing the above-described materials.

AB 2430 Alvarez D (Dist. 80) Planning and zoning: density bonuses: monitoring fees.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Density Bonus Law requires a city, county, or city and county to provide a developer that proposes a housing development within the city or county with a density bonus, waivers or reductions of development standards and parking ratios, and other incentives or concessions, as specified, if the developer agrees to construct certain types of housing, including a housing development in which 100% of the units are for lower income households, except that up to 20% of the units in the development may be for moderate-income households, as specified. This bill would prohibit a city, county, or city and county from charging a monitoring fee, as defined, on those types of housing developments if certain conditions are met, except as specified. The bill would provide that, beginning on January 1, 2025, any housing development that is currently placed in service, is subject to monitoring fees, and meets those conditions shall no longer be subject to those fees.

AB 2443 Carrillo, Juan D (Dist. 39) Transactions and use taxes: Cities of Lancaster, Palmdale, and Victorville.

Location: SENATE L. GOV.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law authorizes cities and counties, subject to certain limitations and approval requirements, to levy a transactions and use tax for general or specific purposes, in accordance with the procedures and requirements set forth in the Transactions and Use Tax Law, including a requirement that the combined rate of all taxes that may be imposed in accordance with that law in the jurisdiction not exceed 2%. This bill would authorize the Cities of Lancaster, Palmdale, and Victorville to impose a transactions and use tax for the support of countywide transportation programs or general services, at a rate of no more than 1% that, in combination with other transactions and use taxes, would exceed the above-described combined rate limit of 2%, if certain requirements are met. The bill would provide that a transactions and use tax rate imposed pursuant to the bill will not be considered for purposes of the combined rate limit described above. The bill would repeal these authorizations on January 1, 2029, if an ordinance proposing the tax has not been approved by that date, as specified.

AB 2448 Jackson D (Dist. 60) Electric Vehicle Economic Opportunity Zone: County of Riverside.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Would, upon appropriation by the Legislature, establish an Electric Vehicle Economic Opportunity Zone (EVEOZ) for the County of Riverside, administered by the Labor and Workforce Development Agency, for the purpose of creating programs to make electric vehicle manufacturing jobs and education more accessible to lower income

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communities. The bill would require the agency to collaborate with the County of Riverside in determining geographical boundaries of the EVEOZ. By imposing additional duties on local officials, the bill would impose a state-mandated local program. The bill would authorize the agency to partner with educational institutions, electric vehicle manufacturing businesses, and local and national financial intuitions to develop EVEOZ education, training, and investment programs, as specified.

AB 2453 Villapudua D (Dist. 13) Weights and measures: electric vehicle supply equipment.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law provides that the Department of Food and Agriculture has general supervision of the weights and measures and weighing and measuring devices sold or used in the state, including devices used to measure electricity sold as a motor vehicle fuel. Current law regulates the use and repair of weighing or measuring devices. Current law authorizes a device to be placed in service only by a sealer or a service agency. This bill would prohibit, until January 1, 2028, requiring electric vehicle supply equipment (EVSE) to be retested or placed in service by a service agency or sealer, if the EVSE has previously been placed in service by a service agency or sealer, before the EVSE is used after receiving maintenance, as specified.

AB 2460 Ta R (Dist. 70) Common interest developments: association governance: member election.

Location: SENATE JUD.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Davis-Stirling Common Interest Development Act defines and regulates common interest developments, including member elections. Current law prescribes that a quorum is required only if stated in the governing documents or by law. In the absence of a quorum, current law authorizes an association to adjourn the proceeding to a date at least 20 days after the adjourned proceeding, at which time the quorum required for purposes of a membership meeting is 20% of the voting members present in person, by proxy, or by secret written ballot received. Current law requires an association to provide general notice of the membership meeting, as specified, no less than 15 days prior to the election of directors. In the absence of a quorum, this bill would instead authorize an association to adjourn the meeting to a date at least 20 days after the adjourned meeting, at which time the quorum required for purposes of a reconvened meeting would be 20% of the members, voting in person, by proxy, or by secret ballot.

AB 2485 Carrillo, Juan D (Dist. 39) Regional housing need: determination.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Planning and Zoning Law requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, which includes, among other mandatory elements, a housing element. That law requires, for the 4th and subsequent revisions of the housing element, the Department of Housing and Community Development (department), in consultation with each council of governments, where applicable, to determine the existing and projected need for housing for each region, at least 2 years prior to the scheduled revision of the housing element, as specified. That law requires the department's determination to be based upon population projections produced by the Department of Finance and regional population forecasts developed by the council of governments and used for the preparation of the regional transportation plan, as specified. That law also requires the department to meet and consult with the council of governments regarding the assumptions and methodologies to be used to determine a region's housing need and requires the council of governments to provide data assumptions from the council of governments' projections, as specified. That law authorizes the department to accept or reject the information provided by the council of governments and, requires the department, after consultation with the council of governments, to make determinations on the data assumptions and the methodology

the department will use to determine the region’s housing need, as specified. That law requires the department provide its determinations to the council of governments, as specified. This bill would for the 8th and subsequent revisions of the housing element require the department to convene and engage stakeholders to consider improvements to the process of determining the existing and projected housing need for each region before determining any region’s existing projected housing need. The bill would require the department, prior to finalization of the regional determination, as specified, to publish on the department’s internet website a summary of the information the department considered and determinations made by the department to improve the process of determining the existing and projected housing need for each region.

AB 2488 Ting D (Dist. 19) Downtown revitalization and economic recovery financing districts: City and County of San Francisco.

Location: SENATE HOUSING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Would authorize the City and County of San Francisco to designate a downtown revitalization and economic recovery financing district for the purpose of financing office-to-residential conversion projects with incremental tax revenues generated by office-to-residential conversion projects within the district. The bill would require the boundaries of the district to be contiguous with the boundaries of the City and County of San Francisco.

AB 2503 Lee D (Dist. 24) California Environmental Quality Act: exemption: passenger rail projects.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The California Environmental Quality Act (CEQA), until January 1, 2030, exempts from its requirements certain transportation-related projects if specified requirements are met, including that a local agency, as defined, is carrying out the project and that the project will be completed by a skilled and trained workforce, as provided. CEQA includes within these exempt transportation-related projects a public project for the institution or increase of bus rapid transit, bus, or light rail service, which will be exclusively used by low-emission or zero-emission vehicles, on existing public rights-of-way or existing highway rights-of-way. Current law requires the lead agency, if it determine that a transportation-related project is exempt from CEQA and determines to carry out the project, to file a notice of exemption with the Office of Planning and Research and the county clerk in which the project is located. This bill would expand that exemption from CEQA to include a public project for the institution or increase of other passenger rail service, which will be exclusively used by zero-emission trains, located entirely within existing rail rights-of-way or existing highway rights-of-way. Because the bill would increase the duties of the county clerk, this bill would impose a state-mandated local program.

AB 2522 Carrillo, Wendy D (Dist. 52) Air districts: governing boards: compensation.

Location: SENATE THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law provides for the creation of the South Coast Air Quality Management District in those portions of the Counties of Los Angeles, Orange, Riverside, and San Bernardino included within the area of the South Coast Air Basin, as specified. Current law provides that the south coast district is governed by a district board consisting of 1 members and that each member of the board shall receive compensation of \$100 for each day, or portion thereof, but not to exceed \$1,000 per month, while attending meetings of the board or any committee thereof or, upon authorization of the board, while on official business of the district, and the actual and necessary expenses incurred in performing the member’s official duties. This bill would raise the limits of the above-described compensation each member of the board receives to up to \$200 for each day, or portion thereof, but not to exceed \$2,000 per month.

AB 2525 Zbur D (Dist. 51) State highways: property leases.

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Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law vests the Department of Transportation with full possession and control of the state highway system, including associated property. Current law authorizes the department to offer leases to the City of Los Angeles on a right of first refusal basis for any airspace under a freeway or certain real property acquired for highway purposes located in the city for purposes of an emergency shelter or feeding program for a lease amount, for up to 10 parcels of \$1 per month, and a payment of an administrative fee not to exceed \$500 per year, as specified. This bill would expand the purposes for which these leases may be issued to include an emergency shelter or feeding program, a secure vehicle lot program, or any combination of those purposes.

AB 2553 Friedman D (Dist. 44) Housing development: major transit stops: vehicular traffic impact fees.

Location: SENATE HOUSING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA exempts from its requirements residential projects on infill sites and transit priority projects that meet certain requirements, including a requirement that the projects are located within 1/2 mile of a major transit stop. CEQA defines “major transit stop” to include, among other locations, the intersection of 2 or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods. This bill would revise the definition of “major transit stop” to increase the frequency of service interval to 20 minutes.

AB 2555 Quirk-Silva D (Dist. 67) Sales and use tax: exemption: medicinal cannabis: donations.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, consolidate the licensure and regulation of commercial medicinal and adult-use cannabis activities. Current sales and use tax laws impose use taxes on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state, presumes tangible personal property purchased outside the state that is stored, used, or consumed in this state is purchased for use in this state, and provides various exemptions from those taxes. Current law exempts from the use tax the storage, use, or other consumption in this state of medicinal cannabis or medicinal cannabis products that are donated, for no consideration, under specified circumstances. Current law requires the exemption to apply only if the cannabis retailer certifies in writing, as specified, that the medicinal cannabis or medicinal cannabis product will be used as specified. Current law makes a licensee that uses the donated medicinal cannabis or medicinal cannabis product in some other manner, or for some other purpose, liable for the payment of use tax and subject to having their license suspended. Current law repeals these provisions 5 years after the specified operative date. This bill would extend these provisions until January 1, 2030.

AB 2559 Petrie-Norris D (Dist. 73) Local planning: electric vehicle service equipment: permitting delays.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Existing law creates the Governor’s Office of Business and Economic Development (GO-Biz) and requires GO-Biz to serve the Governor as the lead entity for economic strategy and the marketing of California on issues relating to

business development, private sector investment, and economic growth. Existing law requires every city, county, city and county to administratively approve an application to install electric vehicle charging stations through the issuance of a building permit or similar nondiscretionary permit and requires the review of an application to install an electric vehicle charging station to be limited to the building official’s review of whether it meets all health and safety requirements of local, state, and federal law. Existing law requires an electric vehicle charging station to comply with among other things, all applicable rules of the Public Utilities Commission regarding safety and reliability, as specified. This bill would require GO-Biz to create and maintain a publicly accessible internet website that contains landing page with functionality to collect information and report delays and denials regarding all applicable forms of permitting for zero-emission vehicle infrastructure, as specified. The bill would prohibit GO-Biz from publicly displaying any submissions received under these provisions. The bill would require GO-Biz in a new or existing working group, as specified, to evaluate the data it receives from the internet website and direct the working group to determine recommended solutions to address permitting delays. The bill would require, on or before January 1, 2026, GO-Biz to submit to the Legislature and publish on its internet website a comprehensive report regarding the challenges identified throughout the data collection process, as specified. The bill would also require GO-Biz to establish a permit streamlining specialist to assist authorities having jurisdiction with permit delays and denials related to these provisions.

AB 2560 Alvarez D (Dist. 80) Density Bonus Law: California Coastal Act of 1976.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The California Coastal Act of 1976, regulates development, as defined, in the coastal zone, as defined, and require a new development to comply with specified requirements. The Density Bonus Law provides that its provisions do not supersede or in any way alter or lessen the effect or application of the act, and requires that any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which an applicant is entitled under the Density Bonus Law be permitted in a manner consistent with the act. This bill would instead provide that, in the coastal zone, the Density Bonus Law does not relieve a project from the requirement to obtain a coastal development permit, as specified. The bill would require any density bonus, concessions, incentives, waiver or reductions of development standards, and parking ratios to which an applicant is entitled to be permitted in a manner that is consistent with the Density Bonus Law and does not result in significant adverse impacts to coastal resources and public coastal access, as specified.

AB 2583 Berman D (Dist. 23) School zones: speed limits.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law establishes a prima facie speed limit of 25 miles per hour when approaching or passing a school building or grounds contiguous to a highway or when the school grounds are not separated from the highway, as specified. Current law authorizes a local authority, by ordinance or resolution, to reduce the prima facie speed limit based on an engineering and traffic survey, as specified. This bill would, until January 1, 2028, instead establish a prima facie speed limit of 25 miles per hour in a school zone, as defined, subject to specified conditions, including, among others, when a school speed limit sign states “when children are present” and children are present, as defined, and when a school speed limit sign states specific hours, as specified. The bill would, notwithstanding the above provision and until January 1, 2028, authorize a local authority, by ordinance or resolution, to determine and declare a prima facie speed limit of 20 miles per hour in a school zone. The bill would, beginning on January 1, 2028, establish a prima facie speed limit of 20 miles per hour in a school zone, subject to conditions similar to those described above.

AB 2590 Reyes D (Dist. 50) San Bernardino County Transportation Authority: contracting.

Location: SENATE THIRD READING

Attachment: Bill Report 8-24 (10814 : State Legislative Update)

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered	22.b
	1st House				2nd House								

Current law creates the San Bernardino County Transportation Authority with various powers and duties relative to transportation planning and funding in the County of San Bernardino. Current law requires the authority's contracts for the purchase of supplies, equipment, and materials, and the construction of all facilities and works, to be let to the lowest responsible bidder when the expenditure required exceeds \$25,000. Current law also requires the authority to obtain a minimum of 3 quotations, either written or oral, that permit prices and terms to be compared whenever the expected expenditure required exceeds \$1,000 but not \$25,000. This bill would authorize a contract for the purchase of supplies, equipment, or materials with a required expenditure that exceeds \$100,000 to be let to the lowest responsible bidder, or, in the authority's discretion, to the responsible bidder who submitted a proposal that provides the best value to the authority on the basis of the factors identified in the solicitation.

Position: Sponsor

AB 2638 Ward D (Dist. 78) Housing programs: financing.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Zenovich-Moscone-Chacon Housing and Home Finance Act establishes the Department of Housing and Community Development and requires it to administer various programs intended to promote the development of housing and to provide housing assistance and home loans. Current law sets forth various general powers of the department in implementing these programs, including authorizing the department to enter into long-term contracts or agreements of up to 30 years for the purpose of servicing loans or grants or enforcing regulatory agreements or other security documents. Current law, unless an extension of a department loan, the reinstatement of a qualifying unpaid matured loan, the subordination of a department loan to new debt, or an investment of tax credit equity would result in a rent increase for tenants of a development, authorizes the Department of Housing and Community Development to approve an extension, reinstatement, subordination, payoff, extraction, or investment pursuant to specified rental housing finance programs, as specified, or if the department determines that a project has, or will have after rehabilitation or repairs, a potential remaining useful life equal to or greater than the term of the restructured loan. Current law authorizes the department to charge a monitoring fee to cover the aggregate monitoring costs in years the loan is extended and a transaction fee to cover its costs for processing restructuring transactions and requires developer fee limitations to be consistent with specified laws and regulations, including regulations by the California Tax Credit Allocation Committee. This bill would revise and recast these provisions, including additionally authorizing the department to approve the payoff of a department loan in whole or part before the end of its term and the extraction of equity from a development for purposes approved by the department. The bill would specify eligible uses of loan and equity sources, if the department determines that a project has, or will have after rehabilitation or repairs, a potential remaining useful life equal to or greater than the term of the department's regulatory agreement for purposes of approving an extension, reinstatement, subordination, payoff, extraction, or investment, as described above.

AB 2645 Lackey R (Dist. 34) Electronic toll collection systems: information sharing: law enforcement.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law prohibits a transportation agency, as defined, from selling or otherwise providing to any other person or entity, with certain exceptions, personally identifiable information of a person who subscribes to an electronic toll collection system or who uses a toll bridge, toll lane, or toll highway that employs an electronic toll collection system. Current law authorizes a law enforcement agency to request the Department of the California Highway Patrol (CHP) to activate the Emergency Alert System within the appropriate area if that agency determines that a child 17 years of age or younger, or an individual with a proven mental or physical disability, has been abducted and is in

imminent danger of serious bodily injury or death, and there is information available that, if disseminated to general public, could assist in the safe recovery of that person. Current law also authorizes the CHP, upon the request of a law enforcement agency, to activate various other alerts for missing individuals meeting certain criteria and alerts following an attack upon a law enforcement officer or a hit-and-run fatality. This bill would authorize a transportation agency that employs an electronic toll collection system to provide the date, time, and location of a vehicle license plate read captured by the system to a peace officer in response to one of these alerts.

Position: Support

AB 2656 Patterson, Jim R (Dist. 8) Tribal gaming: compact ratification.

Location: ASSEMBLY THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The federal Indian Gaming Regulatory Act of 1988 provides for the negotiation and execution of tribal-state gaming compacts for the purpose of authorizing certain types of gaming on Indian lands within a state. The California Constitution authorizes the Governor to negotiate and conclude tribal-state gaming compacts, subject to ratification by the Legislature. Current law expressly ratifies a number of tribal-state gaming compacts between the State of California and specified Indian tribes. This bill would ratify the tribal-state gaming compact entered into between the State of California and the Table Mountain Rancheria, executed on November 1, 2023. The bill would provide that in deference to tribal sovereignty, certain actions related to this compact are not projects for purposes of the California Environmental Quality Act (CEQA).

AB 2663 Grayson D (Dist. 15) Inclusionary housing: fees: reports.

Location: ASSEMBLY CONCURRENCE

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Would, commencing on January 1, 2026, would require a local agency that collects inclusionary housing in-lieu fees and has an internet website to annually post on its internet website the amount of those fees collected in the previous year and whether those fees are intended to be used for a project, if any. The bill would define “inclusionary housing in-lieu fees” to mean fees imposed as an alternative means of compliance with an inclusionary housing requirement. The bill, commencing on January 1, 2026, and every 5 years thereafter, would require a local agency that collects inclusionary housing in-lieu fees to post on its internet website the amount of those fees collected in the past 5 years and the project those fees were spent on.

AB 2667 Santiago D (Dist. 54) Affirmatively furthering fair housing: housing element: reporting.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Would require the Department of Housing and Community Development to develop a standardized reporting format for programs and actions taken with regards to the local agency affirmatively further fair housing that enables the reporting of the assessment components described-above, as specified. The bill would require local governments to utilize the standardized reporting format for the 7th and each subsequent revision of the housing element.

AB 2669 Ting D (Dist. 19) Toll bridges: tolls.

Location: SENATE APPR. SUSPENSE FILE

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law provides for the construction and operation of various toll bridges by the state, the Golden Gate Bridge Highway and Transportation District, and private entities that have entered into a franchise agreement with the state. This bill would prohibit a toll from being imposed on the passage of a pedestrian, bicycle, or personal micromobility

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device over these various toll bridges, unless the bridge was under construction on or after January 1, 2022, tolls are used to fund the cost of constructing the bridge.

AB 2678 Wallis R (Dist. 47) Vehicles: high-occupancy vehicle lanes.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current state law authorizes the Department of Transportation to designate certain lanes for the exclusive use of high-occupancy vehicles (HOVs). Current federal law authorizes, until September 30, 2025, a state to allow specified alternate fuel and plug-in electric or hybrid vehicles to use lanes designated for HOVs. Current state law authorizes the Department of Motor Vehicles to issue decals or other identifiers to qualified vehicles, as specified. Current state law allows a vehicle displaying a valid decal or identifier issued pursuant to these provisions to be operated in a lane designated for the exclusive use of HOVs regardless of the occupancy of the vehicle. These existing state laws, by operation of their provisions, become inoperative on the date the federal authorization expires. Current state law also repeals these provisions on September 30, 2025. This bill would extend the repeal date of these provisions until January 1, 2027.

AB 2697 Irwin D (Dist. 42) Transportation electrification: electric vehicle charging stations: network roaming standards.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law prohibits persons desiring to use an electric vehicle charging station that requires payment of a fee from being required to pay a subscription fee to use the station and from being required to obtain membership in any club association, or organization as a condition of using the station. Current law requires the total actual charges for the use of an electric vehicle charging station, including any additional network roaming charges for nonmembers, to be disclosed to the public at the point of sale. Current law authorizes the State Energy Resources Conservation and Development Commission to adopt interoperability billing standards for network roaming payment methods for electric vehicle charging stations if no interoperability billing standards have been adopted by a national standards organization by January 1, 2015. This bill would require the commission to apply any network roaming standards it adopts only to major electric vehicle charging network operators, as defined.

AB 2698 Ta R (Dist. 70) Route 405: Little Saigon Freeway.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Would specify that Route 405 from Bolsa Chica Road to Bolsa Avenue in the County of Orange shall be known and designated as the Little Saigon Freeway, and would require the Department of Transportation to determine the cost of appropriate signs showing that special designation and, upon receiving donations from nonstate sources sufficient to cover the cost, to erect those signs, as specified.

AB 2712 Friedman D (Dist. 44) Preferential parking privileges: transit-oriented development.

Location: SENATE HOUSING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law authorizes a local authority, by ordinance or resolution, to prohibit or restrict the stopping, parking, or standing of vehicles on certain streets or highways during all or certain hours of the day. Current law authorizes the ordinance or resolution to include a designation of certain streets upon which preferential parking privileges are given to residents and merchants adjacent to the streets for their use and the use of their guests, under which the residents and merchants may be issued permits that exempt them from the prohibition or restriction of the ordinance or

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resolution. Current law prohibits a public agency from imposing any minimum automobile parking requirements on any residential, commercial, or other development project that is located within 1/2 mile of public transit, as defined, unless the public agency makes written findings that not imposing or enforcing minimum automobile parking requirements on the development would have a substantially negative impact on, among other things, the city's, county's, or city and county's ability to meet its share of the regional housing need for low- and very low income households. This bill would, for purposes of its provisions, define "development project" to mean a residential, commercial, or other development project exempt from minimum automobile parking requirements, or subject to parking minimum reductions based on any other applicable law, located within the boundaries of the City of Los Angeles. This bill, for a development project that is located within a preferential parking area, would require the development project to be excluded from the boundaries of the preferential parking area and would prohibit the local authority, as defined, from issuing any permit to the residents or visitors of the development project that grants preferential parking privileges.

AB 2715 Boerner D (Dist. 77) Ralph M. Brown Act: closed sessions.

Location: SENATE THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Ralph M. Brown Act requires that all meetings of a legislative body of a local agency be open and public and that all persons be permitted to attend and participate. Current law authorizes a legislative body to hold a closed session with specified individuals on, among other things, matters posing a threat to the security of essential public services, as specified. This bill would additionally authorize a legislative body to hold a closed session with other law enforcement or security personnel and to hold a closed session on a threat to critical infrastructure controls or critical infrastructure information, as defined, relating to cybersecurity.

AB 2728 Gabriel D (Dist. 46) Planning and zoning: housing development: independent institutions of higher education and religious institutions.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Planning and Zoning Law requires each county and city to adopt a comprehensive, long-term general plan that includes, among other mandatory elements, a housing element. That law requires the city's or county's planning agency, after the legislative body has adopted a general plan, to submit an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development. This bill would require a local government to include in the annual report specified information relating to housing development projects under the act, including the number of applications submitted and the total number of building permits issued under the act.

AB 2735 Rubio, Blanca D (Dist. 48) Joint powers agreements: water corporations.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Would authorize a water corporation, as defined, a mutual water company, and one or more public agencies to provide insurance, as specified, by a joint powers agreement. The bill would also authorize a water corporation, a mutual water company, and one or more public agencies to enter into a joint powers agreement for the purposes of risk pooling, as specified. The bill would prohibit a joint powers agency from allowing a water corporation to join the joint powers agency, unless the joint powers agency makes a specified determination relating to insurance. If a water corporation enters into a joint powers agreement for the purposes of risk pooling, the bill would require the water corporation to submit an annual information filing to the Public Utilities Commission and the joint powers agency, as specified.

AB 2743 Pacheco D (Dist. 64) Insurance: personal vehicle sharing.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law prohibits classifying a private passenger motor vehicle as a commercial vehicle, for-hire vehicle, permissive use vehicle, or livery solely because its owner allows it to be shared, if specified criteria are met, including if the annual revenue received by the vehicle’s owner generated by the personal vehicle sharing of the vehicle does not exceed the annual expenses of owning and operating the vehicle. Current law requires a personal vehicle sharing program, for each vehicle that it facilitates the use of, among other things, to provide insurance coverages for the vehicle and operator of the vehicle that are equal to or greater than the insurance coverages maintained by the vehicle owner, but no less than 3 times the minimum coverage amounts for private passenger vehicles. Current law requires an owner or operator of a motor vehicle, or an owner of a vehicle used to transport passengers for hire not regulated by the Public Utilities Commission, to maintain liability insurance coverage for the named insured and any other person using the vehicle with permission in the amount of \$15,000 for the bodily injury or death of any one person, \$30,000 for the bodily injury or death of all persons, and \$5,000 for damage to the property of others resulting from any one accident. Current law increases these minimum amounts to \$30,000, \$60,000, and \$15,000, respectively, on January 1, 2025. This bill would require a personal vehicle sharing program to provide, instead, insurance coverages for the vehicle and operator at a minimum of \$45,000 for bodily injury or death for one person, \$90,000 for bodily injury or death for all persons, and \$15,000 for property damage, and, on and after January 1, 2031, to provide liability coverage at least 3 times the minimum insurance requirements for private passenger vehicles. The bill would require a personal vehicle sharing program to disclose to a vehicle owner and any person that operates the vehicle specified information, including the minimum mandatory coverage and limit that the personal vehicle sharing program is required to provide and the coverages and limits provided.

AB 2750 Gallagher R (Dist. 3) Electricity: procurement: generation from biomass.

Location: SENATE APPR. SUSPENSE FILE

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations, while local publicly owned electric utilities are under the direction of their governing boards. Current law requires electrical corporations, in addition to other requirements to procure generating capacity from bioenergy projects, to collectively procure, by December 1, 2023, their proportionate share of 125 megawatts of cumulative rated generating capacity from bioenergy projects that commenced operations before June 1, 2013, and that use certain feedstocks. This bill would extend that procurement deadline to July 1, 2025.

AB 2802 Maienschein D (Dist. 76) Transitional housing placement providers.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The California Community Care Facilities Act requires the State Department of Social Services to license and regulate transitional housing placement providers pursuant to the act. Under current law, a transitional housing placement provider is an organization licensed by the department to provide transitional housing to foster children at least 16 years of age and not more than 18 years of age and to nonminor dependents to promote their transition to adulthood. Current law requires a transitional housing unit to include, among other things, a host family certified by a transitional housing placement provider or other designated entity, as prescribed. Current law requires the department to adopt regulations governing transitional housing placement living arrangements requirements for minors and nonminor dependents, as prescribed. This bill would require those regulations to include allowing a minor or nonminor dependent participant to share a bedroom or unit in a transitional housing placement with a nonparticipant roommate, sibling, or coparent, as specified. The bill would also require the regulations to allow a

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minor or nonminor dependent with children to share their living arrangement with a coparent or participant s
 The bill would require the regulations to require counties and program contracts to allow individual program participants and individuals sharing their living arrangements to share bedrooms, bathrooms, and units together, regardless of gender identity and would require county program contracts to allow providers and participants to make best matches to allow for gender flexibility.

AB 2803 Valencia D (Dist. 68) Campaign expenditures: criminal convictions: fees and costs.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Political Reform Act of 1974 deems all campaign contributions to be held in trust for expenses associated with seeking or holding office, and generally authorizes expenditures associated therewith if they are reasonably related to a political, legislative, or governmental purpose. Current law prohibits the use of campaign funds to pay or reimburse fines, penalties, judgments, or settlements, except as specified. Current law provides that the expenditure of campaign funds for attorney’s fees and other costs in connection with administrative, civil, or criminal litigation are not related to a political, legislative, or governmental purpose unless the litigation is directly related to activities of a committee that are consistent with its primary objectives or arises directly out of a candidate’s or elected officer’s activities, duties, or status as a candidate or elected officer, as specified. This bill would prohibit campaign funds from being used to reimburse expenditures for attorney’s fees and other costs in connection with criminal litigation if the litigation results in a conviction of the candidate or elected officer for a felony involving certain types of offenses as specified.

AB 2815 Petrie-Norris D (Dist. 73) Clean Transportation Program: electric vehicle chargers.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law establishes the Clean Transportation Program, administered by the State Energy Resources Conservation and Development Commission, to provide funding to certain entities to develop and deploy innovative technologies that transform California’s fuel and vehicle types to help attain the state’s climate change policies. Current law limits funding under the program to specified categories of programs and projects. Current law creates the Alternative and Renewable Fuel and Vehicle Technology Fund, to be administered by the commission, and requires the moneys in the fund, upon appropriation by the Legislature, to be expended by the commission to implement the program. This bill would add to the categories of programs and projects eligible for funding under the Clean Transportation Program a program to repair or replace nonoperational electric vehicle chargers that are at least 5 years old and that are located in a publicly available parking space, as provided. The bill would require the commission to allocate at least 50% of the funding allocated for the repair or replacement program to low-income communities and disadvantaged communities.

AB 2849 Rubio, Blanca D (Dist. 48) Beer manufacturers: sale of draught beer.

Location: SENATE THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Existing law requires any on-sale retail licensee that gives, sells, or otherwise dispenses draught beer to include specified information about the beer upon the faucet, spigot, or outlet from which the beer is drawn or in the place of service and consumption, as provided. This bill would exempt from these labeling requirements premises operated under a beer manufacturer license.

AB 2854 Irwin D (Dist. 42) Bradley-Burns Uniform Local Sales and Use Tax Law.

Location: SENATE APPR.

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2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered	22.b
	1st House				2nd House								

The Bradley-Burns Uniform Local Sales and Use Tax Law (Bradley-Burns) authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law. Current law, on or after January 1, 2016, prohibits a local agency from entering into any form of agreement that would result, directly or indirectly, in the payment, transfer, diversion, or rebate of Bradley-Burns local tax revenues to any person, as defined, for any purpose, if the agreement results in a reduction in the amount of Bradley-Burns local tax revenues that, in the absence of the agreement, would be received by another local agency and the retailer continues to maintain a physical presence within the territorial jurisdiction of that other local agency, with specified exceptions. This bill would require a local agency, as defined, to annually provide specified information relating to each agreement resulting in the direct or indirect payment, transfer, diversion, or rebate of Bradley-Burns local tax revenues to the California Department of Tax and Fee Administration. The bill would additionally require the local agency to publish that information on its internet website.

AB 2861 Wallis R (Dist. 47) Personal income tax: credit: gun safe.

Location: ASSEMBLY REV. & TAX SUSPENSE FILE

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Personal Income Tax Law allows various credits against the taxes imposed by that law. This bill would allow a credit against those taxes for each taxable year beginning on or after January 1, 2025, and before January 1, 2030, in an amount equal to the amount paid or incurred, not to exceed \$300, during the taxable year for the purchase of one gun safe, as defined, for use in a residential unit located in the state.

AB 2867 Gabriel D (Dist. 46) Recovery of artwork and personal property lost due to persecution.

Location: SENATE THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law provides that in the case of a theft of any article of historical, interpretive, scientific, cultural, or artistic significance, a cause of action is not deemed to have accrued until the discovery of the whereabouts of the article by the aggrieved party, the aggrieved party's agent, or a law enforcement agency. Current law requires a civil action against a museum, gallery, auctioneer, or dealer for the recovery of works of fine art that were unlawfully taken or stolen, including a taking or theft by means of fraud or duress, to be commenced within 6 years of the actual discovery by the claimant or their agent of the identity and whereabouts of the work of fine art and information or facts that are sufficient to indicate that the claimant has a claim for a possessory interest in the work of fine art. Current federal law, the Holocaust Expropriated Art Recovery Act of 2016, establishes a statute of limitation for claims to recover artwork and other property, as defined, stolen or misappropriated by the Nazis between 1933 and 1945. This bill would provide that California substantive law shall apply in actions to recover fine art or an item of historical, interpretive, scientific, or artistic significance, including those covered by the Holocaust Expropriated Art Recovery Act of 2016, brought by a California resident or their heirs, as specified.

AB 2886 Aguiar-Curry D (Dist. 4) Gambling Control Act: injunctive relief.

Location: SENATE THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law requires the Department of Justice to investigate any violations of, and to enforce, the Gambling Control Act. Current law prohibits a court from issuing a temporary injunction or other provisional order to restrain, stay, or otherwise interfere with any action by the department or the California Gambling Control Commission, except upon a finding by the court, based on clear and convincing evidence, that the public interest will not be prejudiced. Current law prohibits an order from being effective for more than 15 days and a preliminary order from being

effective for more than 45 days, except by stipulation of the department or commission. This bill would extend the period an order may be effective to 21 days and extend the period a preliminary order may be effective to 60 days.

AB 2889 Zbur D (Dist. 51) Local public employee relations: the City of Los Angeles Employee Relations Board and the Los Angeles County Employee Relations Commission.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law establishes the Public Employment Relations Board (PERB). Under current law, PERB has the power and duty to investigate an unfair practice charge and to determine whether the charge is justified and the appropriate remedy for the unfair practice. The Meyers-Milias-Brown Act regulates the labor relations of employees and employers of local public agencies. The act requires that a complaint alleging any violation of the act or of any rules and regulations adopted by a public agency pursuant to specified law be processed as an unfair practice charge by PERB. The act provides that the initial determination as to whether the charge of unfair practice is justified and, if so, the appropriate remedy necessary to effectuate the purposes of the act is a matter within the exclusive jurisdiction of PERB, except that in an action to recover damages due to an unlawful strike, PERB does not have authority to award strike-preparation expenses as damages and does not have authority to award damages for costs, expenses or revenue losses incurred during, or as a consequence of, an unlawful strike. Current law, notwithstanding PERB's authority, grants the employee relations commissions for the City of Los Angeles and the County of Los Angeles the power and responsibility to take actions on all unfair practices, as specified. This bill would prohibit, in an action to recover damages due to an unlawful strike, the City of Los Angeles Employee Relations Board and the Los Angeles County Employee Relations Commission from awarding strike-preparation expenses as damages and awarding damages for costs, expenses, or revenue losses incurred during, or as a consequence of, an unlawful strike.

AB 2898 Carrillo, Wendy D (Dist. 52) Unbundled parking: exemptions: Housing Choice Vouchers.

Location: SENATE THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law requires the owner of qualifying residential property, as defined, that provides parking with the qualifying residential property to unbundle parking from the price of rent, as specified. Current law defines "unbundled parking" as the practice of selling or leasing parking spaces separate from the lease of the residential use. Current federal law provides housing assistance to low-income individuals and households in the form of vouchers, commonly known as Housing Choice Vouchers. This bill would exempt any residential unit that is leased to a tenant who receives a federal Housing Choice Voucher, including a federal Veterans Affairs Supportive Housing voucher, from the above-described requirement to unbundle parking.

AB 2899 Gabriel D (Dist. 46) General acute care hospitals: licensed nurse-to-patient ratios.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Under current law, the State Department of Public Health adopted regulations that establish minimum, specific, and numerical licensed nurse-to-patient ratios by licensed nurse classification and by hospital unit within a general acute care hospital, among other health facilities. Current regulations require licensed nurse-to-patient ratios to represent the maximum number of patients assigned to one licensed nurse at any one time, and define "assigned" to mean the licensed nurse has responsibility for the provision of care to a particular patient within their scope of practice. This bill would require the department, when transmitting to a general acute care hospital the action to be taken on a substantiated violation of the regulation establishing licensed nurse-to-patient ratios, to simultaneously transmit the same information to the person who filed the claim of the violation and their collective bargaining agent or representative, if any. The bill would further require the department, if the action to be taken does not include a fine

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to simultaneously transmit a statement of the reasoning for not imposing a fine to the person who filed the c
the violation and their collective bargaining agent or representative, if any.

AB 2903 Hoover R (Dist. 7) Homelessness.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law requires a state agency or department that administers one or more state homelessness programs, upon request of the California Interagency Council on Homelessness, to participate in council activities, as specified, and to provide to the council any relevant information regarding those state homelessness programs. This bill would require, commencing September 1, 2025, a state agency or department that administers one or more state homelessness programs to report annually to the council cost and outcome data for each program the agency or department administers, and would require the council to develop uniform data collection and reporting procedures for this purpose. The bill would require the council to compile the data reported by agencies and departments and, commencing April 1, 2026, annually make that data available to the public.

AB 2904 Quirk-Silva D (Dist. 67) Zoning ordinances: notice.

Location: SENATE THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law requires the planning commission to hold a public hearing on any zoning ordinance or an amendment to a zoning ordinance that changes any property from one zone to another. If the proposed ordinance or amendment to a zoning ordinance affects the permitted uses of real property, current law requires notice of the hearing to be, among other things, mailed or delivered at least 10 days prior to the hearing to the owner of the subject real property, as specified. This bill would instead require notice of the planning commission’s hearing on a proposed zoning ordinance or amendment to a zoning ordinance, if the proposed ordinance or amendment to a zoning ordinance affects the permitted uses of real property, to be published, posted, mailed, and delivered, or advertised, as applicable, at least 20 days before the hearing.

AB 2910 Santiago D (Dist. 54) State Housing Law: City of Los Angeles: conversion of commercial or industrial buildings.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law requires the California Building Standards Commission to approve and adopt building standards and to codify those standards in the California Building Standards Code, which is required to be published once every 3 years. The State Housing Law establishes statewide construction and occupancy standards for buildings used for human habitation. That law requires the building department of every city or county to enforce within its jurisdiction the provisions of the California Building Standards Code, the provisions of the State Housing Law, and specified other rules and regulations promulgated pursuant to that law. That law authorizes a city or county to adopt alternative building regulations for the conversion of commercial or industrial buildings to joint living and work quarters, as specified. This bill would additionally authorize the City of Los Angeles (city) to adopt alternative building regulations for the conversion of commercial buildings to residential uses, as specified. The bill would require the city to have a housing element compliant with law and adopt an ordinance facilitating or expediting the review of adaptive reuse projects before the city is authorized to adopt alternative building regulations pursuant to this bill.

AB 2911 McKinnor D (Dist. 61) Campaign contributions: agency officers.

Location: SENATE E. & C.A.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

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The Political Reform Act of 1974 prohibits an officer of an agency from accepting, soliciting, or directing a contribution of more than \$250 from any party, participant, or a party or participant’s agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered in the proceeding, if the officer knows or has reason to know that the participant has a financial interest, as defined. Current law permits an officer who violates this prohibition to cure the violation by returning the contribution, or portion of the contribution in excess of \$250, within 14 days of accepting, soliciting or directing the contribution, as specified. Current law also prohibits a party or party’s agent from making a contribution of more than \$250 to any officer of an agency while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered by the agency in that proceeding. This bill would raise the threshold for contributions regulated by these provisions to \$1,500, as specified.

AB 2926 Kalra D (Dist. 25) Planning and zoning: assisted housing developments: notice of expiration of affordability restrictions.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Planning and Zoning Law requires an owner of an assisted housing development proposing the termination of a subsidy contract or prepayment of governmental assistance or of an assisted housing development in which there will be the expiration of rental restrictions to provide a notice of the proposed change to each affected tenant household residing in the assisted housing development, as specified. The Planning and Zoning Law defines “assisted housing development” for these purposes to mean a multifamily rental housing development of 5 or more units that receives governmental assistance under any of specified programs, including assistance provided by counties or cities under specified law in exchange for restrictions on the maximum rents, as specified, and on the maximum tenant income, as specified. The Planning and Zoning law defines a “termination” for these purposes to mean an owner’s decision to extend or renew its participation in a federal, state, or local government subsidy program or private, nongovernmental subsidy program for an assisted housing development, as specified. The Planning and Zoning Law defines the “expiration of rental restrictions” for these purposes to mean the expiration of rental restrictions for an assisted housing development, as specified, unless the development has other recorded agreements restricting the rent to the same or lesser levels for at least 50% of the units. This bill would instead impose the above-described notice requirement on an owner prior to the anticipated date of termination of a subsidy contract or expiration of rental restrictions or prepayment on an assisted housing development, as specified. The bill would expand the definition of “assisted housing development” to include a development that receives assistance from counties or cities in exchange for affordability restrictions, as described above, pursuant to the Middle Class Housing Act of 2022; streamlining assistance pursuant to the Affordable Housing and High Road Job Act of 2022; specified law providing a streamlined, ministerial approval process for certain housing developments; or the Affordable Housing on Faith and Higher Education Lands Act of 2023. The bill would revise the definition of “termination” for these purposes to instead mean the failure of an owner to extend or renew its participation in the above-described programs, as specified.

AB 2928 Flora R (Dist. 9) Budget Act of 2022.

Location: ASSEMBLY PRINT

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Budget Act of 2022 made appropriations for the support of state government for the 2022–23 fiscal years. This bill would amend the Budget Act of 2022 by amending an item of appropriation relating to the Lockeford Community Services District.

AB 2951 Cervantes D (Dist. 58) Voter registration: cancellation.

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Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House					2nd House							

Current law requires a county elections official to cancel a person’s voter registration in certain circumstances, including when a person is deemed mentally incompetent, upon proof that the person is presently imprisoned for conviction of a felony, upon the death of the person, and when a person fails to respond to an address verification mailed by the elections official and does not attempt to vote at the next two federal general elections. Current law requires the elections official to provide notice of the intent to cancel the person’s registration between 15 and 30 days before the cancellation. This bill, until July 1, 2025, instead would require the elections official to provide notice of the intent to cancel the person’s registration between 15 and 30 days before the cancellation if the cancellation was due to mental incapacity to vote, a prison commitment, or the voter has failed to respond to an address verification, as specified, and would require the elections official to provide notice within 15 days before or after cancellation of a voter’s registration if the person has died. This bill would require the Secretary of State to submit an update on January 1, 2025, and on the first of each month thereafter until July 1, 2025, to specified committees of the Legislature detailing its efforts and progress in fully implementing and achieving compliance with specified law regarding voting rights disqualifications and restorations.

AB 3123 Jones-Sawyer D (Dist. 57) Los Angeles County Metropolitan Transportation Authority: board code of conduct: lobbying rules.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House					2nd House							

Current law creates the Los Angeles County Metropolitan Transportation Authority (MTA), governed by a 14-member board, with specified powers and duties relative to transportation planning, programming, and operations in the County of Los Angeles. Current law prescribes a code of conduct for the board of MTA, which includes, among other things, rules pertaining to gifts and financial conflicts of interest. As part of the provisions establishing this code of conduct, current law requires the board of MTA to appoint an ethics officer who reports to the board. Current law also requires MTA to appoint an inspector general and requires the code of conduct to be enforced by the inspector general. This bill would revise and recast the code of conduct by, among other things, specifying that board members are subject to all ethics laws applicable to other public officials and by eliminating specific rules from the code of conduct including, among others, certain rules pertaining to gifts and financial conflicts of interest. The bill would also provide that the code of conduct is in addition to any rules or codes adopted by the board. The bill would require the ethics officer, in addition to reporting to the board, to operate in an independent manner, and would prohibit the ethics officer from being removed from office except under certain circumstances.

AB 3177 Carrillo, Wendy D (Dist. 52) Mitigation Fee Act: land dedications: mitigating vehicular traffic impacts.

Location: SENATE APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House					2nd House							

The Mitigation Fee Act imposes various requirements with respect to the establishment, increase, or imposition of a fee by a local agency as a condition of approval of a development project. Current law requires a local agency that imposes a fee on a housing development for the purpose of mitigating vehicular traffic impacts to set the rate for the fee to reflect a lower rate of automobile trip generation if the housing development satisfies specified characteristics including that the housing development is located within 1/2 mile of a transit station, as specified. Current law defines transit station for these purposes to mean a rail or light-rail station, ferry terminal, bus hub, or bus transfer station. This bill would instead require the housing development to be located within a transit priority area, as specified, for purposes of a local agency setting the rate for a mitigating vehicular traffic impacts fee to reflect a lower rate of automobile trip generation. The bill would define “transit priority area” as an area within 1/2 mile of a major transit

stop that is existing or planned, if the planned stop is scheduled to be completed within the planning horizon in a Transportation Improvement Program or applicable regional transportation plan. This bill would prohibit a local agency from imposing a land dedication requirement, as defined, on a housing development to widen a roadway if the land dedication requirement is for the purpose of mitigating vehicular traffic impacts, achieving an adopted traffic level of service related to vehicular traffic, or achieving a desired roadway width.

ABX1 2 Fong, Vince R (Dist. 0) Motor Vehicle Fuel Tax Law: suspension of tax.

Location: ASSEMBLY PRINT

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Would suspend the imposition of the tax on motor vehicle fuels for one year. The bill would require that all savings realized based on the suspension of the motor vehicle fuels tax by a person other than an end consumer, as defined, be passed on to the end consumer, and would make the violation of this requirement an unfair business practice, in violation of unfair competition laws, as provided. The bill would require a seller of motor vehicle fuels to provide a receipt to a purchaser that indicates the amount of tax that would have otherwise applied to the transaction.

SB 7 Blakespear D (Dist. 38) Regional housing need: determination.

Location: ASSEMBLY APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Planning and Zoning Law requires, for the 4th and subsequent revisions of the housing element, the Department of Housing and Community Development (department) to determine the existing and projected need for housing for each region, as specified. That law requires the department, in consultation with the council of governments, to determine the existing and projected need of housing for each region in a specified manner. That law requires the department’s determination to be based upon population projections produced by the Department of Finance, as specified. That law also requires the department to meet and consult with the council of governments regarding the assumptions and methodologies to be used to determine each region’s housing need and requires the council of governments to provide data assumptions from the council of governments’ projections, as specified. That law authorizes the department to accept or reject the information provided by the council of governments and, after consultation with each council of governments, to make determinations on the council of governments’ data assumptions and the methodology the department will use to determine each region’s housing need. That law requires the department to provide its determinations to each council of governments, as specified. That law, upon making that determination, authorizes the council of governments to object to the determination. This bill, for region in which the department is required to distribute the regional housing need, would prohibit a city or county from filing an objection to the regional housing need determination.

SB 312 Wiener D (Dist. 11) California Environmental Quality Act: university housing development projects: exemption.

Location: ASSEMBLY APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law, until January 1, 2030, exempts from the California Environmental Quality Act (CEQA) a university housing development project carried out by a public university on real property owned by the public university if the project meets certain requirements, including that each building within the project is certified as Leadership in Energy and Environmental Design (LEED) Platinum or better by the United States Green Building Council. Existing law requires the lead agency, if the university housing development project is exempt from CEQA under the above provision, to file the LEED certificate for buildings within the project and a notice determining that the construction impacts of the project have been fully mitigated with the Office of Planning and Research and the county clerk of the county in which the project is located. Current law requires a university housing development project carried out by

the University of California, in order to be exempt from CEQA under this law, to be consistent with the most recent long-range development plan EIR certified on or after January 1, 2018, as provided. This bill would extend the application of the university housing development project exemption until January 1, 2032. The bill would instead require a university housing development project carried out by the University of California, in order to be exempt from CEQA under the above-described exemption to be located on a campus site identified for housing in the most recent long-range development plan EIR or an EIR prepared for any subsequent amendment to that plan relating to housing, as specified. The bill would remove the requirement to file the LEED certificate with the county clerk of the county in which the project is located.

SB 638 Eggman D (Dist. 5) Climate Resiliency and Flood Protection Bond Act of 2024.

Location: ASSEMBLY W.P. & W.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Would enact the Climate Resiliency and Flood Protection Bond Act of 2024 which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,000,000,000 pursuant to the State General Obligation Bond Law, for flood protection and climate resiliency projects.

SB 768 Caballero D (Dist. 14) California Environmental Quality Act: Transportation Agency: vehicle miles traveled: study.

Location: ASSEMBLY APPR. SUSPENSE FILE

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law requires the Office of Planning and Research to prepare, develop, and transmit to the Secretary of the Natural Resources Agency for certification and adoption proposed revisions to guidelines establishing criteria for determining the significance of transportation impacts of projects within transit priority areas to promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses. Current law establishes the Transportation Agency in state government with various duties and responsibilities. The agency is under the supervision of the Secretary of Transportation, who has the power of general supervision over specified departments and offices, including the Department of Transportation. This bill would require the Transportation Agency, in consultation with local governments and other interested parties, as specified, by January 1, 2028, and subject to an appropriation by the Legislature for this purpose, to conduct and post on its internet website a study on how vehicle miles traveled is used as a metric for measuring transportation impacts pursuant to the California Environmental Quality Act (CEQA). The bill would require the study to include, among other things, an analysis of the differences in the availability and feasibility of mitigation measures for vehicle miles traveled in rural, suburban, and urban areas. The bill would repeal those provisions on January 1, 2029.

SB 908 Cortese D (Dist. 15) Fentanyl: child deaths.

Location: ASSEMBLY APPR. SUSPENSE FILE

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The State Department of Public Health administers the California Overdose Surveillance Dashboard that provides data on state- and local-level drug-related overdose outcomes for California, including, among other data, the number of deaths related to fentanyl overdoses. Current law requires the department to update the dashboard to reflect additional information, as specified. This bill would require the department to use best efforts to utilize all of its relevant data regarding overdoses in the state to monitor and identify current trends of fentanyl-related deaths of children 0 to 5 years of age, inclusive. The bill would require the department to develop guidance and spread awareness of the trends to protect and prevent children from fentanyl exposure. The bill would require the department, on or before June 1, 2025, to annually distribute its findings and guidance to local health departments, county boards of supervisors, and the Legislature. The bill would repeal these provisions on January 1, 2031.

SB 925 Wiener D (Dist. 11) City and County of San Francisco: merchandising sales.

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Location: ASSEMBLY APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Under current law, knowingly buying or receiving stolen property or property that has been obtained in any manner constituting theft or extortion, as specified, is punishable as either a misdemeanor or a felony if the value of the property exceeds \$950. Current law authorizes a local authority to, by ordinance or resolution, adopt requirements regulating the time, place, and manner of sidewalk vending if the requirements are directly related to objective health, safety, or welfare concerns. Current law prohibits a local authority from regulating sidewalk vendors, except in accordance with certain provisions. This bill, until January 1, 2030, would authorize the City and County of San Francisco to adopt an ordinance prohibiting the sale of specified merchandise on public property without a permit, if the ordinance includes specified written findings, including, among other things, that there has been a significant pattern of merchandise being the subject of retail theft and then appearing for sale on public property within the City and County of San Francisco. The bill would require an ordinance adopted by the City and County of San Francisco to, among other things, identify a local permitting agency that is responsible for administering a permit system. The bill would authorize the ordinance to provide that selling merchandise without a permit is punishable as an infraction, and that subsequent violations after 2 prior convictions is an infraction or a misdemeanor punishable by imprisonment in the county jail not exceeding 6 months. By creating a new crime, the bill would impose a state-mandated local program.

SB 926 Wahab D (Dist. 10) Crimes: distribution of intimate images.**Location:** ASSEMBLY APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Would make it a crime for a person to intentionally create and distribute or cause to be distributed any photo realistic image, digital image, electronic image, computer image, computer-generated image, or other pictorial representation of an intimate body part or parts of another identifiable person, or an image of the person depicted engaged in an act of sexual intercourse, sodomy, oral copulation, sexual penetration, or an image of masturbation by the person depicted or in which the person depicted participates that was created in a manner that would cause a reasonable person to believe the image is an authentic image of the person depicted, under circumstances in which the person distributing the image knows or should know that distribution of the image will cause serious emotional distress, and the person depicted suffers that distress. By expanding the scope of a crime, this bill would impose a state-mandated local program.

SB 936 Seyarto R (Dist. 32) Office of Planning and Research: study: road safety projects.**Location:** ASSEMBLY APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Would require the Office of Planning and Research (OPR), in coordination with the Department of Transportation, to conduct a study to identify certain locations in the state highway system with regard to vehicle collisions, projects that could improve road safety at each of those locations, and common factors, if any, contributing to the delay in the delivery of those projects. The bill would require OPR to post the study on its internet website on or before January 1, 2026.

SB 960 Wiener D (Dist. 11) Transportation: planning: complete streets facilities: transit priority facilities.**Location:** ASSEMBLY APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law requires the Department of Transportation to improve and maintain the state's highways, and establish

various programs to fund the development, construction, and repair of local roads, bridges, and other critical transportation infrastructure in the state, including the state highway operation and protection program (SHOPP). Current law requires the department, in consultation with the California Transportation Commission, to prepare a robust asset management plan to guide selection of projects for the SHOPP. Current law requires the commission, in connection with the plan, to adopt targets and performance measures reflecting state transportation goals and objectives. Existing law requires the department to develop, in consultation with the commission, a plain language performance report to increase transparency and accountability of the SHOPP. This bill would require the targets and performance measures adopted by the commission to include targets and performance measures reflecting state transportation goals and objectives for complete streets assets that reflect the existence and conditions of bicycle, pedestrian, and transit priority facilities on the state highway system. The bill would require the department's plain language performance report to include a description of complete streets facilities, including pedestrian, bicycle, and transit priority facilities on each project, as specified.

SB 1031 Wiener D (Dist. 11) San Francisco Bay area: local revenue measure: transportation improvements.

Location: ASSEMBLY DESK

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law creates the Metropolitan Transportation Commission as a local area planning agency for the 9-county San Francisco Bay area with comprehensive regional transportation planning and other related responsibilities. Current law creates various transit districts located in the San Francisco Bay area, with specified powers and duties relating to providing public transit services. This bill would authorize the commission to raise and allocate new revenue and incur and issue bonds and other indebtedness, as specified. In this regard, the bill would authorize the commission, until January 1, 2041, to impose a retail transactions and use tax, a regional payroll tax, a parcel tax, and a regional vehicle registration surcharge in all or a subset of the 9 counties of the San Francisco Bay area, except as specified, in accordance with applicable constitutional requirements. The bill would prohibit a tax or surcharge described above from being imposed for a period of time of more than 30 years. The bill would require the parcel tax to be collected by counties and the other 3 taxes to be collected by specified state agencies, and would require the net revenues from those taxes to be remitted to the commission, as prescribed.

SB 1068 Eggman D (Dist. 5) Tri-Valley-San Joaquin Valley Regional Rail Authority: contracting: Constructor Manager/General Contractor project delivery method.

Location: ASSEMBLY CONSENT CALENDAR

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law establishes the Tri-Valley-San Joaquin Valley Regional Rail Authority for purposes of planning, developing, delivering, and operating cost-effective and responsive transit connectivity, between the Bay Area Rapid Transit District's rapid transit system and the Altamont Corridor Express commuter rail service. Current law gives the authority all of the powers necessary for planning, acquiring, leasing, developing, jointly developing, owning, controlling, using, jointly using, disposing of, designing, procuring, and constructing facilities to achieve transit connectivity, including, among other powers, the power to contract with public and private entities for the planning, design, and construction of the connection. Current law authorizes these contracts to be assigned separately or combined to include any or all tasks necessary to achieve transit connectivity. This bill would authorize the Tri-Valley-San Joaquin Valley Regional Rail Authority to use the Construction Manager/General Contractor project delivery method when contracting for the planning, design, and construction of the connection. The bill would additionally authorize the contracts of the authority to extend to work on the state highway system for the construction of passenger rail service through the Altamont Pass Corridor.

SB 1086 Seyarto R (Dist. 32) Sales and Use Tax Law: motor vehicle fuel tax: sales price: gross receipts.

Location: SENATE REV. & TAX

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2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered	22.b
	1st House				2nd House								

The Motor Vehicle Fuel Tax Law, administered by the California Department of Tax and Fee Administration, imposes a tax upon each gallon of motor vehicle fuel removed from a refinery or terminal rack in this state, entered into this state, or sold in this state, at a specified rate per gallon. Current sales and use tax laws provide a partial exemption from the taxes imposed by those laws for motor vehicle fuel that is subject to the taxes imposed by the Motor Vehicle Fuel Tax Law. This bill, beginning January 1, 2025, would exclude from the terms “gross receipts” and “sales price” under the Sales and Use Tax Law the amount of any motor vehicle fuel tax imposed pursuant to the Motor Vehicle Fuel Tax Law.

SB 1098 Blakespear D (Dist. 38) Passenger and freight rail: LOSSAN Rail Corridor.

Location: ASSEMBLY APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law authorizes the Department of Transportation, subject to approval of the Secretary of Transportation, to enter into an interagency transfer agreement under which a joint powers board assumes responsibility for administering the state-funded intercity rail service in certain rail corridors, including the LOSSAN Rail Corridor. Current law defines the LOSSAN Rail Corridor as the intercity passenger rail corridor between San Diego, Los Angeles, and San Luis Obispo. Pursuant to this authority, the department entered into an interagency transfer agreement with the LOSSAN Rail Corridor Agency to administer intercity passenger rail service in the LOSSAN Rail Corridor. This bill would require the Secretary of Transportation to provide guidance and recommendations to and coordination between, stakeholders as necessary to ensure the performance of the LOSSAN Rail Corridor, as specified.

SB 1325 Durazo D (Dist. 26) Public contracts: best value procurement: goods.

Location: ASSEMBLY APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law imposes requirements on, and authorizes procedures for, public contracting for equipment and services among other things, by local and state agencies. Current law authorizes certain procurements to be facilitated through a lowest responsible bidder requirement. This bill would authorize a public entity, as defined, to award contracts through a best value procurement method, as described, for the purchase of goods with a base value of \$250,000 or more. The bill would require the public entity to adopt and publish procedures and guidelines for evaluating the qualifications of the bidders to ensure the best value selections are conducted in a fair and impartial manner, as described. The bill would authorize the procedures and guidelines to include the adoption of a high road jobs plan policy that evaluates bidders’ high road jobs plan commitments as part of the overall score for the public contract, as specified. This bill would require the solicitation document to include certain information and would direct the public entity to use a scoring method based on price and the factors described in the solicitation document, as specified.

SB 1402 Min D (Dist. 37) 30x30 goal: state agencies: adoption, revision, or establishment of plans, policies and regulations.

Location: ASSEMBLY APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Current law requires the Secretary of the Natural Resources Agency to prepare and submit, on or before March 31, 2024, and annually thereafter, a report to the Legislature on the progress made in the prior calendar year toward achieving the goal to conserve 30% of California’s lands and coastal waters by 2030. Current law provides that it is the goal of the state to conserve at least 30% of California’s lands and coastal waters by 2030, known as the 30x3

Attachment: Bill Report 8-24 (10814 : State Legislative Update)

goal. This bill would require all state agencies, departments, boards, offices, commissions, and conservanc consider the 30x30 goal when adopting, revising, or establishing plans, policies, or regulations that directly affect the use of coastal waters or land, management of natural resources, or biodiversity conservation.

SB 1418 Archuleta D (Dist. 30) Hydrogen-fueling stations: expedited review.

Location: ASSEMBLY APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The Planning and Zoning Law requires every city, county, and city and county to administratively approve an application to install electric vehicle charging stations and hydrogen-fueling stations through the issuance of a building permit or similar nondiscretionary permit. The Planning and Zoning Law requires each city, county, and city and county to adopt an ordinance that creates an expedited, streamlined permitting process for electric vehicle charging stations. Current law authorizes a city, county, or city and county developing an ordinance to refer to the recommendations contained in the most current version of the “Plug-In Electric Vehicle Infrastructure Permitting Checklist,” as specified. Current law requires a city, county, and city and county, in developing the expedited permitting process, to adopt a checklist of all requirements with which electric vehicle charging stations must comply to be eligible for expedited review. For these purposes, current law defines “hydrogen-fueling station” to mean the equipment used to store and dispense hydrogen fuel to vehicles according to industry codes and standards that is open to the public. Current law requires a hydrogen-fueling station to meet certain requirements, including any rules established by the State Air Resources Board, Energy Commission, or Department of Food and Agriculture regarding safety, reliability, weights, and measures. This bill would modify the definition of “hydrogen-fueling station” to mean the equipment and structural design components necessary to ensure the safety of the fueling station, including hydrogen-refueling canopies, that are used to store and dispense hydrogen fuel to vehicles according to industry codes and standards that are open to the public.

SB 1420 Caballero D (Dist. 14) Hydrogen production facilities: certification and environmental review.

Location: ASSEMBLY APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

(1)The California Environmental Quality Act (CEQA) requires preparation of specified documentation before a public agency approves or carries out certain projects. Existing law authorizes the Governor to certify energy infrastructure projects meeting specified requirements for streamlining benefits related to CEQA. Existing law defines “energy infrastructure project” for these purposes to include eligible renewable energy resources under the California Renewables Portfolio Standard Program, excluding resources that use biomass fuels. Existing law expressly excludes from that definition of “energy infrastructure project” any project using hydrogen as a fuel. This bill would instead exclude from the definition of “energy infrastructure project” for purposes of the CEQA streamlining benefits eligible renewable energy resources under the California Renewables Portfolio Standard Program that combust, rather than use, biomass fuels. The bill would include hydrogen production facilities and associated onsite storage and processing facilities that meet specified conditions, including that the facilities have received funding from the state or federal government on or before January 1, 2032, and do not use fossil fuel as a feedstock or energy source, within the definition of “energy infrastructure project.” Because the bill would authorize the Governor to certify additional projects, thereby increasing the duties on lead agencies in conducting the environmental review of energy infrastructure projects certified by the Governor, this bill would impose a state-mandated local program.

SB 1510 Stern D (Dist. 27) Permitting: electric vehicle charging.

Location: SENATE RLS.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Attachment: Bill Report 8-24 (10814 : State Legislative Update)

Current law requires every city, county, and city and county to administratively approve an application to install an electric vehicle charging station through the issuance of a building permit or similar nondiscretionary permit and requires the review of an application to install an electric vehicle charging station to be limited to the building official review of whether it meets all health and safety requirements of local, state, and federal law. Current law requires an electric vehicle charging station to comply with, among other things, all applicable rules of the Public Utilities Commission regarding safety and reliability, as specified. This bill would express the intent of the Legislature to enact subsequent legislation that would reduce state and local permitting barriers for electric vehicle charging.

SBX1 1 Jones R (Dist. 40) Motor vehicle fuel tax: greenhouse gas reduction programs: suspension.

Location: SENATE RLS.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions to ensure that the statewide greenhouse gas emissions are reduced to at least 40% below the statewide greenhouse gas emissions limit, as defined, no later than December 31, 2030. Pursuant to the act, the state board has adopted the Low Carbon Fuel Standard regulations. The act authorizes the state board to include in its regulation of those emissions the use of market-based compliance mechanisms. Current law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund. This bill would suspend the Low Carbon Fuel Standard regulations for one year. The bill would also exempt suppliers of transportation fuels from regulations for the use of market-based compliance mechanisms for one year.

Total Measures: 86

Total Tracking Forms: 86

Attachment: Bill Report 8-24 (10814 : State Legislative Update)

Minute Action

AGENDA ITEM: 23

Date: *September 4, 2024*

Subject:

Federal Legislative Update

Recommendation:

Receive and file the August 2024 Federal Legislative Update.

Background:

San Bernardino County Transportation Authority Legislative Affairs staff, along with a representative from federal advocates, Potomac Partners D.C., LLC, updated the Legislative Policy Committee on August 14, 2024, regarding the appropriations process for Fiscal Year 2025.

Fiscal Year 2025 (FY25) Appropriations Process

On July 10, 2024, the House Appropriations Subcommittee on Transportation, Housing and Urban Development (THUD), and Related Agencies passed their appropriations bill, sending the bill to the House Floor for a vote.

House Republican Leadership adjourned a week early for their scheduled August 2024 Recess as it became clear that the caucus still had some issues to work out on the annual appropriations bills before floor consideration.

On July 25, 2024, the Senate Appropriations THUD Subcommittee passed their FY25 appropriations bill on a bipartisan vote of 28-1.

The Senate THUD bill for FY25 provides \$98.737 billion in total discretionary funding.

Transportation Highlights:

- Department of Transportation (DOT) – The bill provides \$110 billion in total funding for DOT, of which \$81.6 billion is from obligation limitations and \$28.5 billion is from discretionary funding.
- Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants - The bill provides \$550 million for the RAISE Grant program. When combined with the \$1.5 billion in Infrastructure Investment and Jobs Act (IIJA) advanced appropriations, the RAISE Grant program will see \$2.05 billion in total funding in FY25. As the only multimodal DOT program available to local governments, the program allows communities to make transformative investments in their transportation infrastructure that help improve mobility and safety.
- Federal Aviation Administration (FAA) - The bill provides \$22 billion for the FAA, an increase of \$1.9 billion over Fiscal Year 2024 (FY24).
- Highways and Bridges - The bill provides \$63.171 billion for federal-aid highways, which includes \$61.314 billion in funding from the Highway Trust Fund, and an additional \$1.118 billion for Highway Infrastructure Programs.
- Federal Railroad Administration (FRA) - A total of \$3.46 billion is provided for the FRA. This includes \$2.63 billion for Amtrak, \$100 million is allocated to the Fed-State

Entity: San Bernardino Council of Governments, San Bernardino County Transportation Authority

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Partnership Program, and \$475 million for the Consolidated Rail Infrastructure and Safety Improvements Grant program.

- Federal Transit Administration (FTA) - The bill provides \$17 billion for the FTA, including \$2.262 billion for Capital Investment Grants (CIG), a \$57 million increase over FY24. When combined with the \$1.6 billion in IJA advanced appropriations, a total of \$3.862 billion is available for CIG in FY25.

Housing and Urban Development Highlights:

- Department of Housing and Urban Development (HUD) - The bill provides \$69.8 billion in programmatic funding for HUD. This funding will maintain all existing rental assistance and help build more affordable housing, reduce homelessness, connect people to both housing and health care, and rehabilitate distressed properties to preserve the existing affordable housing stock.
- Homelessness - The bill provides \$4.32 billion for Homeless Assistance Grants, a \$268 million increase above FY24.
- Affordable Housing Supply - \$1.425 billion for the HOME Investment Partnerships (HOME) Program, a \$175 million increase above FY24. The HOME program is the primary federal tool for state and local governments to produce affordable rental and owner-occupied housing. \$4.6 billion for local community development and affordable housing needs through the Community Development Block Grant formula program and Economic Development Initiatives, as well as \$115 million for Section 202 Housing for the Elderly Capital Advance grants.
- Rental Assistance Programs - \$35.3 billion for tenant-based Section 8 vouchers, a \$2.9 billion increase above FY24, and \$16.7 billion for the Project-Based Rental Assistance Program to renew housing contracts, a \$644 million increase above FY24.

Legislative Calendar

The House and Senate will be in recess for the entire month of August 2024 and will return to session on September 9, 2024. When Congress returns to session, they will only have three weeks to close out the fiscal year, and “must-pass” legislation will dominate the schedule.

Programs like those authorized by the Farm Bill, annual appropriations, the National Flood Insurance Program, and more are set to expire at midnight on September 30, 2024. At this time, a government shutdown is considered unlikely. A government shutdown at the end of the fiscal year would delay Congress’ October 2024 recess and take time away from the campaign trail. Instead, Congress is expected to pass a Continuing Resolution to extend government funding into the lame-duck session.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2024/2025.

Reviewed By:

This item was received by the Legislative Policy Committee on August 14, 2024.

Responsible Staff:

Otis Greer, Director of Legislative and Public Affairs

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Approved
Board of Directors
Date: September 4, 2024
Witnessed By:

San Bernardino Council of Governments
San Bernardino County Transportation Authority

Minute Action

AGENDA ITEM: 24

Date: *September 4, 2024*

Subject:

Homeowners Insurance Resolution

Recommendation:

That the Board, acting as the San Bernardino Council of Governments:

Adopt Resolution No. 25-007, requesting that the California Insurance Commissioner, State Legislature, and the Governor declare a state of emergency and take immediate emergency regulatory and legislative action to strengthen and stabilize California's marketplace for homeowners insurance and commercial property insurance.

Background:

In 1988, California voters enacted Proposition 103, which established a robust set of consumer protections to keep insurance rates fair and affordable and ensure a competitive marketplace.

Last year, two of the State's largest insurance carriers, representing over 27% of the admitted insurance market in California, announced they would stop issuing new homeowners and commercial property insurance policies in California. Several others, representing more than an additional 36% of the market, announced plans to limit new policy origination.

The reduction of insurance options in the State has a direct negative effect on consumer access to coverage: in all parts of the State, homeowners, business owners, and farmers are now unable to obtain new insurance policies from the admitted insurance market. Access to insurance allows existing property owners to purchase protection for their most important asset and empowers homebuyers to secure a mortgage that brings the benefit of building generational wealth. Still, a scarcity of options may freeze real estate transactions and slow the rate of new housing development, including attached dwelling units like affordable housing projects, apartments, and condominiums, exacerbating the State's critical housing shortage.

Californians who cannot obtain coverage from the admitted market are forced to apply for protection through the California Fair Access to Insurance Requirements (FAIR) Plan, a state-established risk pool intended to operate as California's insurer of last resort, providing temporary coverage as consumers pursue insurance in the traditional market. The collapsing admitted-provider market has caused steadily increasing enrollment in the FAIR Plan over the past five years, threatening the ongoing stability of the plan, putting even this safety net at dire risk.

Policy decisions have placed Californians' homes and businesses at risk of catastrophic loss, which can only be prevented by stabilizing the homeowner's insurance and commercial property insurance markets. Providing fair and affordable rates to consumers while maintaining the ongoing viability of the FAIR Plan offers a vital safety net to Californians with nonrenewed policies and homebuyers in need of insurance to secure a mortgage.

The California Insurance Commissioner has released draft regulations to address this immediate crisis. Still, the Little Hoover Commission hearing on March 28, 2024, reports that reforms "will not go into effect until at least 2026, and it may take a few years after that for the market to react... this timeline, of course, could be delayed further if lawsuits by any party, including insurers or consumers, were to occur."

Entity: San Bernardino Council of Governments

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The California Insurance Commissioner has broad authority under the Insurance Code to adopt emergency regulations to promote the public welfare, including under sections 1861.01, 1861.05, and 1861.055, to adopt emergency regulations governing the prior approval process for insurance rate change applications, and to adopt emergency regulations under section 11346.1 of the Government Code and section 12921.7 of the Insurance Code. The recommended Resolution requests that the Insurance Commissioner, State Legislature, and the Governor declare a state of emergency and take immediate regulatory and legislative action to strengthen and stabilize California's marketplace for homeowners insurance and commercial property insurance.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2024/2025.

Reviewed By:

This item was reviewed and unanimously recommended for approval by the Legislative Policy Committee on August 14, 2024. SBCOG General Counsel has reviewed this item and the draft resolution.

Responsible Staff:

Otis Greer, Director of Legislative and Public Affairs

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

RESOLUTION NO. 25-007

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BERNARDINO COUNCIL OF GOVERNMENTS (SBCOG) REQUESTING THE CALIFORNIA INSURANCE COMMISSIONER, STATE LEGISLATURE, AND THE GOVERNOR TAKE EMERGENCY ACTION TO STRENGTHEN AND STABILIZE CALIFORNIA'S MARKETPLACE FOR HOMEOWNERS AND COMMERCIAL PROPERTY INSURANCE.

WHEREAS, in 1988, California voters enacted Proposition 103, which established a robust set of consumer protections designed to keep insurance rates fair and affordable and to ensure a competitive marketplace; and

WHEREAS, last year, two of the State's largest insurance carriers, representing over 27 percent of the admitted insurance market in California, announced they would stop issuing new homeowners and commercial property insurance policies in California, and several others, representing more than another 36 percent of the market, announced plans to limit new policy origination; and

WHEREAS, the reduction of insurance options in the State has a direct negative effect on consumer access to coverage; in all parts of the State, homeowners, business owners, and farmers are now unable to obtain new insurance policies from the admitted insurance market; and

WHEREAS, access to insurance allows existing homeowners to protect what is for many their largest and most important asset, and empowers homebuyers to secure a mortgage for a home that can build generational wealth, but a scarcity of options may freeze real estate transactions and slow or stop the rate of new housing development, including attached dwelling units like affordable housing projects, apartments, and condominiums, exacerbating the State's critical housing shortage; and

WHEREAS, Californians who cannot obtain coverage from the admitted market are forced to apply for protection through the California Fair Access to Insurance Requirements (FAIR) Plan, a state-established risk pool intended to operate as California's insurer of last resort, providing temporary coverage as consumers pursue insurance in the traditional market; and

WHEREAS, the collapsing admitted-provider market has caused steadily increasing enrollment in the FAIR Plan over the past five years, threatening the ongoing stability of the plan, putting even this safety net at dire risk; and

WHEREAS, policy decisions have placed Californians' homes and businesses at risk of catastrophic loss that can only be prevented by stabilizing the homeowners insurance and commercial property insurance markets while providing rates that remain fair and affordable to consumers, and maintaining the ongoing viability of the FAIR Plan, which provides a vital safety net to Californians whose policies are nonrenewed and to homebuyers who cannot secure a mortgage without insurance; and

WHEREAS, the California Insurance Commissioner has released draft regulations to address this immediate crisis but the Little Hoover Commission hearing on March 28, 2024 reports that reforms "will not go into effect until at least 2026, and it may take a few years after that for the market to react... this timeline, of course could be delayed further if lawsuits by any party, including insurers or consumers, were to occur"; and

WHEREAS, the California Insurance Commissioner has broad authority under the Insurance Code to adopt emergency regulations to promote the public welfare, including under sections 1861.01, 1861.05, and 1861.055 to adopt emergency regulations governing the prior approval process for insurance rate change applications, and to adopt emergency regulations under section 11346.1 of Government Code and section 12921.7 of the Insurance Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of SBCOG:

Section 1. The Insurance Commissioner, State Legislature, and the Governor are requested to declare a state of emergency and take immediate emergency regulatory and legislative action to strengthen and stabilize California's marketplace for homeowners insurance and commercial property insurance. The Commissioner, Legislature, and Governor must consider the following goals in crafting an appropriate regulatory response:

- a. Expand coverage choices for all consumers, particularly in underserved areas of the State.
- b. Improve the efficiency, speed, and transparency of the California Department of Insurance's rate approval process.
- c. Tailor the rate approval process to account for all factors necessary to promote a robust, competitive insurance marketplace, including through potential revisions to the way catastrophe risks, reinsurance costs, and other legitimate insurer costs are accounted for.
- d. Maintain the long-term availability of homeowners and commercial property insurance coverage.
- e. Maintain the solvency of the FAIR Plan to protect its policyholders and promote long-term resiliency in the face of extreme weather events, including by identifying mechanisms to reduce its share of the overall market in underserved areas and move its customers into the admitted insurance market.

PASSED AND ADOPTED at a meeting of the San Bernardino Council of Governments held on September 4, 2024.

Ray Marquez, Board President
San Bernardino Council of Governments

ATTEST:

Marleana Roman, Clerk of the Board
San Bernardino Council of Governments

Minute Action

AGENDA ITEM: 25

Date: *September 4, 2024*

Subject:

Interstate 10 Corridor Freight and Express Lanes Project Contract 2 - Hearings to Consider Resolutions of Necessity for Property Interests

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority:

A. Conduct public hearings to consider condemnation of real property required for the Interstate 10 Corridor Freight and Express Lanes Project - Contract 2 in the City of Ontario and unincorporated areas of San Bernardino County.

~~B. Upon completion of a public hearing, that the Board adopt Resolution of Necessity No. 25-001 authorizing and directing General Counsel, or her designee, to prepare, commence, and prosecute proceedings in eminent domain for the purpose of acquiring interests in real property from: Shea Center Ontario (Assessor's Parcel Numbers 0238-052-41, 0238-052-44 and 0238-052-46). The resolution must be approved by at least a two-thirds majority.~~

C. Upon completion of a public hearing, that the Board adopt Resolution of Necessity No. 25-002 authorizing and directing General Counsel, or her designee, to prepare, commence, and prosecute proceedings in eminent domain for the purpose of acquiring interests in real property from: VID Enterprises, LLC (Assessor's Parcel Number 0238-052-53). The resolution must be approved by at least a two-thirds majority.

D. Upon completion of a public hearing, that the Board adopt Resolution of Necessity No. 25-004 authorizing and directing General Counsel, or her designee, to prepare, commence, and prosecute proceedings in eminent domain for the purpose of acquiring interests in real property from: Erwin Weinhart (Assessor's Parcel Numbers 0252-142-28 and 0252-142-29). The resolution must be approved by at least a two-thirds majority.

~~E. Upon completion of a public hearing, that the Board adopt Resolution of Necessity No. 25-005 authorizing and directing General Counsel, or her designee, to prepare, commence, and prosecute proceedings in eminent domain for the purpose of acquiring interests in real property from: Ruben Zepeda (Assessor's Parcel Number 0252-142-19). The resolution must be approved by at least a two-thirds majority.~~

Background:

San Bernardino County Transportation Authority (SBCTA) is proceeding with the delivery of the Interstate 10 (I-10) Corridor Freight and Express Lanes Project - Contract 2 (Project). The acquisition of temporary construction easements (TCE), permanent easements, and partial fee areas from 39 properties is required to construct and operate the Project.

On March 1, 2023, the SBCTA Board of Directors (Board) approved Cooperative Agreement No. 23-1002935 with the California Department of Transportation (Caltrans) for the Right-of-Way (ROW) phase of this Project, defining SBCTA's role as the lead agency for acquisition of ROW. Costs to acquire the necessary ROW on this Project will be funded with Measure I Funds. At the same meeting, the Board authorized staff to complete the appraisal of properties identified and to make offers of just compensation to the property owners for the acquisition of property necessary for the Project.

Entity: San Bernardino County Transportation Authority

In an effort to maintain the Project schedule, it is necessary to comply with the statutorily-prescribed process for eminent domain and conduct hearings for a Resolution of Necessity for each property while negotiations continue. Therefore, the purpose of this agenda item is to present information regarding the public interest and necessity for the Project and the property rights required for Project implementation. Although the adoption of Resolutions of Necessity is recommended for the subject properties in order to maintain the Project schedule and avoid delay costs, SBCTA's acquisition agents will continue to negotiate with the property owners in an effort to acquire the property interests through a voluntary purchase and avoid litigation.

The owners of the subject properties are:

- ~~Shea Center Ontario~~
- VID Enterprises, LLC
- Erwin Weinhart
- ~~Ruben Zepeda~~

Support for the Resolutions of Necessity

SBCTA is authorized to acquire property by eminent domain pursuant to the California Public Utilities Code Sections 130220.5 and 130809(b)(4). Eminent domain will allow SBCTA to obtain legal rights to the properties needed for the Project if a negotiated sale cannot be reached. A Resolution of Necessity is the first step in the eminent domain process. Since the process takes several months, it is necessary to start this process now to ensure that possession of the property is obtained in time to meet the scheduled delivery and to avoid costly ROW delays.

In order to adopt the Resolutions of Necessity, SBCTA must make the four findings discussed below for each of the properties. The issue of the amount of just compensation for these properties is not addressed by these Resolutions of Necessity and is not to be considered at the hearings. The four necessary findings are:

1. The public interest and necessity require the Project.

The Project is located in the Cities of Ontario, Fontana, Rialto, and Colton, as well as unincorporated areas of San Bernardino County. The Project will add a single express lane, in each direction, along the I-10 from the Interstate 15, in the City of Ontario, to Pepper Avenue, in the City of Colton, a length of approximately 11 miles, connecting to the I-10 Corridor Freight and Express Lanes Contract 1, currently under construction.

The purpose of the Project is to improve traffic operations on the I-10 corridor in San Bernardino County to:

- Reduce congestion
- Increase throughput
- Enhance trip reliability
- Accommodate long-term congestion management of the corridor

If no improvements are made to the freeway, the existing and future traffic congestion will likely become worse with a potential of increased traffic delays and related accidents.

2. The Project is planned and located in a manner that will be most compatible with the greatest public good and least private injury.

During the environmental phase, various design alternatives were considered to minimize the properties required for the Project. Subsequently, an analysis of implementing a single express lane under this Project, rather than the dual express lanes approved in the environmental document, showed that constructing a single express lane would reduce the fee acquisitions from 85 properties and 13 full acquisitions to five properties and zero full acquisitions. However, the Project still requires partial acquisitions, temporary construction easements, and permanent easements.

SBCTA's acquisition agents have had numerous communications with each of the property owners and design staff about Project impacts in order to design the Project in a manner that causes the least private injury while accomplishing the greatest public good. Some examples include constructing retaining walls to minimize the additional area needed for the widening of the freeway, installation of soundwalls to mitigate noise impacts, and maintaining access to properties during construction of the Project.

3. Each property sought to be acquired is necessary for the Project.

While portions of the Project are being constructed within existing ROW, the Project requires acquisition of the property interests listed below:

- ~~Shea Center Ontario: Two Fee Acquisitions and three TCEs are needed for the construction of the Project.~~
- **VID Enterprises, LLC:** A Drainage Easement is needed for the construction of the Project improvements.
- **Erwin Weinhart:** A TCE is needed for the construction of the Project improvements.
- ~~Ruben Zepeda: A TCE is needed for the construction of the Project improvements.~~

4. Offers required by Section 7267.2 of the Government Code have been made to the property owners.

The properties listed below were appraised and offers for the full amount of the appraisals were made to the owner or owners of record in accordance with Section 7267.2 of the Government Code.

- ~~The offer for the Shea Center Ontario Property was presented on May 31, 2024.~~
- The offer for the VID Enterprises, LLC Property was presented on June 26, 2024.
- The offer for the Erwin Weinhart Property was presented May 14, 2024.
- ~~The offer for the Ruben Zepeda Property was presented on May 31, 2024.~~

Financial Impact:

The I-10 Corridor Freight and Express Lanes Project Contract 2 is included in the adopted Budget for Fiscal Year 2024/2025 and funded with Measure I Funds in Program 40, Project Delivery.

Reviewed By:

This item was reviewed and recommended for approval (19-0-0) with a quorum of the Board present at the Board of Directors Metro Valley Study Session on August 15, 2024. SBCTA General Counsel has reviewed this item and the draft resolutions.

San Bernardino County Transportation Authority

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Page 4

Responsible Staff:

Sal Chavez, Project Delivery Manager

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

ATTACHMENT A

POWERPOINT PRESENTATION

I-10 Corridor Freight and Express Project Contract 2

RESOLUTION OF NECESSITY FOR PROJECT RIGHT-OF-WAY

Presenter: Sal Chavez
Project Delivery Manager



San Bernardino County
Transportation Authority

Board of Directors
September 4, 2024

SBCTA IS REQUESTED TO MAKE THE FOLLOWING FINDINGS:

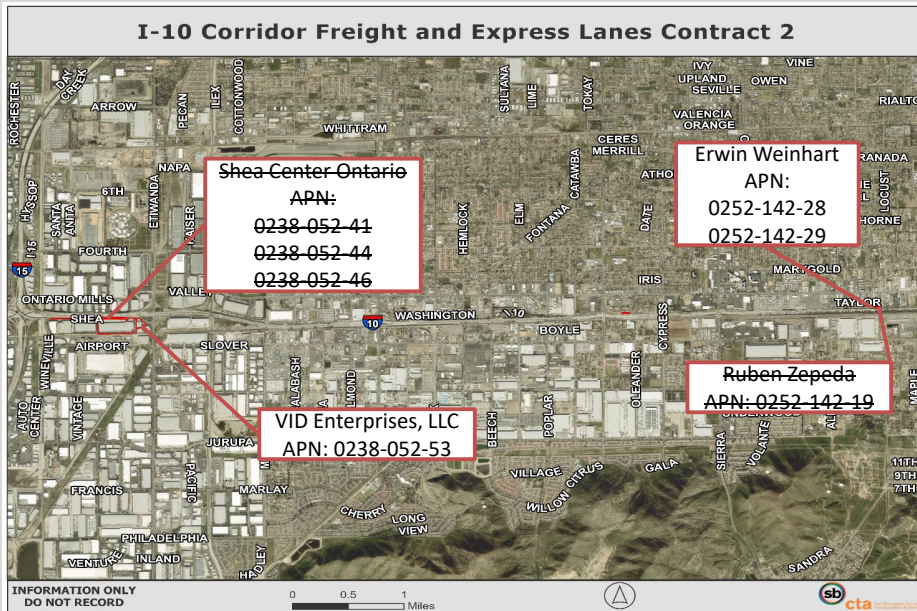
1. The public interest and necessity require the proposed project
2. The project is planned or located in a manner that will be most compatible with the greatest public good and the least private injury
3. The real property to be acquired is necessary for the project
4. The offer of just compensation has been made to the property owner



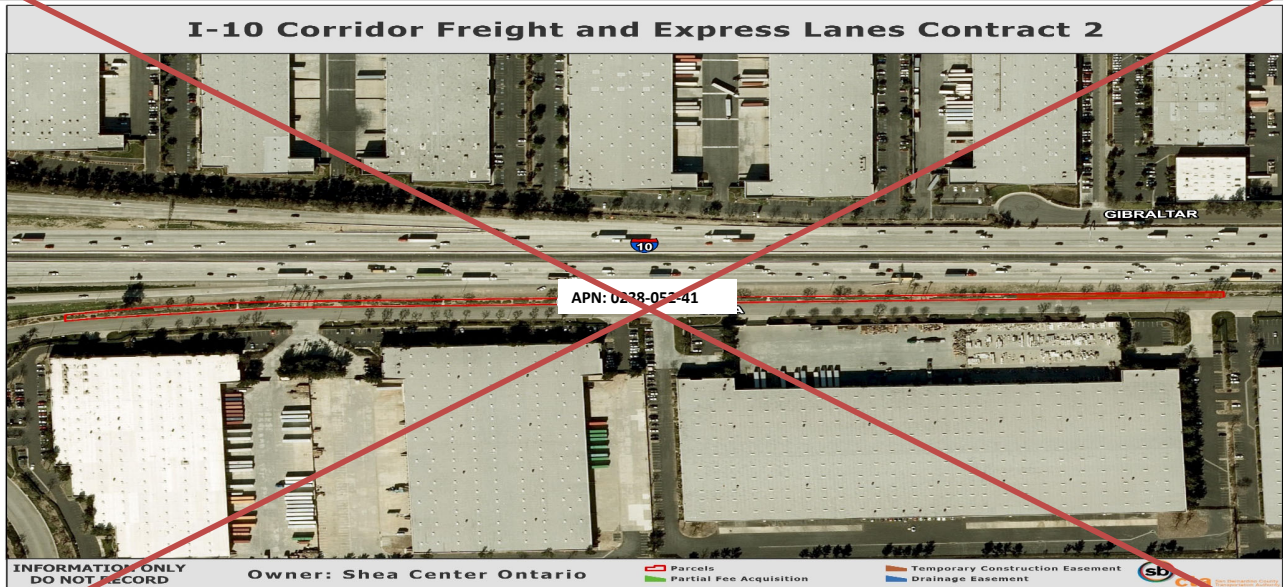
SBCTA Request

Attachment: RON Presentation (10833 : Hearing to Consider RON - I-10 Corridor Freight and Express Lanes Contract 2 Project)

- This project provides a single express lane, in each direction, along the I-10 from the I-15, in the City of Ontario, to Pepper Avenue, in the City of Colton, a length of approximately 11 miles, connecting to the I-10 Corridor Contract 1 express lanes currently under construction.
- Project will improve eastbound acceleration lanes between Cherry Avenue to Citrus Avenue and Sierra Avenue to Cedar Avenue; and add auxiliary lanes in both directions from Riverside Avenue to Pepper Avenue.



I-10 Corridor Freight and Express Lanes Contract 2



Parcel Location


Attachment: RON Presentation (10833 : Hearing to Consider RON - I-10 Corridor Freight and Express Lanes Contract 2 Project)

I-10 Corridor Freight and Express Lanes Contract 2

APN: 0238-052-44

Owner: Shea Center Ontario

■ Parcels ■ Partial Fee Acquisition ■ Temporary Construction Easement
■ Drainage Easement



Parcel Location

I-10 Corridor Freight and Express Lanes Contract 2

APN: 0238-052-46

Owner: Shea Center Ontario

■ Parcels ■ Partial Fee Acquisition ■ Temporary Construction Easement
■ Drainage Easement


Parcel Location

Attachment: RON Presentation (10833 : Hearing to Consider RON - I-10 Corridor Freight and Express Lanes Contract 2 Project)

I-10 Corridor Freight and Express Lanes Contract 2



INFORMATION ONLY
DO NOT RECORD

Owner: VID Enterprises LLC

Parcels
Partial Fee Acquisition

Temporary Construction Easement
Drainage Easement



Parcel Location

I-10 Corridor Freight and Express Lanes Contract 2



INFORMATION ONLY
DO NOT RECORD

Owner: Weinhart, Erwin

Parcels
Partial Fee Acquisition

Temporary Construction Easement
Drainage Easement



Parcel Location

Attachment: RON Presentation (10833 : Hearing to Consider RON - I-10 Corridor Freight and Express Lanes Contract 2 Project)

I-10 Corridor Freight and Express Lanes Contract 2



INFORMATION ONLY DO NOT RECORD Owner: Weinhart, Erwin Parcels Partial Fee Acquisition Temporary Construction Easement Drainage Easement sb cta



Parcel Location

I-10 Corridor Freight and Express Lanes Contract 2



INFORMATION ONLY DO NOT RECORD Owner: Zepeda, Ruben Parcels Partial Fee Acquisition Temporary Construction Easement Drainage Easement sb cta



Parcel Location

Attachment: RON Presentation (10833 : Hearing to Consider RON - I-10 Corridor Freight and Express Lanes Contract 2 Project)

No.	Ownership	Date of First Contact	Mailings	In Person Meetings	Phone Contacts	E-Mails	Attorney Contacts	Unsuccessful Contacts *	Total
B.	Shea Center Ontario	9/6/2023	2	1	4	20	0	0	27
C.	VID Enterprises, LLC	9/12/2023	2	1	4	27	34	0	34
D.	Erwin Weinhart	9/29/2023	3	2	9	0	0	13	27
E.	Ruben Zepeda	9/12/2023	2	4	6	6	0	5	23
* Property visit, phone call and/or email with no response									
Communications as of July 31, 2024									



Communication Summary

Item	Ownership	Offer Date
B.	Shea Center Ontario	6/17/2024
C.	VID Enterprises, LLC	6/26/2024
D.	Erwin Weinhart	5/14/2024
E.	Ruben Zepeda	5/31/2024



Offer of Just Compensation

**SBCTA ADOPT A RESOLUTION OF NECESSITY
BASED ON THE FOLLOWING FINDINGS:**

1. The public interest and necessity require the proposed project
2. The project is planned or located in a manner that will be most compatible with the greatest public good and the least private injury
3. The real property to be acquired is necessary for the project
4. The offer of just compensation has been made to the property owner



Staff Recommendation

THANK YOU



Attachment: RON Presentation (10833 : Hearing to Consider RON - I-10 Corridor Freight and Express Lanes Contract 2 Project)

**RESOLUTION OF NECESSITY NO. 25-002
VID ENTERPRISES, LLC PROPERTY
(APN 0238-052-53)**

Attachment: VID - FINAL RON 25-002 (10833 : Hearing to Consider RON - I-10 Corridor Freight and Express Lanes Contract 2 Project)

RESOLUTION NO. 25-002

A RESOLUTION OF THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY FINDING AND DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION BY EMINENT DOMAIN OF AN INTEREST IN CERTAIN REAL PROPERTY FOR PUBLIC USE AND AUTHORIZING AND DIRECTING CONDEMNATION OF A PORTION OF ASSESSOR PARCEL NO. 0238-052-53.

WHEREAS, the San Bernardino County Transportation Authority ("SBCTA") is undertaking the Interstate 10 (I-10) Corridor Freight and Express Lane Project - Contract 2 (the "Project") between the I-10/I-15 Interchange and the I-10/Pepper Avenue Interchange; and

WHEREAS, the Project is a public project designed to reduce traffic congestion, increase throughput, enhance trip reliability, and provide long-term congestion management of the corridor. The Project is the second phase of the SBCTA I-10 Express Lanes Program, which proposes to implement an Express Lane facility on the I-10 between the Los Angeles/San Bernardino County line and Ford Street in the City of Redlands. The Project includes mainline widening, auxiliary lanes, structure improvements, and modifying interchange ramps in the cities of Ontario, Fontana, Rialto and Colton, and San Bernardino County, necessary to accommodate the installation of one Express Lane for 11 miles in each direction of the I-10 from the I-15 to Pepper Avenue; and

WHEREAS, the Project requires the acquisition of property or property interests from public and private parties; and

WHEREAS, the Project will be a transportation improvement project serving the public interest; and

WHEREAS, California Public Utilities Code section 130809 subdivision (b) authorizes SBCTA to exercise the power of eminent domain to acquire said property or property interests for public use by condemnation; and

WHEREAS, a portion of the real property located at 551 North Loop Drive in Ontario, California (the "Subject Property") is required for the Project. The specific portion of the Subject Property required for the Project is a permanent drainage easement as legally described and depicted in Exhibit "1" (the "Property Interest"); and

WHEREAS, reasonable vehicular and pedestrian access to and from the Subject Property will be maintained at all times; and

WHEREAS, SBCTA communicated an offer of compensation to the owner or owners of record for the acquisition of the Property Interest; and

WHEREAS, in accordance with section 1245.235 of the California Code of Civil Procedure, SBCTA mailed a Notice of Hearing on the Intent of SBCTA to Adopt a Resolution of Necessity for acquisition by eminent domain of the Property Interest. The Notice of Hearing was mailed to the listed address of all persons whose names appear on the last equalized county assessment roll as the owner or owners of the Subject Property; and

WHEREAS, SBCTA provided written notice to the City of Ontario as required by subsection (c) of California Public Utilities Code section 130220.5; and

WHEREAS, the Project, including all amendments thereto, together with the staff reports, environmental documents and all other evidence presented to SBCTA's Board of Directors at the times the Project and the amendments thereto were adopted, are incorporated herein by this reference and made a part hereof as though fully set forth herein; and

WHEREAS, pursuant to section 1245.235 of the California Code of Civil Procedure, SBCTA scheduled a hearing for September 4, 2024 at 10:00 a.m. at Santa Fe Depot—SBCTA Lobby 1st Floor, 1170 W. 3rd Street, San Bernardino, California and gave to each person whose property is to be acquired by eminent domain and whose name and address appears on the last equalized county assessment roll notice and a reasonable opportunity to appear at said hearing and to be heard on the matters referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, said hearing has been held by SBCTA's Board of Directors and each person whose property is to be acquired by eminent domain was afforded an opportunity to be heard on those matters specified in SBCTA's notice of intention to conduct a hearing on whether or not to adopt a Resolution of Necessity and referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, SBCTA may adopt a Resolution of Necessity pursuant to section 1240.040 of the California Code of Civil Procedure.

NOW, THEREFORE, BE IT RESOLVED, by at least a two-thirds vote of SBCTA's Board of Directors under California Code of Civil Procedure sections 1240.030 and 1245.230, SBCTA does hereby find and determine as follows:

Section 1. Incorporation of Findings and Recitals. The above findings and recitals are true and correct and are incorporated herein in full by this reference.

Section 2. Compliance with California Code of Civil Procedure. There has been compliance by SBCTA with the requirements of section 1245.235 of the California Code of Civil Procedure regarding notice and hearing.

Section 3. Public Use. The public use for which the Property Interest is to be acquired is for the construction and future maintenance of the Project, a public transportation improvement, as more fully described hereinabove. California Public Utilities Code section 130809 subdivision (b)(4) authorizes SBCTA to acquire by eminent domain property and interests in property necessary for such purpose and for all uses incidental or convenient thereto.

Section 4. Necessity.

(a) The proposed Project is designed to reduce traffic congestion, increase throughput, enhance trip reliability, and provide long-term congestion management of the corridor between the I-10/I-15 Interchange and the I-10/Pepper Avenue Interchange;

(b) The public interest and necessity require the acquisition by eminent domain proceedings of the Property Interest.

Section 5. Description of the Property Interest. The Property Interest sought to be acquired is more particularly described and depicted in Exhibit "1" attached hereto and incorporated herein by reference.

Section 6. Findings. SBCTA hereby finds, determines and declares each of the following:

- (a) The public interest and necessity require the proposed Project;
- (b) The proposed Project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;
- (c) The Property Interest sought to be acquired is necessary for the proposed Project; and
- (d) The offer required by section 7267.2 of the California Government Code has been made to the owner or owners of record.

Section 7. Existing Public Use(s). Pursuant to sections 1240.510 and 1240.610 of the California Code of Civil Procedure, to the extent that any of the Property Interest, or any portion thereof, is already devoted to a public use, the use proposed by this Project is a more necessary public use than the use to which the Property Interest, or any portion thereof, is already devoted, or, in the alternative, is a compatible public use which will not unreasonably interfere with or

impair the continuance of the public use to which the Property Interest, or any portion thereof, is already devoted.

Section 8. Acquisition of Substitute Property. To the extent the Property Interest, or any portion thereof, is currently devoted to or held for some public use, SBCTA intends to acquire substitute property pursuant to California Code of Civil Procedure sections 1240.320 and/or 1240.330. The requirements of said Code sections have been satisfied and the acquisition of said substitute property is necessary for the purposes specified in said Code sections and for the Project. The substitute property may be conveyed by SBCTA to the owner(s) of the necessary property.

Section 9. Authority to Exercise Eminent Domain. SBCTA is hereby authorized and empowered to acquire the Property Interest, including the improvements thereon, if any, by eminent domain for the proposed Project.

Section 10. Further Activities. SBCTA's legal counsel ("Counsel") is hereby authorized and empowered to acquire the Property Interest in the name of and on behalf of SBCTA by eminent domain and is authorized to institute and prosecute such legal proceedings as may be required in connection therewith. Counsel is further authorized to take such steps as may be permitted and required by law, and to make such security deposits as may be required by law and/or order of court, to permit SBCTA to take possession of the Property Interest at the earliest possible time. Counsel is further authorized to reduce the extent of the interests or property to be acquired where the reduction can be accomplished without substantially impairing the construction and operation of the Project for which the Property Interest is being acquired.

Section 11. Effective Date. This Resolution of Necessity shall take effect upon adoption.

PASSED, APPROVED, and ADOPTED by the San Bernardino County Transportation Authority on September 4, 2024 by the following votes:

AYES:

NOES:

ABSENT:

Ray Marquez, Board President
San Bernardino County Transportation Authority

Marleana Roman, Clerk of the Board
San Bernardino County Transportation Authority

EXHIBIT "1"

EXHIBIT 'A'
LEGAL DESCRIPTION

Parcel No. 023805253-1

Drainage Easement

APN 0238-052-53

An easement for drainage purposes under, over, through and across the following described land; together with the right to construct, operate and maintain such facilities as necessary to effect the purpose of the easement.

In the City of Ontario, County of San Bernardino, State of California, being that portion of Parcel B of Lot Line Adjustment No. LLA 16-010 recorded October 21, 2016 as Instrument Number 2016-0443403 of Official Records, in the office of the County Recorder of said County, more particularly described as follows:

Beginning at northwesterly corner of said Parcel B; thence along the general northerly line of said Parcel B, the following two (2) courses:

- 1) South 86°32'19" East 52.02 feet to a curve concave southerly having a radius of 500.00 feet;
- 2) easterly 55.35 feet along said curve through a central angle of 06°20'32";


thence leaving said general northerly line and non-tangent to said curve South 45°16'16" West 28.09 feet; thence North 85°54'31" West 33.87 feet; thence North 74°56'27" West 54.94 feet to the westerly line of said Parcel B; thence along said westerly line North 00°22'12" East 12.61 feet to the **Point of Beginning**.

The above-described land contains 1,983 square feet (0.046 acres), more or less.

The bearings and distances used in the above description are on the California Coordinate System of 1983 (Epoch 2007.00), Zone 5. Divide the above distances by 0.99994643 to obtain ground level distances.

Reference is hereby made to Exhibit "B" attached hereto for the forgoing description.

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyor's act (Bus. & Prof. Code §8700).



Peter J. Fitzpatrick, PLS 6777

March 26, 2024
Date



Attachment: VID - FINAL RON 25-002 (10833 : Hearing to Consider RON - I-10 Corridor Freight and Express Lanes Contract 2 Project)

EXHIBIT B

25.b

PARCEL#	TITLE	AREA	APN
023805253-1	0	1983 SF	0238-052-53

CURVE TABLE

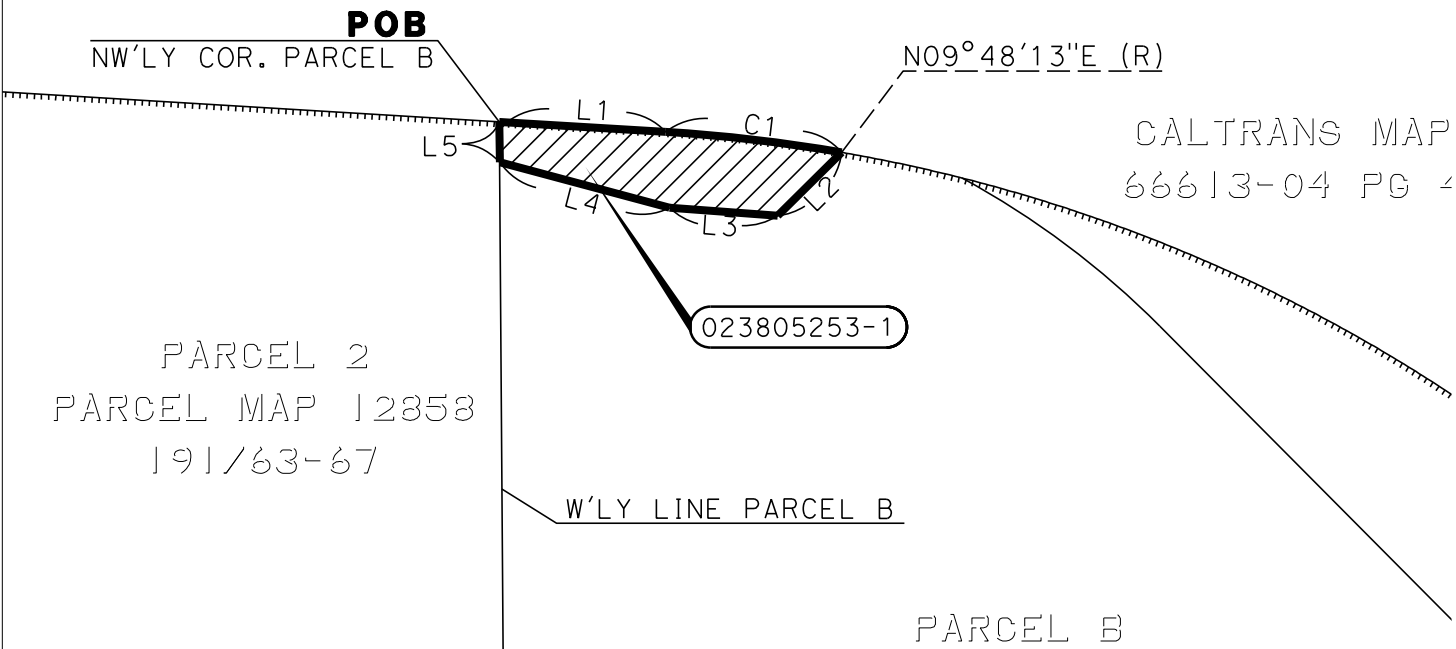
NO.	RADIUS	DELTA	LENGTH
C1	500.00'	06°20'32"	55.35'

LINE TABLE

NO.	BEARING	DISTANCE
L1	S86°32'19"E	52.02'
L2	S45°16'16"W	28.09'
L3	N85°54'31"W	33.87'
L4	N74°56'27"W	54.94'
L5	N00°22'12"W	12.61'



INTERSTATE 10



CALTRANS MAP
66613-04 PG 4

PARCEL 2
PARCEL MAP 12858
191/63-67

PARCEL B
LLA 16-010
INST. NO. 2016-0443403 O.R.
REC. 10-21-2016

LEGEND
(RAD) Indicates Radial Bearing
POB Point of Beginning
TPOB True Point of Beginning
Parcel Number
Exist Right of Way
Proposed Drainage Easement
Access Prohibited

NOTES

The distances shown herein are grid distances. Ground distances may be obtained by dividing grid distances by the combination factor of 0.99994643.

023805253-1
DRAINAGE EASEMENT



DATE: 3-26-2024		REV.:	EA:	FA#:	
DISTRICT	COUNTY	ROUTE	SHEET PM	SHEET NO.	TOTAL SHEETS
8	S.B.D.	10	10.980	1	1

Attachment: VID - FINAL RON 25-002 (10833 : Hearing to Consider RON - I-10 Corridor Freight and Express Lanes Contract 2 Project)

**RESOLUTION OF NECESSITY NO. 25-004
ERWIN WEINHART PROPERTY
(APNs 0252-142-28 AND 0252-142-29)**

Attachment: Weinhart - FINAL RON 25-004 (10833 : Hearing to Consider RON - I-10 Corridor Freight and Express Lanes Contract 2 Project)

RESOLUTION NO. 25-004

A RESOLUTION OF THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY FINDING AND DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION BY EMINENT DOMAIN OF AN INTEREST IN CERTAIN REAL PROPERTY FOR PUBLIC USE AND AUTHORIZING AND DIRECTING CONDEMNATION OF A PORTION OF ASSESSOR PARCEL NOS. 0252-142-28 and 0252-142-29.

WHEREAS, the San Bernardino County Transportation Authority ("SBCTA") is undertaking the Interstate 10 (I-10) Corridor Freight and Express Lane Project - Contract 2 (the "Project") between the I-10/I-15 Interchange and the I-10/Pepper Avenue Interchange; and

WHEREAS, the Project is a public project designed to reduce traffic congestion, increase throughput, enhance trip reliability, and provide long-term congestion management of the corridor. The Project is the second phase of the SBCTA I-10 Express Lanes Program, which proposes to implement an Express Lane facility on the I-10 between the Los Angeles/San Bernardino County line and Ford Street in the City of Redlands. The Project includes mainline widening, auxiliary lanes, structure improvements, and modifying interchange ramps in the cities of Ontario, Fontana, Rialto and Colton, and San Bernardino County, necessary to accommodate the installation of one Express Lane for 11 miles in each direction of the I-10 from the I-15 to Pepper Avenue; and

WHEREAS, the Project requires the acquisition of property or property interests from public and private parties; and

WHEREAS, the Project will be a transportation improvement project serving the public interest; and

WHEREAS, California Public Utilities Code section 130809 subdivision (b) authorizes SBCTA to exercise the power of eminent domain to acquire said property or property interests for public use by condemnation; and

WHEREAS, a portion of the real property located at 18029 and 18037 Taylor Avenue, in Bloomington, County of San Bernardino, California (the "Subject Property") is required for the Project. The specific portion of the Subject Property required for the Project is a temporary construction easement as legally described and depicted in Exhibit "1" hereto (the "Property Interest"); and

WHEREAS, reasonable vehicular and pedestrian access to and from the Subject Property will be maintained at all times; and

WHEREAS, SBCTA communicated an offer of compensation to the owner or owners of record for the acquisition of the Property Interest; and

WHEREAS, in accordance with section 1245.235 of the California Code of Civil Procedure, SBCTA mailed a Notice of Hearing on the Intent of SBCTA to Adopt a Resolution of Necessity for acquisition by eminent domain of the Property Interest. The Notice of Hearing was mailed to the listed address of all persons whose names appear on the last equalized county assessment roll as the owner or owners of the Subject Property; and

WHEREAS, SBCTA provided written notice to the County of San Bernardino as required by subsection (c) of California Public Utilities Code section 130220.5; and

WHEREAS, the Project, including all amendments thereto, together with the staff reports, environmental documents and all other evidence presented to SBCTA's Board of Directors at the times the Project and the amendments thereto were adopted, are incorporated herein by this reference and made a part hereof as though fully set forth herein; and

WHEREAS, pursuant to section 1245.235 of the California Code of Civil Procedure, SBCTA scheduled a hearing for September 4, 2024 at 10:00 a.m. at Santa Fe Depot—SBCTA Lobby 1st Floor, 1170 W. 3rd Street, San Bernardino, California and gave to each person whose property is to be acquired by eminent domain and whose name and address appears on the last equalized county assessment roll notice and a reasonable opportunity to appear at said hearing and to be heard on the matters referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, said hearing has been held by SBCTA's Board of Directors and each person whose property is to be acquired by eminent domain was afforded an opportunity to be heard on those matters specified in SBCTA's notice of intention to conduct a hearing on whether or not to adopt a Resolution of Necessity and referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, SBCTA may adopt a Resolution of Necessity pursuant to section 1240.040 of the California Code of Civil Procedure.

NOW, THEREFORE, BE IT RESOLVED, by at least a two-thirds vote of SBCTA's Board of Directors under California Code of Civil Procedure sections 1240.030 and 1245.230, SBCTA does hereby find and determine as follows:

Section 1. Incorporation of Findings and Recitals. The above findings and recitals are true and correct and are incorporated herein in full by this reference.

Section 2. Compliance with California Code of Civil Procedure. There has been compliance by SBCTA with the requirements of section 1245.235 of the California Code of Civil Procedure regarding notice and hearing.

Section 3. Public Use. The public use for which the Property Interest is to be acquired is for the construction and future maintenance of the Project, a public transportation improvement, as more fully described hereinabove. California Public Utilities Code section 130809 subdivision (b)(4) authorizes SBCTA to acquire by eminent domain property and interests in property necessary for such purpose and for all uses incidental or convenient thereto.

Section 4. Necessity.

(a) The proposed Project is designed to reduce traffic congestion, increase throughput, enhance trip reliability, and provide long-term congestion management of the corridor between the I-10/I-15 Interchange and the I-10/Pepper Avenue Interchange;

(b) The public interest and necessity require the acquisition by eminent domain proceedings of the Property Interest.

Section 5. Description of the Property Interest. The Property Interest sought to be acquired is more particularly described and depicted in Exhibit "1" attached hereto and incorporated herein by reference.

Section 6. Findings. SBCTA hereby finds, determines and declares each of the following:

- (a) The public interest and necessity require the proposed Project;
- (b) The proposed Project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;
- (c) The Property Interest sought to be acquired is necessary for the proposed Project; and
- (d) The offer required by section 7267.2 of the California Government Code has been made to the owner or owners of record.

Section 7. Existing Public Use(s). Pursuant to sections 1240.510 and 1240.610 of the California Code of Civil Procedure, to the extent that any of the Property Interest, or any portion thereof, is already devoted to a public use, the use proposed by this Project is a more necessary public use than the use to which the Property Interest, or any portion thereof, are already devoted, or, in the alternative, is a compatible public use which will not unreasonably interfere with or

impair the continuance of the public use to which the Property Interest, or any portion thereof, are already devoted.

Section 8. Acquisition of Substitute Property. To the extent the Property Interest, or any portions thereof, is currently devoted to or held for some public use, SBCTA intends to acquire substitute property pursuant to California Code of Civil Procedure sections 1240.320 and/or 1240.330. The requirements of said Code sections have been satisfied and the acquisition of said substitute property is necessary for the purposes specified in said Code sections and for the Project. The substitute property may be conveyed by SBCTA to the owner(s) of the necessary property.

Section 9. Authority to Exercise Eminent Domain. SBCTA is hereby authorized and empowered to acquire the Property Interest, including the improvements thereon, if any, by eminent domain for the proposed Project.

Section 10. Further Activities. SBCTA's legal counsel ("Counsel") is hereby authorized and empowered to acquire the Property Interest in the name of and on behalf of SBCTA by eminent domain and is authorized to institute and prosecute such legal proceedings as may be required in connection therewith. Counsel is further authorized to take such steps as may be permitted and required by law, and to make such security deposits as may be required by law and/or order of court, to permit SBCTA to take possession of the Property Interest at the earliest possible time. Counsel is further authorized to reduce the extent of the interests or property to be acquired where the reduction can be accomplished without substantially impairing the construction and operation of the Project for which the Property Interest is being acquired.

Section 11. Effective Date. This Resolution of Necessity shall take effect upon adoption.

PASSED, APPROVED, and ADOPTED by the San Bernardino County Transportation Authority on September 4, 2024 by the following votes:

AYES:

NOES:

ABSENT:

Ray Marquez, Board President
San Bernardino County Transportation Authority

Marleana Roman, Clerk of the Board
San Bernardino County Transportation Authority

EXHIBIT "1"

**TEMPORARY CONSTRUCTION EASEMENT
ATTACHMENT TO LEGAL DESCRIPTION
Assessor Parcel Nos. 0252-142-28 and 0252-142-29**

This temporary construction easement shall be in, on, upon, over, under, and across that certain real property described in Exhibit "A" and depicted in Exhibit "B" attached hereto, subject to the rights and limitations set forth herein ("TCE"). The TCE shall be used by the San Bernardino County Transportation Authority and its employees, agents, representatives, contractors, successors, and assigns (collectively, "SBCTA") in connection with the construction of the Interstate 10 (I-10) Corridor Freight and Express Lane Project – Contract 2 (the "Project"). The TCE shall be for a period of sixty (60) months, subject to the Rights and Limitations of Use and Occupancy set forth below.

Rights and Limitations of Use and Occupancy of TCE:

- Reasonable pedestrian and vehicular access to the remainder property will be maintained at all times.
- SBCTA may place a temporary fence around the TCE area.
- SBCTA and its contractor(s) shall access the TCE from the public right of way.
- Improvements within the TCE area will be removed as needed by SBCTA to allow for construction activities and shall be included in the compensation paid by SBCTA for this TCE.
- Prior to the termination of the TCE, SBCTA shall have a limited right of entry for thirty (30) days onto the remainder parcel for the purposes of allowing SBCTA to complete the final construction of side fencing.
- Prior to the termination of the TCE, SBCTA will remove from the TCE area all construction equipment and materials including, without limitation, any temporary fence, any temporary improvements, and all construction-related debris.

SBCTA expressly reserves the right to convey, transfer, or assign the TCE subject to the same rights and limitations described herein.

EXHIBIT A
LEGAL DESCRIPTION

Caltrans Parcel No: 025214228-1
Temporary Construction Easement
APN 0252-142-28 & 0252-142-29


In the unincorporated territory of the County of San Bernardino, State of California, being a portion of the land as described in the Grant Deed recorded February 12, 2002 as Document Number 20020071003 and Grant Deed recorded April 24, 2003 as Document Number 2003-0270924, both of Official Records, in the office of the County Recorder of said County, being a strip of land 5.00 feet wide, lying northerly of the northerly lines of the Grant Deed recorded March 19, 1982 as Instrument Number 82-053591 and Grant Deed recorded July 14, 1982 as Instrument Number 82-136515, both of Official Records, in the office of said County Recorder.

The above-described land contains 600 square feet (0.014 acres), more or less.

The distances shown herein are grid distances. Ground distances may be obtained by dividing grid distances by the combination factor of 0.99994643.

Reference is hereby made to Exhibit "B" attached hereto for the forgoing description.

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyor's act (Bus. & Prof. Code §8700).



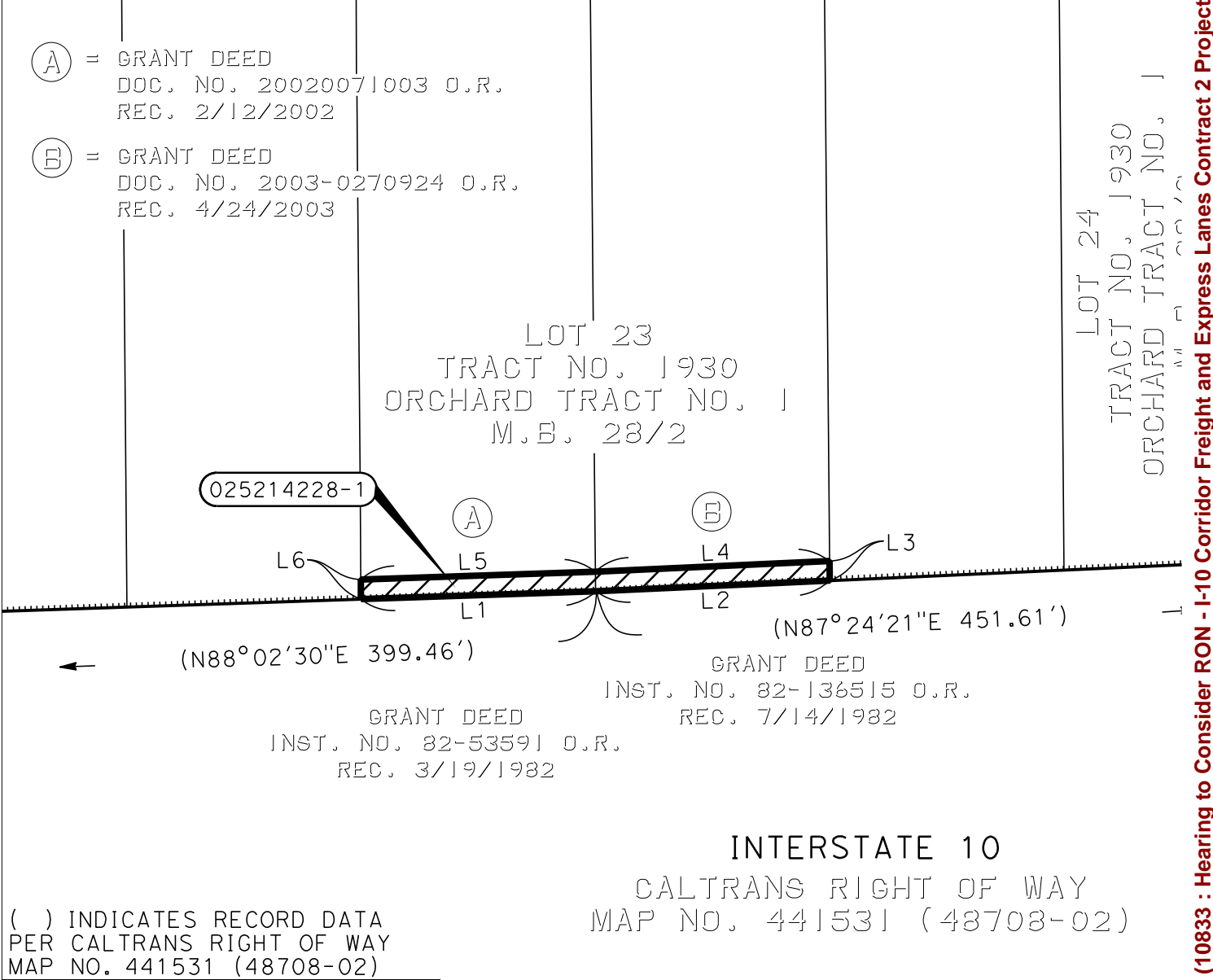
Peter J. Fitzpatrick, PLS 6777

December 1, 2023
Date



EXHIBIT B

PARCEL#	TITLE	AREA	APN
025214228-1	TCE	600 SF	0252-142-28 & 0252-142-29



() INDICATES RECORD DATA PER CALTRANS RIGHT OF WAY MAP NO. 441531 (48708-02)

LEGEND	
(RAD)	Indicates Radial Bearing
POB	Point of Beginning
TPOB	True Point of Beginning
	Parcel Number
	Exist Right of Way
	Proposed Temporary Construction Easement
	Access Prohibited



LINE TABLE		
L1	N88°03'06"E	60.23'
L2	N87°24'57"E	59.83'
L3	N00°28'55"W	5.00'
L4	S87°24'57"W	60.01'
L5	N88°03'07"E	60.05'
L6	S00°28'55"E	5.00'

NOTES

The distances shown herein are grid distances. Ground distances may be obtained by dividing grid distances by the combination factor of 0.99994643.

025214228-1

TEMPORARY CONSTRUCTION EASEMENT

FEET 0 20 40 80 120

DATE: 11-30-2023		REV.:	EA:	FA#:	
DISTRICT	COUNTY	ROUTE	SHEET PM	SHEET NO.	TOTAL SHEETS
8	S.B.D.	10	17.643	1	1

Attachment: Weinhart - FINAL RON 25-004 (10833 : Hearing to Consider RON - I-10 Corridor Freight and Express Lanes Contract 2 Project)

Minute Action

AGENDA ITEM: 26

Date: *September 4, 2024*

Subject:

Award Construction Contract No. 23-1003032 for the Interstate 15 Corridor Freight and Express Lanes Project - Contract 1

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. Allocate an additional \$49,824,348 in Measure I Freeway Program funds to the Interstate 15 Corridor Freight and Express Lanes Project - Contract 1 (Project) for a total allocation of \$197,775,217 to the Project.

B. Authorize the Executive Director, or his designee, to award and execute Contract No. 23-1003032 to the lowest responsive responsible bidder for construction of the Project, subject to supplemental allocation of Trade Corridor Enhancement Program funds by the California Transportation Commission (anticipated in October 2024), meeting all requirements of Invitation for Bids No. 23-1003032, and approval as to form by SBCTA General Counsel.

C. Authorize the Executive Director, or his designee, to approve a contingency amount and an allowance for Supplemental Work and Agency Furnished Materials and Services, subject to award of Contract No. 23-1003032.

Background:

The Interstate 15 (I-15) Corridor Freight and Express Lanes Project – Contract 1 (Project), which is the first construction package under the I-15 Corridor Project approved in December 2018, will construct one to two express lanes in each direction from 0.3 miles south of Cantu-Galleano Ranch Road to north of Foothill Boulevard and add auxiliary lanes at select locations to improve freight movement and reduce traffic congestion.

On November 1, 2023, the San Bernardino County Transportation Authority (SBCTA) Board of Directors (Board) authorized the Executive Director, or his designee, to release Invitation for Bids (IFB) No. 23-1003032 for construction of the Project, subject to approval as to form by SBCTA General Counsel, approval of the Plans, Specifications, and Estimates package, and Right-of-Way (ROW) Certification. On October 31, 2023, the plans and the ROW Certification were approved. Prior to advertisement of the Project, staff required approval from California Department of Transportation (Caltrans) due to the Project being funded with Senate Bill 1 Trade Corridor Enhancement Program (TCEP) funds. The California Transportation Commission (CTC) allocated the TCEP funds for the Project at its January 2024 meeting. The Project received the final federal authorization of funds (E-76) on May 10, 2024.

On November 15, 2023, SBCTA and Caltrans executed Cooperative Agreement No. 23-1002843 for the Project, defining roles, responsibilities, and funding associated with the construction phase.

On April 29, 2024, SBCTA and Caltrans executed Amendment No. 1 to Cooperative Agreement No. 23-1002843 to update the funding table and spending summary to reflect the increase in Project costs based on the latest cost estimate, and to add landscape construction and maintenance responsibilities.

Entity: San Bernardino County Transportation Authority

In May 2024, SBCTA's Executive Director authorized the release of IFB No. 23-1003032 for the construction phase of the Project. The IFB was released on May 13, 2024, and sent to 1,324 vendors registered on PlanetBids. The IFB was downloaded by 204 firms. The solicitation was issued in accordance with SBCTA's policies and procedures for construction projects.

The Question and Answer period closed on June 4, 2024, and responses were posted on June 17, 2024.

On July 17, 2024, SBCTA received four bids ranging from \$389.4 million to \$529.6 million. The apparent lowest bid came in approximately 31% greater than the engineer's estimate. Bids are being reviewed by staff for compliance with the IFB. The Project has a Disadvantaged Business Enterprise (DBE) goal of 24%. As part of the contract bidding process, staff will have to review the apparent lowest bidder's submitted information to assure that it is responsive to the requirements of the IFB. This includes appropriate completion of the forms and bid and meeting the DBE requirements such as good faith efforts, for example.

The contract award, including contingencies and supplemental items, was initially programmed to be funded with \$118,739,000 in TCEP funds. Of this amount, \$52,200,000 was awarded to SBCTA in December 2020 as a regional grant by the CTC, while \$66,539,000 was contributed by Caltrans. The estimated total construction cost for mainline improvements was \$251 million, resulting in a cost split of 73.47% SBCTA share and 26.53% State share. The award of this contract will exceed the estimated amount in Baseline Agreement No. 21-1002565. Staff notified Caltrans of the cost increase. A supplemental authorization for the State's share of the cost increase will be presented at the October 17-18, 2024 CTC meeting. The remaining cost increase will be covered by Measure I Valley Freeway Program funds. The increase in costs between the engineer's estimate and the apparent lowest bid is attributed to the rising prices of materials, labor, and the current bidding environment.

Therefore, staff is recommending that the Board authorize the Executive Director, or his designee, to award and execute Contract No. 23-1003032 for construction of the Project to the lowest responsive responsible bidder, subject to the CTC's supplemental allocation of TCEP funds (anticipated in October 2024) for the State's share of the cost increase of the contract, the bidder meeting the requirements of the IFB, and approval as to form by SBCTA General Counsel.

Staff is also recommending that the Board authorize the Executive Director, or his designee, to approve a standard contingency and an allowance for Supplemental Work and Agency Furnished materials as shown in Attachment A, subject to award of Contract No. 23-1003032.

Financial Impact:

This Project is included in the adopted Budget for Fiscal Year 2024/2025 and funded with Valley Freeway Measure I funds, Trade Corridor Enhancement Program (TCEP) funds, Federal Congestion Mitigation and Air Quality (CMAQ) funds, Surface Transportation Improvement Program (STIP) funds, Federal Surface Transportation Program (STP) funds, Federal Highway Infrastructure Program (HIP) funds, and Local Partnership Program – Formula (LPP) funds in Program 40, Project Delivery under Task No. 0820 Freeway Projects, Sub Task No. 0831 I-15 Corridor Express Lanes Improvements Contract 1.

Board of Directors Agenda Item
September 4, 2024
Page 3

Reviewed By:

This item has not received prior policy committee or technical advisory committee review. This item is being presented directly to the Board at its September 4, 2024 meeting, pursuant to Contracting and Procurement Policy No. 11000, Section V.B.2. d, as this is a construction contract award to the lowest responsive responsible bidder. SBCTA General Counsel, Procurement Manager, and Enterprise Risk Manager have reviewed this item, and will review the draft contract before it is awarded and executed.

Responsible Staff:

Khalid Bazmi, Construction Manager

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

Attachment A

CONTRACT NUMBER: 23-1003032

PROJECT: I-15 Corridor Freight and Express Lanes Project - Contract 1

Contingency		
	Contingency (10%)	Total To Be Determined
Supplemental Work		
1	FEDERAL TRAINEE PROGRAM	\$72,000.00
2	JUST-IN-TIME TRAINING	\$100,000.00
3	MAINTAIN TRAFFIC	\$1,000,000.00
4	VALUE ANALYSIS	\$10,000.00
5	REMOVE ROCK AND DEBRIS	\$2,500.00
6	REPAIR EXISTING IRRIGATION SYSTEM	\$35,000.00
7	LOCATE EXISTING CROSSOVER	\$3,000.00
8	WATER POLLUTION CONTROL MAINTENANCE SHARING	\$373,480.00
9	ADDITIONAL WATER POLLUTION CONTROL	\$6,000.00
10	STORM WATER SAMPLING AND ANALYSIS	\$5,000.00
11	PARTNERING	\$90,000.00
12	PAYMENT ADJUSTMENT FOR PRICE INDEX FLUCTUATIONS	\$544,090.00
13	PAY ADJUSTMENT FOR CONCRETE PAVEMENT	\$300,000.00
14	MAINTAIN EXISTING ELECTRICAL SYSTEM	\$1,199,510.00
15	ADDITIONAL UNSHELTERED INDIVIDUAL ENCAMPMENTS REMOVAL AND CLEAN-UP	\$50,750.00
16	DISPUTE RESOLUTION BOARD	\$50,000.00
Total Supplemental Work		\$3,841,330
Contingency and Supplemental Work		Total To Be Determined

Agency/State Furnished Materials And Services		
1	TRAFFIC CONTROL ASSEMBLY, MODEL 2070E	\$30,000.00
2	TRAFFIC CONTROL ASSEMBLY, MODEL 2070LX	\$210,000.00
3	BATTERY BACK UP SYSTEM (BBS) INVERTER TYPE II	\$4,500.00
4	COZEEP CONTRACT	\$515,280.00
5	TRAFFIC MANAGEMENT PLAN - PUBLIC INFORMATION	\$600,000.00
6	TOW TRUCK SERVICE PATROL	\$1,700,000.00
7	TRAFFIC MANAGEMENT PLAN - ALTERNATE ROUTE STRATEGIES	\$1,000,000.00
8	TRAFFIC MANAGEMENT PLAN - MOTORIST INFORMATION STRAGETIES	\$72,000.00
9	PERMITTED I-15 ELP LANE CLOSURES - ALLOTMENT	\$90,000.00
10	ANNUAL CONSTRUCTION GENERAL PERMIT FEE	\$2,430.00
Total Furnished Materials and Expenses		\$4,224,210

Attachment: 23-1003032 Attachment A - Summary of Allowances Contingency (10712 : I-15 Corridor Freight & Express Lanes Project Contract 1

Minute Action

AGENDA ITEM: 27

Date: *September 4, 2024*

Subject:

Local Agency Investment Fund Resolution

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority:

Adopt Resolution No. 25-008 authorizing Raymond W. Wolfe, Executive Director, Lisa Lazzar, Interim Chief Financial Officer, and Cristina Blackwood, Accounting Manager, to execute transfers with Local Agency Investment Fund.

Background:

The Local Agency Investment Fund (LAIF) requires that any agency wishing to invest with them must provide a resolution authorizing the investment of funds. The most current resolution on file with LAIF is as of July 2012. With the departure of the Chief Financial Officer, it is necessary to update the Resolution for investment with LAIF.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2024/2025.

Reviewed By:

This item has not received prior policy committee or technical advisory committee review. Due to the timing of the departure of the Chief Financial Officer, there was not sufficient time to take this item to the General Policy Committee. SBCTA General Counsel has reviewed this item and the draft resolution.

Responsible Staff:

Lisa Lazzar, Chief of Fiscal Resources

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

Entity: San Bernardino County Transportation Authority

RESOLUTION NO. 25-008

A RESOLUTION OF THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY AUTHORIZING INVESTMENT OF FUNDS IN THE LOCAL AGENCY INVESTMENT FUND (LAIF)

WHEREAS, Pursuant to Chapter 730 of the statues of 1976 Section 16429.1 as added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors does hereby find that the deposit and withdrawal of money in LAIF in accordance with the provision of Section 16429.1 of the Government Code for the purpose of investments as stated therein is in the best interest of the San Bernardino County Transportation Authority (SBCTA).

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the San Bernardino County Transportation Authority hereby authorizes the deposit and withdrawal of SBCTA monies in the LAIF in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein.

BE IT FURTHER RESOLVED, that the following SBCTA employees, and their successors, shall be authorized to order the deposit and withdrawal of monies in LAIF:

Raymond W. Wolfe, Executive Director _____

Lisa Lazzar, Interim Chief Financial Officer _____

Cristina Blackwood, Accounting Manager _____

Approved by the Board of Directors of the San Bernardino County Transportation Authority at a regular meeting thereof held this 4th day of September 2024.

Ray Marquez, President
San Bernardino County Transportation Authority

ATTEST:

Marleana Roman, Clerk of the Board
San Bernardino County Transportation Authority

Attachment: Resolution LAIF 25-008 (10830 : Local Agency Investment Fund Resolution)

Minute Action

AGENDA ITEM: 28

Date: *September 4, 2024*

Subject:

Amendment No. 1 to Cooperative Agreement No. 22-1002687 with the Southern California Regional Rail Authority for the Zero Emission Multiple Unit Initiative

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

- A. Approve Amendment No. 1 to Cooperative Agreement No. 22-1002687 with the Southern California Regional Rail Authority to support the Zero Emission Multiple Unit (ZEMU) Initiative, to add funding in an amount not-to-exceed \$2,424,100, for a total not-to-exceed amount of \$3,773,740, to be funded with Senate Bill (SB) 125 Transit and Intercity Rail Capital Program (TIRCP) and Valley State Transit Assistance – Population Share (STA-Pop) funds.
- B. Approve an increase to contingency in the amount of \$242,410, to be funded with Valley STA-Pop funds, for a total not-to-exceed contingency amount of \$377,374 and authorize the Executive Director, or his designee, to release contingency.
- C. Allocate \$2,100,000 in Valley STA-Pop Funds to the ZEMU effort to support the Positive Train Control algorithm development, testing crews, flagging, and staff costs related to the delivery of the ZEMU Initiative for a new project budget of \$62,322,861.
- D. Approve a budget amendment increasing Task No. 0315, Transit Capital, in the amount of \$2,666,510 to be funded with \$2,100,000 in Valley STA-Pop Funds, and \$566,510 in SB 125 TIRCP funds.

Background:

The San Bernardino County Transportation Authority (SBCTA), in partnership with the Southern California Regional Rail Authority (SCRRA), expanded the public transit network in the San Bernardino Valley with the operation of the Redlands Passenger Rail, or Arrow Service, starting on October 24, 2022. One of SBCTA's initiatives is to reduce greenhouse gas (GHG) emissions and improve air quality. The diesel multiple units (DMUs) purchased for the Arrow Service are powered via a Tier 4 diesel engine "generator" providing power to electric motors at the wheels. SBCTA recognized an opportunity to convert the power generator to an alternative propulsion technology to produce a low or zero emission multiple unit (ZEMU) that could run on the existing heavy rail infrastructure, thus reducing air quality impacts while furthering the use of existing rail infrastructure. This effort is consistent with and supports Metrolink's Climate Action Plan and has a direct benefit to Metrolink-related general work to be done by SCRRA staff on other zero emission vehicle efforts and the mandate to convert off-road vehicles to zero emission by 2035.

In April 2018, the California State Transportation Agency (CalSTA) awarded SBCTA \$30 million in Transit and Intercity Rail Capital Program (TIRCP) funds to research and develop a ZEMU rail vehicle and construct the infrastructure to fuel and maintain the ZEMU. As with the DMUs, SCRRA will operate the ZEMU. In January 2023, CalSTA awarded SBCTA an additional \$15.8 million in TIRCP funds toward cost increases that have occurred since the initial award.

Entity: San Bernardino County Transportation Authority

Board of Directors Agenda Item

September 4, 2024

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The ZEMU design started in February 2020 and vehicle assembly was completed in mid-2022. Dynamic testing in Switzerland began in December 2022 and completed in May 2023. The vehicle arrived in the United States in August 2023 and was transported to the Federal Railroad Administration's (FRA) Transportation Technology Center (TTC) in Pueblo, Colorado. The ZEMU arrived in San Bernardino in June 2024, where further testing will be performed on the existing railroad infrastructure.

While the ZEMU vehicle goes through testing, the work on the infrastructure required to support the operation of a hydrogen vehicle progresses. The SBCTA Board of Directors (Board) awarded the contract to procure major electrical equipment on June 7, 2023, and awarded the contract for the Arrow Maintenance Facility (AMF) retrofit on December 7, 2023. Staff has been working with hydrogen providers on the fueling infrastructure and is in the final steps to get the temporary fueler in place to support the testing of the ZEMU.

On March 6, 2024, the Board approved Cooperative Agreement No. 22-1002687, which includes design development services and vehicle testing support to be performed by SCRRA and its consultants to assist SBCTA in the delivery and implementation of the ZEMU project, including completing the AMF Hydrogen Upgrade Project design and bid documents, testing of the ZEMU vehicle, and other close-out activities, in an amount not-to-exceed \$1,349,640, plus a 10 percent contingency of \$134,964, totaling \$1,484,604, to be funded with TIRCP funds. Under Cooperative Agreement No. 15-1001125, Work Orders No. 9 and 13 were executed to include Positive Train Control (PTC) analysis and compatibility of the system between the DMU and to review the ZEMU vehicle test plan and required regulatory submittals to the FRA. This cooperative agreement details further responsibilities as it relates to the entire ZEMU project.

As the project progressed and with the start of testing in San Bernardino, SBCTA and SCRRA staff determined that additional support will be needed through the start of revenue service. Additionally, prior test results showed that change to the PTC software may be needed to accommodate the ZEMU. Amendment No. 1 to Cooperative Agreement No. 22-1002687 includes hiring of crews to operate the ZEMU during testing, PTC software update, and additional flagging and staff time. Staff recommends that the Board approve Amendment No. 1 in the amount of \$2,424,100, plus \$242,410 in contingency, for a total of \$2,666,510. SBCTA's total estimated obligation under Cooperative Agreement No. 22-1002687 is \$3,773,740, plus contingency of \$377,374.

Financial Impact:

The Zero Emission Multiple Unit Initiative is included in the adopted Budget for Fiscal Year 2024/2025 and funded with Senate Bill 125 Transit and Intercity Rail Capital Program Valley Share funds, Valley State Transit Assistance – Population Share funds, and Transit and Intercity Rail Capital Program grant funds, in Program 30, Transit. A budget amendment is required as described in Recommendation D and described in the Background section of this item.

Reviewed By:

This item has not received prior policy committee or technical advisory committee review. Staff is taking this item directly to the Board in order to expedite issuance of the Positive Train Control software task order and the hiring of crews needed to support the ZEMU testing. SBCTA General Counsel and Enterprise Risk Manager have reviewed this item and the draft amendment.

Board of Directors Agenda Item
September 4, 2024
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Responsible Staff:

Joy Buenaflor, Deputy Director of Transit & Rail Programs

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

San Bernardino County Transportation Authority

General Contract Information

Contract No: 22-1002687 Amendment No.: 1
 Contract Class: Payable Department: Transit
 Vendor No.: 02003 Vendor Name: Southern California Regional Rail Authority
 Description: Zero Emission Multiple Unit Initiative
 List Any Related Contract Nos.: _____

Dollar Amount					
Original Contract	\$	1,349,640.00	Original Contingency	\$	134,964.00
Prior Amendments	\$	-	Prior Amendments	\$	-
Current Amendment	\$	2,424,100.00	Current Amendment	\$	242,410.00
Total/Revised Contract Value	\$	3,773,740.00	Total Contingency Value	\$	377,374.00
Total Dollar Authority (Contract Value and Contingency)				\$	4,151,114.00

Contract Authorization

Board of Directors Date: 09/04/2024 Board Item # 10831

Contract Management (Internal Purposes Only)

Other Contracts Sole Source? N/A Board Approved Budget Adjustment
 State Professional Services (Non-A&E) N/A

Accounts Payable

Estimated Start Date: 10/05/2023 Expiration Date: 12/31/2026 Revised Expiration Date:
 NHS: No OMP/QAP: N/A Prevailing Wage: N/A

							Total Contract Funding:	Total Contingency:	
Fund	Prog	Task	Sub-Task	Object	Revenue	PA Level	Revenue Code Name	\$	\$
GL	2565	30	0315	0336	52005	42206502	TIRCP - PS&E	1,484,604.00	-
GL	2750	30	0315	0336	52005	42217802	TIRCP SB125 DMU to ZEMU	566,510.00	-
GL	1050	30	0315	0336	52005	42218001	STA-Pop	1,722,626.00	377,374.00
GL								-	-
GL								-	-
GL								-	-
GL								-	-
GL								-	-
GL								-	-
GL								-	-

Joy M. Buenaflor Victor Lopez
 Project Manager (Print Name) Task Manager (Print Name)

Additional Notes: _____

Attachment: CSS - 22-1002687 SCRRA (10831 : Amendment No. 1 to SCRRA ZEMU Coop Agreement No. 22-1002687)

**AMENDMENT NO. 1 TO
COOPERATIVE AGREEMENT NO. 22-1002687
BY AND BETWEEN
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
AND
SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FOR
ZERO EMISSION MULTIPLE UNIT INITIATIVE**

This AMENDMENT No. 1 to Cooperative Agreement No. 22-1002687 (“Amendment”) is made by and between the San Bernardino County Transportation Authority (“SBCTA”), 1170 W. 3rd Street, San Bernardino, California 92410, and Southern California Regional Rail Authority (“SCRRA”), 900 Wilshire Blvd., Suite 1500, Los Angeles, California 90017. SBCTA and SCRRA are sometimes individually referred to as “Party” and collectively referred to as “Parties” herein.

RECITALS:

- A. On April 22, 2024, SBCTA and SCRRA entered into Cooperative Agreement No. 22-1002687 (AGREEMENT), which defined the roles and responsibilities of the Parties, relative to the Zero Emission Multiple Unit (ZEMU) Initiative; and
- B. Parties now desire to amend the AGREEMENT to include additional funding for the Positive Train Control algorithm development, ZEMU testing crews, flagging, and staff costs related to the delivery of the ZEMU Initiative, as reflected in Attachment B.1.

NOW THEREFORE, the Parties mutually agree to amend Cooperative Agreement No. 22-1002687 Contract as follows:

1. Add to end of Article 4.C the following:

“Upon execution of Amendment No.1, to deposit with SCRRA the amount of \$606,025.00, bringing the total deposit amount to \$943,435.00 or twenty-five percent (25%) of the total estimated obligation amount of \$3,773,740.00 as contained in Attachment B.1, SCRRA Scope of Services and Estimate.”

2. Article 5.L is deleted in its entirety and replace with the following:

“To submit to SBCTA quarterly invoices of costs incurred by SCRRA and its Consultants and Contractors for DESIGN/DEVELOPMENT SERVICES and/or VEHICLE TESTING SUPPORT on the basis of items set forth in **Attachment B.1** and per guidelines required by funding sources identified in **Attachment C**. Invoices shall be delivered to SBCTA within thirty (30) days of the end of the preceding quarter. The first quarter will begin the first day of the month that this AGREEMENT is executed. Invoices shall include detailed information, including description, date of the expense, business purpose and amount. SCRRA shall attach supporting documents substantiating the invoice such as itemized receipts, paid consultant invoices or paid credit card statements. Invoices shall also contain a progress report detailing work accomplished for the invoice period consistent with the report template in **Attachment D**.”

3. Article 7. MAXIMUM OBLIGATION is deleted in its entirety and replace with the following:

“Notwithstanding any provisions of this AGREEMENT to the contrary, SBCTA and SCRRA agree that SBCTA’s maximum payment obligation per this AGREEMENT (including SCRRA’s direct and indirect costs) shall not exceed \$3,773,740 for ZEMU initiative support unless this AGREEMENT is amended by a writing signed by both PARTIES.”

4. Attachment B is deleted and replaced in its entirety with Attachment B.1, which is attached hereto and incorporated herein.

5. Except as amended by this Amendment No. 1, all other provisions of Contract No. 22-1002687 shall remain in full force and effect.

6. The Recitals set forth above are incorporated herein by this reference.

7. This Amendment No. 1 shall be effective upon execution by both Parties.

IN WITNESS WHEREOF, the Parties have duly executed this Amendment No. 1 below.

SOUTHERN CALIFORNIA REGIONAL

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

By: _____
Darren M. Kettle
Chief Executive Officer

By: _____
Ray Marquez
President, Board of Directors

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Don O. Del Rio
General Counsel

By: _____
Julianna K. Tillquist
General Counsel

Date: _____

Attachment: Coop Agreement No. 22-1002687 Amend. No. 1 (10831 : Amendment No. 1 to SCRRA ZEMU Coop Agreement No. 22-1002687)

Exhibit B.1 SCRRA Scope of Services and Estimate

Original Cooperative Agreement No. 22-1002687 Funding				
Cost	Hrs or Wks	Rate/hr	Total	Notes
Metrolink Staff Time - Design Development (Hrs.)	948	\$350	\$331,800	
Metrolink Staff Time - Testing Support (Hrs.)	536	\$350	\$187,600	
Flagging Support (Wks.)	10	\$20,000	\$200,000	Est. \$20K/wk starting June 2024
Dispatching (Wks.)	28	\$1,080	\$30,240	Est. \$1.08/mi @ 1000 miles/wk starting June 2024
Consultant On-Call/Testing/Studies/Etc	--	--	\$500,000	
PTC Testing Support	--	--	\$200,000	Wabtec support at Pueblo and CA
WO #13 - 15-1001125			\$ (100,000.00)	Funding received under previous work order from Contract 15-1001125
Total			\$1,349,640	

Amendment No. 1 Funding				
Cost	Hrs or Wks	Rate/hr	Total	Notes
Metrolink Staff Time (Hrs.)	346	\$350	\$121,100	Est. additional 2 months staff time. Based on avg. actual hours from Apr - Jun 2024
Flagging Support	--	--	\$53,000	Additional flagger cost
ZEMU Testing Crews	--	--	\$750,000	TASI Work Directives for crews
PTC Algorithm Development	--	--	\$1,500,000	Est. for Wabtec development of new PTC algorithm for ZEMU. This is seed money to address a high-priority issue and final costs are TBD. Any required additional funding to be added in future Amendment
Total Additional Funding			\$2,424,100	
Total Agreement Funding (Original + Amendment 1)			\$3,773,740	

Minute Action

AGENDA ITEM: 29

Date: *September 4, 2024*

Subject:

Award Sole Source Maintenance Agreement No. 24-1003105 to Stadler US, Inc., Execute Assignment and Assumption Agreement No. 24-1003106 with Southern California Regional Rail Authority and Budget adjustments

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. ~~Authorize the Executive Director, or his designee, to finalize and execute~~ **Approve Sole Source** Maintenance Agreement No. 24-1003105 with Stadler US, Inc., to maintain the Zero Emission Multiple Unit as part of the Arrow Service multiple unit fleet, as well as the three Diesel Multiple Unit vehicles currently in service, and the Arrow Maintenance Facility (AMF), and to provide materials management for the multiple unit fleet, ~~subject to approval as to form by General Counsel.~~ The agreement is effective through June 30, 2030, with three one-year option terms, for an amount not-to-exceed ~~\$59,519,537~~ **\$58,353,077**. The not-to-exceed amount includes ~~\$10,707,694~~ **\$10,838,660** of scheduled component overhauls and anticipated work not included in the base services for the multiple units and the AMF.

B. Authorize the Executive Director, or his designee, to execute Assignment and Assumption Agreement No. 24-1003106 with Southern California Regional Rail Authority (SCRRA) to transfer SBCTA's responsibilities under Agreement No. 24-1003105 to SCRRA.

C. Approve an increase to the SCRRA Budget for Fiscal Year (FY) 2024/2025 for Arrow Operations Operating assistance by ~~\$2,209,458~~ **\$1,811,988**, to be funded with Measure I Valley Metrolink/Rail Service Program funds, needed for mobilization, maintenance of the Multiple Units, and other anticipated costs under Agreement No. 24-1003105, for a total operating assistance allocation of ~~\$17,709,458~~ **\$17,311,988**.

D. Approve an increase to the SCRRA Budget for FY 2024/2025 for Arrow Operations New Capital assistance by ~~\$750,000~~ **\$884,970**, to be funded with Measure I Valley Metrolink/Rail Service Program funds, for a total New Capital assistance allocation of ~~\$2,250,000~~ **\$2,384,970**.

E. Approve the funding allocation to support funding for Recommendations C and D, totaling ~~\$2,850,458~~ **\$2,696,958**, to fund SBCTA's subsidy of the FY 2024/2025 Budget for Arrow Service using Measure I Valley Metrolink/Rail Service Program funds.

Background:

In November 2019, Contract No. 20-1002310 with Stadler US, Inc. (Stadler) for the production of the Zero Emission Multiple Unit (ZEMU) was executed using the Arrow Service Diesel Multiple Unit (DMU) as the basis for negotiations and development of the technical specifications for hydrogen fuel cell hybrid propulsion technology. Design of the vehicle commenced shortly after the contract's execution, and Stadler began manufacturing the vehicle in the summer of 2021 with components similar to the DMUs while further refining the hydrogen propulsion technology. The ZEMU vehicle assembly was completed in mid-2022 and unveiled at InnoTrans, an international trade and visitor fair for transport technology. Dynamic testing in Switzerland began in December 2022 and wrapped in May 2023. Subsequently, the ZEMU was prepared for shipment and arrived in the United States on

Entity: San Bernardino County Transportation Authority

August 14, 2023; the ZEMU was demonstrated at the American Public Transportation Association (APTA) Expo in Orlando, Florida in October 2023. Following the APTA Expo, the vehicle was towed back to the Transportation Technology Center in Pueblo, Colorado, to complete vehicle qualification testing. As with the DMUs, the Southern California Regional Rail Authority (SCRRA) will operate the ZEMU as part of the Arrow Service.

In November 2019, the San Bernardino County Transportation Authority (SBCTA) Board of Directors (Board) also authorized sole source negotiations with Stadler for the development of an on-going vehicle maintenance contract for the ZEMU, as contemplated in Contract No. 20-1002310. Award of a sole source maintenance agreement is consistent with Contracting and Procurement Policy No. 11000, VI.A.2.b. because, as the developer of the new ZEMU technology, Stadler has unique qualifications to maintain the ZEMU, and is the only firm that has such experience. Further, this arrangement is intended to ensure that Stadler has first-hand vehicle performance data that can be used to correct or improve the vehicle design and components, which in turn will improve vehicle performance and reliability. The ZEMU maintenance agreement will include a mobilization period that allows Stadler to present plans and obtain certification from the Federal Railroad Administration to maintain the ZEMU, procure and train the required maintenance staff, and perform other activities needed to start performing maintenance activities out of the Arrow Maintenance Facility (AMF) prior to the ZEMU starting Revenue Service.

Also included in the agreement is for Stadler to maintain the three DMUs currently in operation for the Arrow Service, as well as the AMF building and grounds, and materials management. This approach will facilitate efficiency by having one maintainer working on the multiple unit (MU) fleet at the AMF and will prevent likely maintenance schedule conflicts if there were two maintainers, as each maintainer would have its own performance and availability contract requirements to meet. Award of a single sole source contract for maintenance of the DMUs and AMF, in addition to the ZEMU, is consistent with Contracting and Procurement Policy No. 11000, VI.A.2.b., as it avoids substantial duplication costs by consolidating all such maintenance with one maintainer.

Staff is seeking Board approval of the Sole Source Maintenance Agreement No. 24-1003105 (Agreement) with Stadler to maintain the ZEMU as part of the Arrow Service MU fleet. The maintenance of the three DMU vehicles currently in service, the maintenance of the AMF, and materials management for the MUs are also included in the Agreement. The Agreement will be effective through June 30, 2030, to coincide with SCRRA's operations and maintenance contract, with three one-year option terms ending on June 30, 2033, and a not-to-exceed amount of ~~\$59,519,537~~ **\$58,353,077**. The not-to-exceed amount includes ~~\$10,707,694~~ **\$10,838,660** of scheduled component overhauls and anticipated work not included in the base services for the multiple units and the AMF. ~~The monthly maintenance costs are under negotiations, and staff anticipates concluding negotiations prior to Board approval.~~ **The price proposal includes the cost for mobilization, the monthly cost for base maintenance services of the ZEMU and DMUs, and the monthly maintenance of the AMF. The pricing schedule allows for escalation tied to the Consumer Price Index and also includes negotiated hourly rates for work directives. The contract negotiations are now complete, and the staff report has been updated to reflect the final negotiated amounts.**

With the award of the Agreement to Stadler, staff recommends Board approval to increase the Arrow Operations Budget for Fiscal Year 2024/2025 by ~~\$2,959,458~~ **\$2,696,958**, to be funded with Measure I Valley Metrolink/Rail Service Program funds, which includes ~~\$2,209,458~~ **\$1,811,988** for mobilization, maintenance of the MUs, and other anticipated operations costs
 San Bernardino County Transportation Authority

Board of Directors Agenda Item

September 4, 2024

Page 3

under the Agreement, and an increase to the Arrow Operations Budget's Capital allocation by ~~\$750,000~~ **\$884,970 for engine overhaul for one of the DMUs** and the procurement of ~~12~~ **13** 20-ton jacks to accommodate the heavier ZEMU vehicle. The current jacks are designed for 15 tons and the minimum jack rating required to lift the ZEMU is 18 tons. It is possible to retrofit/upgrade the existing jacks from a 15-ton to an 18-ton rating; however, the cost of doing so is half the cost of procuring new ones. Additionally, no jacks will be available during retrofit and there is a higher likelihood that field modifications may cause reliability issues with the retrofitted jacks.

Lastly, since SCRRA operates the Arrow Service and is also responsible for the maintenance and operations of the AMF and the DMUs, SBCTA must enter an Assignment and Assumption Agreement with SCRRA to assign to SCRRA all of SBCTA's rights, duties, and obligations under the Maintenance Agreement. Staff worked with SCRRA for acceptable contract terms by which SCRRA can issue notices to proceed and seamlessly manage the MU fleet. Staff recommends approval of Assignment and Assumption Agreement No. 24-1003106 with SCRRA to transfer SBCTA's responsibilities under Agreement No. 24-1003105 to SCRRA.

Financial Impact:

The Arrow Service Corridor is included in the adopted Budget for Fiscal Year 2024/2025 and funded with Local Transportation Funds in Program 30, Transit. A budget amendment is required as described in Recommendation E and in the Background section of this item.

Reviewed By:

This item was reviewed and unanimously recommended for approval by the Transit Committee on August 15, 2024. **Changes to the item have been made since the Transit Committee approval as negotiations have successfully concluded.** SBCTA General Counsel, Procurement Manager, and Enterprise Risk Manager have reviewed this item and the draft agreements.

Responsible Staff:

Joy Buenaflor, Deputy Director of Transit & Rail Programs

Approved
Board of Directors
Date: September 4, 2024

Witnessed By:

General Contract Information

Contract No: 24-1003105 Amendment No.: _____
 Contract Class: Payable Department: Transit
 Vendor No.: 03334 Vendor Name: Stadler US, Inc.
 Description: Maintenance Services Related to Arrow Service
 List Any Related Contract Nos.: _____

Dollar Amount					
Original Contract	\$	1,434,720.00	Original Contingency	\$	-
Prior Amendments	\$	-	Prior Amendments	\$	-
Prior Contingency Released	\$	-	Prior Contingency Released (-)	\$	-
Current Amendment	\$	-	Current Amendment	\$	-
Total/Revised Contract Value	\$	1,434,720.00	Total Contingency Value	\$	-
Total Dollar Authority (Contract Value and Contingency)				\$	1,434,720.00

Contract Authorization

Board of Directors Date: 09/04/2024 Board Item # 10842

Contract Management (Internal Purposes Only)

Other Contracts _____ Sole Source? Yes No Budget Adjustment _____
 Local _____ Construction and Maintenance Agreement _____ N/A _____

Accounts Payable

Estimated Start Date: 09/04/2024 Expiration Date: 06/30/2030 Revised Expiration Date: _____

NHS: N/A QMP/QAP: N/A Prevailing Wage: N/A

							Total Contract Funding:		Total Contingency:	
							\$	1,434,720.00	\$	-
Fund	Prog	Task	Sub-Task	Object	Revenue	PA Level	Revenue Code Name			
GL: 4150	30	0314	0371	56550	41200000		MSI Rail	1,434,720.00	-	
GL:								-	-	
GL:								-	-	
GL:								-	-	
GL:								-	-	
GL:								-	-	
GL:								-	-	
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Joy Buenafior Project Manager (Print Name) Victor Lopez Task Manager (Print Name)

Additional Notes: Contract includes three one-year option terms but the maximum term of this Contract, including the Option Term(s), if exercised, will not exceed June 30, 2033. Contract authority is \$58,353,077 but CSS amount (\$1,434,720) is for mobilization costs only. SCRRRA Assignment & Assumption Agreement No. 24-1003105 transfers the contract to SCRRRA and future funding under the contract is to be paid by SBCTA as part of the yearly Arrow Budget approval process.

Attachment: 24-1003105 - CSS [Revision 1] (10842 : Award of Sole Source Maintenance Agreement-Stadler/Assignment and Assumption

CONTRACT NO. 24-1003105**BY AND BETWEEN****SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY****AND****STADLER US, INC.****FOR****MAINTENANCE SERVICES RELATED TO ARROW SERVICE**

This contract (Contract) is made and entered into by and between the San Bernardino County Transportation Authority (SBCTA) whose address is 1170 W. 3rd Street, 2nd Floor, San Bernardino, California 92410-1715, and Stadler US, Inc. (CONTRACTOR) whose address is 5880 West 150 South, Salt Lake City, UT 84104. SBCTA and CONTRACTOR are each a “Party” and collectively the “Parties”.

RECITALS:

WHEREAS, SBCTA and Stadler are parties to Contract 20-1002310 by which SBCTA is purchasing, and Stadler is providing one (1) hydrogen-battery hybrid trainset based on its Fast Light Intercity and Regional Train model (Zero Emissions Multiple Unit or ZEMU); and

WHEREAS, SBCTA and Stadler are parties to Contract 16-1001531 by which SBCTA purchased, and Stadler provided, three (3) diesel multiple unit trainsets (DMUs); and

WHEREAS, this Contract assumes that the ZEMU and DMUs will only be used to operate the Arrow Service as defined herein; and

WHEREAS, SBCTA requires certain services related to the Arrow Service, including in general: maintenance of vehicles and maintenance of the Arrow Maintenance Facility (AMF) in which the vehicles are maintained and materials management services. The scope of work is described with more specificity in Attachment A of this Contract; and

WHEREAS, the scope of work attached as Attachment A contains various defined terms, the definitions of which shall be incorporated herein by reference; and

WHEREAS, CONTRACTOR has confirmed that CONTRACTOR has the requisite professional qualifications, personnel and experience and is fully capable and qualified to perform the Services detailed in Attachment A; and

WHEREAS, CONTRACTOR desires to perform all Services identified herein and to do so for the compensation set forth in Attachment B, Pricing Schedule, and in accordance with the terms and conditions set forth herein; and

WHEREAS, SBCTA contemplates entering into an assignment and assumption agreement with the Southern California Regional Rail Authority (SCRRA) to assign the Contract to SCRRA, and CONTRACTOR consents to such assignment.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE 1. PROJECT DESCRIPTION/SCOPE OF WORK

- 1.1 CONTRACTOR agrees to perform maintenance of one Zero Emission Multiple Unit (ZEMU) vehicle as set forth more fully in Attachment A, Scope of Work, in accordance with all applicable professional and industry standards which are generally accepted in the State of California, in accordance with all federal, state, and local requirements as well as OEM requirements where applicable, the terms and conditions expressed herein, and in the sequence, time, and manner defined herein (ZEMU Maintenance Services). Fueling of the ZEMU will be within the scope of NTP 1, after conditional acceptance of the ZEMU.
- 1.2 As of the DMU Maintenance Service Date, CONTRACTOR agrees to perform maintenance of 3 Diesel Multiple Unit (DMU) vehicles, as set forth more fully in Attachment A, in accordance with all applicable professional standards which are generally accepted in the State of California, in accordance with all federal, state, and local requirements as well as the terms and conditions expressed herein, and in the sequence, time, and manner defined herein (DMU Maintenance Services). As set forth in Attachment A, fueling of the DMU will be within the scope of CONTRACTOR's Services only after completion of any mobilization period associated with NTP 2.
- 1.3 As of the AMF Maintenance Service Date, CONTRACTOR agrees to perform maintenance of the Arrow Maintenance Facility (AMF) as set forth more fully in Attachment A, in accordance with all applicable professional standards which are generally accepted in the State of California, in accordance with all federal, state, and local requirements as well as the terms and conditions expressed herein, and in the sequence, time, and manner defined herein (AMF Maintenance Services).
- 1.4 As of the Materials Management Service Date, CONTRACTOR agrees to perform the Materials Management services described in the Scope of Work, in accordance with all applicable professional standards which are generally accepted in the State of California, in accordance with all federal, state, and local requirements as well as the terms and conditions expressed herein, and in the sequence, time, and manner defined herein (Materials Management Services).
- 1.5 The word "Services," and all other defined terms, shall have the meanings given in Attachment A, Scope of Work, and the Services performed hereunder shall be completed to the satisfaction of SBCTA, with SBCTA's satisfaction being based on prevailing applicable professional standards. The scope of the CONTRACTOR's services will consist of the Scope of Work and the provisions of this Contract.

- 1.6 The Project Manager for this Contract is Joy M. Buenaflor, or such other designee as shall be designated in written notice to CONTRACTOR from time to time by the SBCTA Director of Transit and Rail Programs or his or her designee. The Project Manager shall have authority to act on behalf of SBCTA in administering this Contract, including giving notices (including, without limitation, notices of default and/or termination), technical directions and approvals; and demanding performance and accepting work performed, but is not authorized to receive or issue payments or execute amendments to the Contract itself.
- 1.7 Pursuant to an agreed upon Contract Amendment, SBCTA may add additional Multiple Units to the Contract.

ARTICLE 2. CONDITIONS PRECEDENT

Intentionally omitted.

ARTICLE 3. CONTRACT TERM

The Contract term shall commence on the Effective Date and shall continue in full force and effect through June 30, 2030, or until otherwise terminated or extended by written amendment. CONTRACTOR may only begin the ZEMU Maintenance Services upon issuance of a written Notice To Proceed (“NTP 1”) issued by SBCTA’s Procurement Analyst. All indemnity and defense obligations hereunder shall survive termination of this Contract. CONTRACTOR shall not be compensated for any Services performed or costs incurred prior to issuance of the NTP 1. NTP 1 shall be issued within thirty (30) days of SBCTA’s review and approval of CONTRACTOR’s insurance and bond documents, as set forth below in Article 25.

SBCTA at its sole discretion may extend the base term of the Contract for up to three one-year Option Terms. If SBCTA determines to exercise one or more of the Option Terms, it may do so for any combination of years, and will notify Contractor at least 180 days before the end of the base term, or any Option Term then in effect.

ARTICLE 4. COMPENSATION

CONTRACTOR will faithfully perform all of the Services required under this Contract and SBCTA will compensate CONTRACTOR for said Services in the manner specified in the Pricing Schedule attached as Attachment B and in the following sections:

4.1 Mobilization, Maintenance of ZEMU, DMU, AMF, and Materials Management

- 4.1.1 For the ZEMU Mobilization Services required by this Contract, CONTRACTOR will be paid the lump sum ZEMU Mobilization Price set forth in the Pricing Schedule attached hereto as Attachment B. The CONTRACTOR may invoice SBCTA for 25% of the Grand Total of ZEMU Mobilization Costs set forth in Attachment B upon SBCTA’s acceptance of the ZEMU Mobilization Plan as set forth in Section 2.5 of the Scope of Work. Thereafter, the CONTRACTOR may invoice SBCTA for the remainder of the ZEMU Mobilization Price each month in five (5) equal prorated amounts. In the event that the CONTRACTOR does not perform mobilization services that are substantially in conformance with the SBCTA-approved Mobilization Plan, SBCTA reserves the right to withhold the monthly mobilization payment set forth in

this section until CONTRACTOR it is substantially in conformance with the Mobilization Plan.

- 4.1.2 For Maintenance of ZEMUs covered under Section 2.9 of the Scope of Work, Attachment A, SBCTA will pay a fixed monthly amount equivalent to 1/12th of the yearly amount as set forth in Attachment B, Pricing Schedule. The CONTRACTOR may invoice SBCTA monthly in arrears. As reflected in Attachment B, the fixed monthly rate to maintain the ZEMU and other potential heavy maintenance costs are different when the AMF retrofit is complete versus prior to that when maintenance will be performed partially or wholly outside. The ZEMU Maintenance Service Date shall be a specific date agreed upon between the parties that is at the end of ZEMU Mobilization Services or at revenue service date, whichever is later.
- 4.1.3 It is anticipated that NTP 2 will be issued shortly after NTP 1 (ZEMU). In the event that NTP 2 is issued within sixty (60) days of NTP 1, there will be no additional Mobilization costs or additional time needed for Mobilization. In the event NTP 2 is issued more than sixty (60) days after the issuance of NTP 1, there will be additional costs as reflected in Attachment B and an additional ninety (90) days will be required for mobilization. The parties acknowledge that SCRRRA's EMF will be required for periodic inspection of ZEMU until the AMF retrofit is complete.

The DMU Maintenance Service Date, AMF Service Date and Material Management Service Date shall be a specific date to be agreed upon between the parties that is at least 90 days after the issuance of NTP 2, but no earlier than the end of Mobilization.

The issuance of NTP 2 shall be coordinated to avoid any gap in Services from the existing contractors to Contractor.

- 4.1.4 Consumables are included in the fixed monthly amount in Attachment B, Pricing Schedule, Full-Service Maintenance Fee.
- 4.1.5 Upon issuance of NTP 2, materials management will be included in CONTRACTOR's monthly base fee.
- 4.1.6 Upon issuance of NTP 2, and after a joint inventory audit, CONTRACTOR shall purchase all agreed-upon DMU consumables from SCRRRA at SCRRRA's original purchase price.

4.2 Component Overhauls

There shall be no component overhauls of the Hydrogen system of the ZEMU during the base term of the Contract. CONTRACTOR will be paid the lump sum fee for component overhauls for diesel engine and train brake kit set forth in its Pricing Schedule, which is attached hereto as Attachment B. The CONTRACTOR may invoice SBCTA for the total costs set forth in Attachment B upon SBCTA's acceptance of the work as set forth in Section 17 of the Scope of Work.

4.3 Bonding

SBCTA will reimburse the CONTRACTOR for the actual cost of bonding as described in Section 25.3 of this Contract.

- 4.4 The Cost Principles and Procedures set forth in 48 CFR, Ch. 1, subch. E, Part 31, as constituted on the effective date of this Contract, shall be utilized to determine allowability of costs under this Contract and may be modified from time to time by written amendment of the Contract.
- 4.4.1 CONTRACTOR agrees to comply with Federal Department of Transportation procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, including FTA Circular 4220.1F – Third Party Contracting Requirements, and any other applicable Federal and State of California regulations, all as may be updated from time to time.
- 4.4.2 Any costs for which payment has been made to CONTRACTOR that are determined by subsequent audit to be unallowable under 48 CFR, Ch. 1, subch. E, Part 31, or 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, shall be repaid by CONTRACTOR to SBCTA.
- 4.5 Any Services provided by CONTRACTOR not specifically covered by Attachment A, the Scope of Work, shall not be compensated without prior written authorization from SBCTA. It shall be CONTRACTOR's responsibility to recognize and notify SBCTA in writing when services not covered by the Scope of Work have been requested or are required. All changes and/or modifications to the Scope of Work shall be made in accordance with Article 14, CHANGES of this Contract. Any additional services agreed to in accordance with this Article of the Contract shall become Services.
- 4.6 All subcontracts in excess of \$25,000 entered into by CONTRACTOR shall contain sections 4.4 and 4.5.
- 4.7 SBCTA's total payments under this Contract, excluding payments for On-Call Services, will equal the sum of (a) mobilization price, (b) monthly fixed price of base service for the categories specified in Attachment A, for all years of the Contract, (c) any costs identified as separate pass-through costs and associated administrative fees (for example, bond premiums), (d) price of any option SBCTA exercises, and (e) the price of overhauls. This total payment includes all amounts payable to CONTRACTOR for all costs and fees, overhead and General and Administrative (G&A) rates, allowable other direct costs, subcontracts and indirect costs, including but not limited to any reimbursable leases, materials, taxes, and insurance. In no event shall SBCTA's obligation under this Contract exceed the Total Not-to-Exceed amount of \$58,353,077.

ARTICLE 5. LIQUIDATED DAMAGES

The parties agree that in the event CONTRACTOR fails to meet the performance standards set forth in Attachment C, SBCTA will incur damages, the exact amount of which will be difficult to determine at the time of contracting. Accordingly, the parties agree that the amounts set forth in Attachment C are a reasonable approximation for the damages SBCTA may incur.

Each month, SBCTA may assess liquidated damages in the amounts set forth in Attachment C. SCRRA will notify CONTRACTOR at earliest convenience of potential liquidated damage events

prior to invoice preparation. SBCTA will notify the CONTRACTOR during the monthly invoice review process the exact amount of any liquidated damages claimed for performance failures during the previous month. SBCTA may deduct the undisputed amount of liquidated damages from any amount otherwise due the CONTRACTOR. SBCTA will not assess liquidated damages for failures or events that were beyond the CONTRACTOR's reasonable control. Liquidated damages are SBCTA's sole remedy for the failures addressed in this Article 5 and Attachment C. SBCTA's imposition of liquidated damages is separate from any indemnity obligation that is set forth in this Agreement.

In the event SBCTA is not able to determine CONTRACTOR's performance failures for the previous month during the next month's invoice review period, it may impose liquidated damages in the month when it becomes aware of the performance failure, or in the month when it incurs expense associated with the performance failure.

ARTICLE 6 INVOICING

- 6.1 SBCTA shall pay CONTRACTOR within forty-five (45) calendar days after receipt of an acceptable invoice by SBCTA of an invoice prepared in accordance with instructions below. Payment shall not be construed to be an acceptance of Service.
- 6.2 CONTRACTOR shall prepare invoices in a form satisfactory to and approved by SBCTA, which shall be accompanied by documentation supporting each element of measurement and/or cost. Each invoice shall cover a monthly billing period and will be marked with SBCTA's contract number, description and task order number, project number, task number and expenditure type, if applicable. Invoices shall be submitted within fifteen (15) calendar days for the period covered by the invoice except for the month of June, which will require the invoice to be submitted by July 10th. Invoices shall include request for payment for Services (including On-Call Services authorized by SBCTA) completed by CONTRACTOR during each billing period and shall include back-up information sufficient to establish the validity of the invoice. The Contractor will submit separate invoices for Base Services and Work Directives and must establish a unique invoice numbering system. SBCTA will review the draft invoice and provide written comments, outstanding issues, or discrepancies to the Contractor in the form of a technical review within 20 business days of submission of the draft invoice. Thereafter, the parties will promptly meet and confer to discuss any outstanding issues or discrepancies in the draft invoice. The Contractor will then, no later than 7 business days after receipt of draft invoice technical review, submit a revised draft invoice that addresses SBCTA's technical review comments. SBCTA will review the revised draft invoice and provide written comments on approved charges or disallowances within 15 business days of receipt of the revised draft invoice. Contractor submits final approved invoice to SBCTA Accounts Payable along with all relevant support documentation for the invoice. The Contractor may submit on a monthly basis, a supplemental invoice for any unresolved charges that it subsequently resolves pursuant to the meet and confer sessions from the preceding month. Any costs incurred by CONTRACTOR in connection with the resubmission of a proper invoice shall be at CONTRACTOR's sole expense. Invoices should be e-mailed to SBCTA at the address noted below, or as directed by SBCTA:

ap@gosbcta.com

For large files over 30 megabytes, invoices can be submitted using this link below, or as directed by SBCTA:

<https://sanbag-lfweb.sanbag.ca.gov/Forms/Invoice-submission>

- 6.3 CONTRACTOR shall include a statement and release with each invoice, satisfactory to SBCTA, that CONTRACTOR has fully performed the Services invoiced pursuant to the Contract for the period covered, that all information included with the invoice is true and correct, and that all payments to and claims of CONTRACTOR and its subcontractors for Services during the period will be satisfied upon making of such payment. SBCTA shall not be obligated to make payments to CONTRACTOR until CONTRACTOR furnishes such statement and release.
- 6.4 *Intentionally Omitted.*
- 6.5 No payment for On-Call Services will be made prior to issuance of an executed Work Directive. No payment shall be made for any Services performed prior to NTP 1, nor for any Services under any amendment to the Contract until a formal Contract amendment or Change Order has been issued.
- 6.6 CONTRACTOR agrees to promptly pay each subcontractor for the satisfactory completion of all Work performed under this Contract no later than seven (7) calendar days from the receipt of payment from SBCTA. CONTRACTOR also agrees to return any retainage payments to each subcontractor within ten (10) calendar days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval by SBCTA. SBCTA reserves the right to request documentation from CONTRACTOR showing payment has been made to its subcontractors. SBCTA also reserves the right, at its own sole discretion, to issue joint checks to CONTRACTOR and any subcontractor(s), which shall constitute payment to CONTRACTOR in compliance with the terms of this Contract. This clause applies to both DBE and non-DBE subcontractors.
- 6.7 Any costs for which payment has been made to CONTRACTOR that are determined by subsequent audit to be unallowable under 48 CFR, Ch. 1, subch. E, Part 31 are subject to repayment by CONTRACTOR to SBCTA.

1. Budget Amendment for Unforeseen Events

Upon the occurrence of events that were not reasonably foreseeable at the time of approval of the Approved Budget, the parties shall agree upon amendments to the Approved Budget for that Fiscal Year to reflect those changes.

2. Costs in Excess of the Approved Budget

If Service costs are projected to exceed the Approved Budget in effect at the time Contractor performs such Services, such overruns must be justified and addressed appropriately prior to incurring any costs in excess of the Approved Budget. Contractor's failure to obtain Authority's approval of any costs in excess of the Approved Budget may result in Authority's rejection of such costs.

ARTICLE 7. TAXES, DUTIES AND FEES

Except to the extent expressly provided elsewhere in this Contract, the compensation set forth herein, shall be inclusive of all: a) local, municipal, State, and federal sales and use taxes; b) excise taxes; c) taxes on personal property owned by CONTRACTOR; and d) other governmental fees and taxes or charges of whatever nature applicable to CONTRACTOR to enable it to conduct business.

ARTICLE 8. AVAILABILITY OF FUNDS

The award and performance of this Contract is contingent on the availability of funds. If funds are not appropriated and/or allocated and available to SBCTA for the continuance of Services performed by CONTRACTOR, Services directly or indirectly involved may be suspended or terminated by SBCTA at the end of the period for which funds are available. When SBCTA becomes aware that any portion of Services will or may be affected by a shortage of funds, it will promptly notify CONTRACTOR. Termination for all or any portion of the Services for non-availability of funds will follow the procedure set forth in Article 18.1 for Termination for Convenience. Nothing herein shall relieve SBCTA from its obligation to compensate CONTRACTOR for Services already performed pursuant to this Contract. No penalty shall accrue to SBCTA in the event this provision is exercised.

ARTICLE 9. PERMITS AND LICENSES

CONTRACTOR shall, without additional compensation, keep current all governmental permits, certificates and licenses (including professional licenses) and required registrations necessary for CONTRACTOR to perform Services identified herein.

ARTICLE 10. DOCUMENTATION AND RIGHT TO AUDIT

- 10.1 Subject to Articles 19 and 28 of this Contract, CONTRACTOR shall maintain all records related to this Contract in an organized way in the original format, electronic and hard copy, conducive to professional review and audit, for a period of three (3) years from the date of final payment by SBCTA, or until the conclusion of all litigation, appeals or claims related to this Contract, whichever is longer. CONTRACTOR shall provide SBCTA, the California State Auditor, or other authorized representatives of SBCTA access to CONTRACTOR's records which are directly related to this Contract for the purpose of inspection, auditing or copying during the entirety of the records maintenance period above. CONTRACTOR further agrees to maintain separate records for costs of Services performed by amendment. CONTRACTOR shall allow SBCTA and its representatives or agents to reproduce any materials as reasonably necessary.
- 10.2 The Pricing Schedule and/or invoices for this Contract are subject to audit by SBCTA and/or any state or federal agency funding this Services at any time. Any Audit report or recommendation must be in accordance with this Contract and in line with the agreement of the Parties.
- 10.3 Subcontracts in excess of \$25,000 shall contain this Article 10.

ARTICLE 11. RESPONSIBILITY OF CONTRACTOR

- 11.1 CONTRACTOR shall be responsible for the professional quality, technical accuracy, and assurance of compliance with all applicable federal, State and local laws and regulations and other Services furnished by CONTRACTOR under the Contract. The Contract includes reference to the appropriate standards for Services performance stipulated in the Contract.
- 11.2 In addition to any other requirements of this Contract or duties and obligations imposed on CONTRACTOR by law, CONTRACTOR shall, as an integral part of its Services, employ quality control procedures that identify potential risks and uncertainties related to scope, schedule, cost, quality and safety of the Services performed by CONTRACTOR within the areas of CONTRACTOR's expertise. At any time during performance of the Scope of Services, should CONTRACTOR observe, encounter, or identify any unusual circumstances or uncertainties which could pose potential risk to SBCTA, CONTRACTOR shall immediately document such matters and notify SBCTA in writing. Notifications under this paragraph shall be specific, clear and timely, and in a form which will enable SBCTA to understand and evaluate the magnitude and effect of the risk and/or uncertainties involved.

ARTICLE 12. REPORTING AND DELIVERABLES

All reports and deliverables shall be submitted in accordance with Attachment A, Scope of Work. At a minimum, CONTRACTOR shall submit monthly progress reports with their monthly invoices. The report shall be sufficiently detailed for SBCTA to determine if CONTRACTOR is performing to expectations and is on schedule; to provide communication of interim findings; and to sufficiently address any difficulties or problems encountered, so remedies can be developed.

ARTICLE 13. TECHNICAL DIRECTION

- 13.1 Performance of Services under this Contract shall be subject to the technical direction of SBCTA's Project Manager, identified in Section 1.2, upon issuance of NTP 1 and/or subsequently by written notice during the Contract. The term "Technical Direction" is defined to include, without limitation:
- 13.1.1 Directions to CONTRACTOR which redirect the Contract effort, shift work emphasis between work areas or tasks, require pursuit of certain lines of inquiry, fill in details, or otherwise serve to accomplish the Scope of Work.
- 13.1.2 Provision of written information to CONTRACTOR which assists in the interpretation of reports or technical portions of the Scope of Work described herein.
- 13.1.3 Review and, where required by the Contract, approval of technical reports and technical information to be delivered by CONTRACTOR to SBCTA under the Contract.
- 13.1.4 SBCTA's Project Manager may modify this Contract for certain administrative modifications without issuing a written amendment. Administrative modifications are limited to: substitutions of personnel identified in the Contract, including Key Personnel; names of personnel in Attachment B; and modifications of the address of the CONTRACTOR. All such modifications will be documented in writing between the Parties.

- 13.2 Technical Direction must be within the Scope of Work under this Contract. SBCTA's Project Manager does not have the authority to, and may not, issue any Technical Direction which:
- 13.2.1 Increases or decreases the Scope of Work;
 - 13.2.2 Directs CONTRACTOR to perform Work outside the original intent of the Scope of Work;
 - 13.2.3 Constitutes a change as defined in Article 14 "CHANGES" of this Contract;
 - 13.2.4 In any manner causes an increase or decrease in the Contract price as identified in Article 4, "COMPENSATION", or the time required for Contract performance;
 - 13.2.5 Changes any of the expressed terms, conditions or specifications of the Contract, unless identified herein;
 - 13.2.6 Interferes with CONTRACTOR's right to perform the terms and conditions of the Contract unless identified herein; or
 - 13.2.7 Approves any demand or claims for additional payment.
- 13.3 Failure of CONTRACTOR and SBCTA's Project Manager to agree that the Technical Direction is within the scope of the Contract, or a failure to agree upon the Contract action to be taken with respect thereto, shall be subject to the provisions of Article 37, "DISPUTES", herein.
- 13.4 All Technical Direction shall be issued in writing by SBCTA's Project Manager.
- 13.5 CONTRACTOR shall proceed promptly with the performance of Technical Direction issued by SBCTA's Project Manager, in the manner prescribed by this Article and within the Project Manager's authority under the provisions of this Article. If, in the opinion of CONTRACTOR, any instruction or direction by SBCTA's Project Manager falls within one of the categories defined in sections 13.2.1 through 13.2.7 above, CONTRACTOR shall not proceed but shall notify SBCTA in writing within five (5) working days after receipt of any such instruction or direction and shall request SBCTA to modify the Contract accordingly. Upon receiving the notification from CONTRACTOR, SBCTA shall:
- 13.5.1 Advise CONTRACTOR in writing within thirty (30) calendar days after receipt of CONTRACTOR's letter that the Technical Direction is or is not within the scope of this Contract.
 - 13.5.2 Advise CONTRACTOR within a reasonable time whether SBCTA will or will not issue a written amendment.

ARTICLE 14. CHANGES

- 14.1 The Services shall be subject to changes by additions, deletions, or revisions requested by SBCTA and agreed to by CONTRACTOR. CONTRACTOR will be advised of any such requests by written notification from SBCTA. This notification will not be binding on SBCTA until SBCTA's Awarding Authority has approved an amendment to this Contract.

- 14.2 Promptly after such written notification of change is given to CONTRACTOR by SBCTA, the Parties will attempt to negotiate a mutually agreeable adjustment to compensation or time of performance and amend the Contract accordingly.

ARTICLE 15. EQUAL EMPLOYMENT OPPORTUNITY

- 15.1 During the term of this Contract, CONTRACTOR shall not willfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, gender, sex, marital status, gender identity, gender expression, sexual orientation, age, or military or veteran status. CONTRACTOR agrees to comply with the provisions of Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.
- 15.2 The CONTRACTOR and all subcontractors shall comply with all provisions of Title VI of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the basis of race, color, and national origin. In addition, CONTRACTOR and all subcontractors will ensure their services are consistent with and comply with obligations and procedures outlined in SBCTA's current Board-adopted Title VI Program, including the Public Participation Plan and the Language Assistance Plan.

ARTICLE 16. CONFLICT OF INTEREST

CONTRACTOR agrees that it presently has no interest, financial or otherwise, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of Services required under this Contract or be contrary to the interests of SBCTA as relates to the Project. CONTRACTOR further agrees that no person having any such interest shall be employed by CONTRACTOR to perform Services under the Contract. CONTRACTOR is obligated to fully disclose to SBCTA, in writing, any conflict of interest issues as soon as they are known to CONTRACTOR. CONTRACTOR agrees that CONTRACTOR and its staff shall comply with SBCTA's Conflict of Interest Policy, No. 10102.

ARTICLE 17. KEY PERSONNEL, REQUIRED ROLES, AND CONTRACTOR'S PERSONNEL

See Scope of Work Section 6.3.

ARTICLE 18. REPRESENTATIONS

- 18.1 All Services supplied by CONTRACTOR under this Contract shall be supplied by personnel who are qualified, careful, skilled, experienced and competent in their respective trades or professions. CONTRACTOR agrees that they are supplying professional services, findings, and/or recommendations in the performance of this Contract and agrees with SBCTA that the same shall conform to professional standards that are generally accepted in the profession in the State of California.

18.2 Existence and Powers.

CONTRACTOR is a corporation, validly existing and in good standing under the laws of the State of Delaware and has the authority to do business in the State of California. It has the full legal right, power, and authority to own its properties and to carry on its business as now owned and operated and as required by this Contract.

18.3 Corporate Authorization and Binding Obligation.

CONTRACTOR and SBCTA have the authority and legal capacity to enter into and perform their obligations under this Contract. This Contract has been duly authorized, executed and delivered by all necessary action of CONTRACTOR and SBCTA and constitutes a legal, valid and binding obligation of CONTRACTOR and SBCTA, enforceable against CONTRACTOR or SBCTA, as applicable, in accordance with its terms, except to the extent that its enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditor's rights from time- to-time in effect and equitable principles of general application. The persons signing this Contract on behalf of CONTRACTOR and SBCTA have authority to do so.

18.4 No Conflict.

In addition, neither the execution and delivery by CONTRACTOR of this Contract nor the performance by CONTRACTOR of its obligations in connection with the performance under the Agreement or the fulfillment by CONTRACTOR of any terms or conditions hereof to the best of its knowledge: (a) conflicts with, violates or results in a breach of any bylaws or articles of incorporation applicable to CONTRACTOR; or (b) conflicts with, violates or results in a breach of any order, judgment or decree, or any contract, agreement or instrument, to which CONTRACTOR is a party or by which CONTRACTOR or any of its properties or assets are bound, or constitutes a default under any of the foregoing.

18.5 No Litigation.

Except as disclosed in writing to the SBCTA before the Effective Date of this Contract, there is no legal proceeding, at law or in equity, before or by any governmental body, pending or, to the best of CONTRACTOR'S knowledge, overtly threatened or publicly announced against CONTRACTOR, or any of its affiliates or its parent or subsidiary corporations, or otherwise affecting CONTRACTOR, in which an unfavorable decision, ruling, or finding, in any single case or in the aggregate, could reasonably be expected to have a material and adverse effect on the execution and delivery of this Contract by CONTRACTOR or on the validity or enforceability of this Contract against CONTRACTOR, or any other agreement or instrument entered into by CONTRACTOR in connection with the transactions contemplated in this Agreement, or on the ability of CONTRACTOR to perform its obligations under this Contract or any such other agreement or instrument, or on the financial condition of CONTRACTOR.

18.6 Intellectual Property.

CONTRACTOR has or will have all appropriate licenses, agreements, or ownership rights pertaining to all U.S. patent, copyright, trade-secret, or other intellectual-property or proprietary rights needed for the performance of its obligations under this Contract— including without limitation that it will have all necessary rights to use patentable (in the U.S.)

or copyrightable materials, equipment, devices, or processes not furnished by SBCTA used in the performance of Services under this Contract. CONTRACTOR assumes all risks arising from the use of any such U.S. patented or copyrighted materials, equipment, devices, or processes.

18.7 Claims and Demands.

Except as disclosed in writing to SBCTA before the Effective Date of this Contract, there are no material and adverse claims and demands based in contract or tort law pending or, to the best of its knowledge, threatened against CONTRACTOR, or any of its affiliates or its parent or subsidiary corporations, with respect to any project similar to the one that is the subject of this Contract.

18.8 Disqualification of Convicted Felons.

For purposes of carrying out its duties and obligations under its contract with the agency, CONTRACTOR will not, without express written permission of SBCTA, hire any person who has been convicted of a felony where the crime committed directly relates to the position of employment being sought by that person.

18.9 Subcontractors.

CONTRACTOR covenants that its employees are not SBCTA's employees and warrants that it will not take any position contrary to such covenant. As part of mobilization, Stadler will provide a list of subcontract and list shall be maintained for life of contract.

ARTICLE 19. PROPRIETARY RIGHTS, OWNERSHIP OF DOCUMENTS AND CONFIDENTIALITY

19.1 All materials, documents, data or information obtained from SBCTA's data files or any SBCTA-owned medium furnished to CONTRACTOR in the performance of this Contract will at all times remain the property of SBCTA. With the exception of CONTRACTOR's use of train performance data for other projects, such data or information may not be used or copied for direct or indirect use outside of this Project by CONTRACTOR without the express written consent of SBCTA.

19.2 All written documents, material, data, or any other written records prepared or developed by the CONTRACTOR and its subcontractors required for the continued maintenance and operations of the Service Equipment and developed pursuant to this Contract will remain the property of the CONTRACTOR. The CONTRACTOR must deliver copies of all such written documents, materials, data or other records in native format, upon request of SBCTA upon expiration or termination of this Contract. CONTRACTOR is not obligated to provide written documents and material that are CONTRACTOR's standardized, branded training material and that was not specifically modified or created for SBCTA.

19.3 All written documents, material, data, or any other written records prepared or developed by the CONTRACTOR and its subcontractors required for the continued maintenance and operations of the AMF and developed pursuant to this Contract will remain the property of SBCTA. The CONTRACTOR must deliver copies of all such written documents, materials, data or other records in native format, upon request of SBCTA upon expiration or termination of this Contract. CONTRACTOR is not obligated to provide written documents and material that are CONTRACTOR's standardized, branded training material and that was not specifically modified or created for SBCTA.

- 19.4 Material or technical data prepared by the CONTRACTOR under this Contract may be released by the CONTRACTOR to any other person or agency only as necessary for the performance of the Services. In addition, if CONTRACTOR wishes to release such information, it shall either remove information which identifies SBCTA or obtain prior written consent from SBCTA for such release. All press releases or information to be published in print or electronic media, may be distributed only after first being authorized by SBCTA.
- 19.5 CONTRACTOR further grants to SBCTA a perpetual, unlimited, royalty-free, non-exclusive and irrevocable license for SBCTA (including without limitation its officers, directors, employees, contractors, and agents) to use, copy, distribute, display publicly, perform, and modify (and create derivative works from) any and all written documentation, materials, or other works of authorship (except for written documents and material that are CONTRACTOR's standardized, branded training material and that was not specifically modified or created for SBCTA) necessary for the sole purpose of operating and maintaining the Arrow Service (the Purpose), including SOPs, user guides and training materials.
- 19.6 Nothing protected by any CONTRACTOR or third-party Intellectual Property rights will be included in technical data furnished hereunder without the written permission of the owner of the Intellectual Property for SBCTA to use for the purpose of maintaining the Arrow service.
- 19.7 Any SBCTA communications or materials to which CONTRACTOR or its subcontractors or agents have access, or materials prepared by CONTRACTOR under the terms of this Contract, shall be held in confidence by CONTRACTOR, who shall exercise reasonable precautions to prevent the disclosure of confidential information to anyone except as expressly authorized by SBCTA. Any CONTRACTOR communications or materials to which SBCTA or its subcontractors or agents have access, shall be held in confidence by SBCTA, who shall exercise reasonable precautions to prevent the disclosure of confidential information to anyone except as expressly authorized by CONTRACTOR.
- 19.8 Except as reasonably necessary for the performance of the respective obligations under this Contract, CONTRACTOR and SBCTA agree that each of them, their employees, agents and subcontractors will hold in confidence and not divulge to third parties, without prior written consent of the other Party, any information obtained from or through the other Party unless (a) the information was known to the receiving Party prior to obtaining same from the other Party, or (b) the information was at the time of disclosure to the receiving party, or thereafter becomes, part of the public domain, but not as a result of the fault of or an unauthorized disclosure by the receiving Party or its employees, agents, or subcontractors, or (c) the information was obtained by the receiving Party from a third party who did not receive the same, directly or indirectly, from the disclosing Party and who had, to the receiving Party's knowledge and belief, the right to disclose the same.
- 19.9 All press releases or press inquiries relating to the Project or this Contract, including graphic display information to be published in newspapers, magazines, and other publications, are to be made only by SBCTA unless otherwise agreed to in writing by both Parties.
- 19.10 CONTRACTOR shall not use SBCTA's name or photographs in any professional publication, magazine, trade paper, newspaper, seminar or other medium, nor release any reports,

information, promotional material or press releases (whether published in print or electronic media) without first receiving the express written consent of SBCTA. CONTRACTOR shall not or allow for the use of any photos related to this Contract for any purpose without prior written approval of SBCTA.

- 19.11 CONTRACTOR, its employees, agents and subcontractors shall be required to comply with SBCTA's Confidentiality Policy, a copy of which will be furnished to CONTRACTOR; anyone who may have access to Sensitive Security Information ("SSI") (as defined by federal law) and/or Personally Identifiable Information ("PII") may be required to execute a Confidentiality Agreement. For purposes of this Article, PII means any information that identifies or describes a person, including, but not limited to: name; social security number; date of birth; driver license number; home address; telephone number; billing address; e-mail address; credit card number and expiration date; bank account information; medical and health information, including digital copies of personal, or protected, health information (ePHI); health insurance; user name or email address, in combination with a password or security question and answer that would permit access to an online account; and other personally identifiable information as defined by California or federal law. Any release, collection, dissemination, or use of PII for Stadler employees will be subject to the provisions of the General Data Protection Regulation.
- 19.12 Applicability of California Public Records Act. Notwithstanding any of the foregoing, if SBCTA receives a public records request under the California Public Records Act (Government Code §§ 7920 et seq.) for records related to the design, production and/or maintenance of the ZEMU and/or DMU, SBCTA will promptly notify CONTRACTOR of said request and seek CONTRACTOR's assessment of which documents are exempt from disclosure under California Law or any other legal basis. If SBCTA disagrees with CONTRACTOR's assessment, it will promptly notify CONTRACTOR, and the parties will meet and confer in an attempt to informally resolve the nature of the documents. If the parties are unable to agree as to what documents are to be disclosed and an action is brought against SBCTA under the California Public Records Act to compel production of such documents, CONTRACTOR will pay SBCTA's costs of defending such action, including but not limited to attorneys' fees.

ARTICLE 20. TERMINATION

- 20.1 Termination for Convenience - SBCTA shall have the right at any time, with or without cause, to terminate further performance of Services by giving ninety (90) calendar days written notice to CONTRACTOR specifying the date of termination. On the date of such termination stated in said notice, CONTRACTOR shall promptly discontinue performance of Services and shall preserve work in progress and completed work, pending SBCTA's instruction, and, subject to any restrictions in the Contract (e.g., Article 19), shall turn over such work in accordance with SBCTA's instructions.

If SBCTA terminates this Contract for convenience, the CONTRACTOR will:

- 1) Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the Services under the Contract that is not terminated.

- 2) Terminate all orders and subcontracts to the extent that they relate to the performance of Services terminated by the notice of termination.
- 3) Settle all outstanding liabilities and all claims arising out of such termination or orders and subcontracts, with the approval or ratification of SBCTA, to the extent that may be required, which approval or ratification will be final for all the purposes of this section.
- 4) Transfer title to SBCTA and deliver in the manner, at the times, and to the extent, if any, directed by SBCTA the fabricated or un-fabricated parts, work in process, completed work, supplies, and other material produced as a part of, or acquired in connection with the performance of the Services terminate. Provision of any documents, plans, drawings, or other information supplied to SBCTA during the performance of the Services remains subject to the confidentiality and use limitations set forth in this Contract.
- 5) Use its best efforts to sell, in the manner, at the times, to the extent, and at the price(s) directed or authorized by SBCTA, any property of the types referred to above, provided, however, that the CONTRACTOR will not be required to extend credit to any purchaser, and may acquire any such property under the conditions prescribed by and at a price(s) approved by SBCTA. The proceeds of any such transfer or disposition will be applied in reduction of any payments to be made by SBCTA to the CONTRACTOR under this Contract or will otherwise be credited to the price or cost of the Services covered by this Contract or paid in such other manner as SBCTA may direct.
- 6) Complete performance of such part of the Services as will not have been terminated by the notice of termination.
- 7) Take such action as may be necessary, or as SBCTA may direct, for the protection or preservation of the property related to this Contract which is in the possession of the CONTRACTOR and in which SBCTA has or may acquire an interest.
- 8) Upon termination or expiration of this Contract, the CONTRACTOR will provide SBCTA with all documentation evidencing SBCTA's ownership of all CONTRACTOR-provided assets.
- 9) No later than 30 days after termination or completion of this Contract, subject to any restrictions in the Contract (e.g., Article 19), CONTRACTOR shall furnish to the SBCTA all records and documents as requested by SBCTA, to include, without limitation, the items listed below to the extent they exist in the Contractor's files. All reports and documents must be provided in native format if requested by SBCTA.

Additionally, all reports and notifications specified in the required reports and notifications section of the Scope of Services shall be made current and complete at the time of the termination or completion of the Contract. Any such reports or notifications which normally may not be due at the time of the final day of Contractor responsibility, particularly in the case of early termination or completion, shall be completed on a pro-rated basis to the final day of the Contract. Where practicable, all records and documents will be delivered in electronic format. The data shall reflect conditions and status as of the final day of Contractor responsibility under this Contract.

The above notwithstanding, all reports or other documents which relate to National Transportation Safety Board (NTSB), FRA, CPUC or major Authority findings,

deficiencies or Contract non-compliance shall be made available to SBCTA immediately upon termination or completion of this Contract.

The records and documents to be furnished include, but are not limited to:

- a) All Standard Operating Procedures and Plans (CDRL 26) developed for SBCTA as identified in this Scope of Work;
- b) Maintenance, Repair, Inspection and Modification Project records for each Multiple Unit, facility and item of shop or work equipment for which warranty/repair records are kept;
- c) Inventory of all assets which includes materials, tools, supplies, spare parts provided or paid for by SBCTA, including identification of all new, secondhand/reusable, and scrap materials where applicable, and a current pricing (valuation) of all such inventory;
- d) AMF facility maintenance information in SBCTA's-approved format
- e) Outlying point and yard maintenance information, in SBCTA's-approved format;
- f) All accident, fatality or other injury and property damage records, reports, claims and correspondence (including current, unsettled claims) since the Service date; including those related to:
 - (i) Contractor personnel (employees)
 - (ii) Grade Crossing accidents
 - (iii) Motor vehicle accidents
 - (iv) Trespassers
 - (v) Invitees (passengers, contractors, and others)
 - (vi) Lost time due to injury reports
- g) All interrogatories from regulatory or other agencies, including responses and documentation;
- h) All manuals, warranty documents and agreements for SBCTA-provided equipment including machinery, components, vehicles and trailers;
- i) Bills of sale and title documents conveying ownership of all SBCTA's-provided assets to SBCTA;
- j) Copies of all utility, service or subcontracts and agreements since the Service date;
- k) All Contractor correspondence files (material related to SBCTA);
- l) Quarterly and Annual Training Reports since the Service date;
- m) Personnel, training and qualification, seniority roster and discipline records of all Contractor personnel not retained in the service of the Contractor beyond the term of this Contract;
- n) All proficiency, efficiency, and drug testing records, as applicable, since the applicable Service Date(s) (e.g., ZEMU Maintenance Service Date, DMU Maintenance Service Date, AMF Maintenance Service Date, Materials Management Service Date);
- o) All inspection reports, including facilities and facility system inspections, Rolling Stock equipment inspections corrective actions;
- p) Work Directives issued but not fulfilled and reimbursable expenses for labor, material and other expenses not billed;
- q) Assigned and assignable subcontractor agreements;

In the event of termination for convenience, the CONTRACTOR will be paid all sums due and owing for all Services performed and all expenses incurred up to the day written notice of termination is given, including profit, plus any costs reasonably and necessarily incurred by CONTRACTOR to effect such termination. Thereafter, CONTRACTOR will not be entitled to make any claim against SBCTA in connection with this Contract. In no event will CONTRACTOR be entitled to any lost profits or any consequential or indirect damages as a result of a termination for convenience. All finished or unfinished materials procured for or produced pursuant to this Contract will become the property of SBCTA upon full payment made for such materials. Upon the effective date of termination, the CONTRACTOR will provide SBCTA with all documentation evidencing SBCTA's ownership of all CONTRACTOR-provided assets.

20.2 Termination for Cause - In the event CONTRACTOR shall file a petition in bankruptcy court, or shall make a general assignment for the benefit of its creditors, or if a petition in bankruptcy court shall be filed against CONTRACTOR, or a receiver shall be appointed on account of its insolvency, or if CONTRACTOR fails to perform any material obligation to be performed by it under this Contract and fails to immediately correct (or if immediate correction is not possible, fails to commence and diligently continue action to correct) such failure within thirty (30) calendar days following written notice, SBCTA may, without prejudice to any other rights or remedies SBCTA may have, and in compliance with applicable Bankruptcy Laws: (a) hold in abeyance further payments to CONTRACTOR; (b) stop any Services of CONTRACTOR or its subcontractors related to such failure until such failure is remedied; and/or (c) terminate this Contract by written notice to CONTRACTOR specifying the date of termination. In the event of such termination by SBCTA, subject to the provisions of this Contract (e.g., Article 19), SBCTA may take possession of the deliverables and finished and unfinished Services by whatever method SBCTA may deem expedient. A waiver by SBCTA of one default of CONTRACTOR shall not be considered to be a waiver of any subsequent default of CONTRACTOR, of the same or any other provision, nor be deemed to waive, amend, or modify any term of this Contract.

20.2.1 Subject to the provisions of the Contract, (e.g., Article 19), CONTRACTOR shall deliver to SBCTA all finished and unfinished deliverables under this Contract prepared by CONTRACTOR or its subcontractors or furnished to CONTRACTOR by SBCTA within thirty (30) working days of said notice.

20.3 All claims for compensation or reimbursement of costs under any of the foregoing provisions shall be supported by documentation submitted to SBCTA, satisfactory in form and content to SBCTA and verified by SBCTA. In no event shall CONTRACTOR be entitled to any payment for prospective profits or any damages because of such termination.

20.4 Audit of Arrow Maintenance Facility and Multiple Unit Condition

Upon Termination pursuant to this Article 20, a joint audit including CONTRACTOR and SBCTA, or SBCTA's designee, shall be conducted to assess the condition of the Arrow Maintenance Facility and Service Equipment. The AMF and/or Service Equipment shall be in like or better condition than they were in at the applicable Service Date(s) (e.g., ZEMU Maintenance Service Date, DMU Maintenance Service Date, AMF Maintenance Service Date, Materials Management Service Date), normal wear and tear excepted.

The normal wear and tear of the AMF and Service Equipment is the deterioration or aging that occurs because of normal, competent use in conjunction with care and proper maintenance of the asset for its intended purpose.

A comparison of the results of these contract termination audits shall be made with the initial audit of AMF, MU vehicles, and other SBCTA provided assets as of the applicable Service Date(s) (e.g., ZEMU Maintenance Service Date, DMU Maintenance Service Date, AMF Maintenance Service Date, Materials Management Service Date). For any equipment SBCTA and CONTRACTOR agree to be in a lesser or poorer condition than that existing as a matter of record as evidenced by the initial and termination audits described above, normal wear and tear excepted, and where such lesser or poorer condition results from CONTRACTOR'S negligence, improper use or lack of adequate maintenance service, SBCTA may, at its sole option require: (1) that CONTRACTOR correct, at CONTRACTOR'S expense, such condition; (2) deduct from CONTRACTOR payments an amount representing the current cost of rectifying such condition; or a combination thereof. For any equipment about which SBCTA and CONTRACTOR disagree as to the condition, the parties shall utilize the Disputes provision in Article 37 of this Contract to resolve the matter.

ARTICLE 21. RESPONSIBILITIES OF CONTRACTOR UPON TERMINATION OR EXPIRATION OF AGREEMENT

In the event that CONTRACTOR is terminated or is not selected or designated as SBCTA's contractor beyond the term of this Contract, CONTRACTOR will be obligated to carry out such Contract termination and transition activities as may be required by SBCTA to preserve and protect operations of the Arrow Service and to help effect a smooth transition to the successor contractor. The CONTRACTOR must provide sufficient experienced personnel, as directed by SBCTA, to ensure the smooth transition required in the previous sentence. Transitional services shall be On-Call Services.

Such cooperative efforts shall include the following:

- i. Provision of access for new contractor personnel to CONTRACTOR'S personnel for providing relevant information regarding SBCTA's Service Property, Service Equipment, and operations. During the Mobilization period of the new contract SBCTA and other designated contractor staff shall have full access to Contractor's operations to visibly observe and assess Contractor's safety measures, O&M activities. Such access shall not impede the CONTRACTOR's performance and safe operations. SBCTA shall notify the Contractor of such access 24 hours in advance.
- ii. Attendance by CONTRACTOR personnel at such joint transition meetings is required. At these meetings, the CONTRACTOR shall affirmatively respond to and provide enough information as requested.
- iii. The CONTRACTOR and its key management personnel shall be on property and available during the Mobilization of SBCTA's new contractor to ensure a smooth and efficient service transition.

SBCTA will not make final payment to the CONTRACTOR until satisfactory completion of all requirements of this Article and any other Contract expiration/termination obligations identified in this Contract. A failure to cooperate with a transition to a successor

CONTRACTOR is a material breach that entitles SBCTA to terminate for cause, or to transition a termination for convenience to a termination for cause.

ARTICLE 22. RIGHTS OF SBCTA UPON TERMINATION OR EXPIRATION OF AGREEMENT AND WAIVER OF CLAIMS

Upon expiration or earlier termination of the Contract, SBCTA will have the right to provide the Services and/or to use Service Equipment pursuant to contract with other firms(s). Under such circumstances, CONTRACTOR agrees to forever waive any claim, of any sort or nature, against SBCTA based upon SBCTA's contracting with another firm for the Service or any portion of it.

ARTICLE 23. STOP WORK ORDER

Upon failure of CONTRACTOR or its subcontractors to materially comply with any of the substantive requirements of this Contract, SBCTA shall have the right to stop any or all work affected by such failure until such failure is remedied or to terminate this Contract in accordance with section "Termination" above.

ARTICLE 24. CLAIMS

Neither CONTRACTOR nor SBCTA shall be bound to any adjustments in the Contract amount or schedule unless expressly agreed to by both Parties in writing. SBCTA shall not be liable to CONTRACTOR for any claim asserted by CONTRACTOR after final payment has been made under this Contract. CONTRACTOR must file any claim in writing within 30 days of when it knew or should have known of the event or occurrence giving rise to the claim. CONTRACTOR must provide sufficient detail with its claim to enable SBCTA to ascertain the claim's basis and amount—such detail at a minimum to include the date, place, and other pertinent circumstances of the event or occurrence giving rise to the claim and the indebtedness, obligation, injury, loss, or damages allegedly incurred by CONTRACTOR. CONTRACTOR must continue to perform in accordance with the Contract notwithstanding any pending claims CONTRACTOR may have submitted.

ARTICLE 25. INSURANCE AND PERFORMANCE BOND

25.1 CONTRACTOR's Responsibilities and Insurance Requirements

The insurance requirements specified in this Article must cover CONTRACTOR's own liability and any liability arising out of Services or services performed under this Contract by any subcontractors, sub-consultants, suppliers, temporary workers, independent contractors, leased employees, or any other persons, firms or corporations (hereinafter collectively referred to as "Agents") that CONTRACTOR authorizes to work under this Contract. CONTRACTOR and all Agents are required to procure and maintain, at their sole cost and expense, applicable insurance coverages subject to all of the requirements set forth below. Such insurance must remain in full force and effect throughout the term of this Contract. To the extent that any Agent does not procure and maintain such insurance coverage, CONTRACTOR is responsible for said coverage and will assume any and all costs and expenses that may be incurred in securing said coverage or in fulfilling CONTRACTOR's indemnity obligations as to itself or any of its Agents in the absence of coverage. Required levels of insurance required under this Article may be obtained by any combination of primary and excess or umbrella policies, provided the excess and/or umbrella policies follow form. In the event CONTRACTOR or its Agents procure excess or umbrella coverage to maintain certain requirements outlined below, these policies must also satisfy all specified endorsements and stipulations, including

provisions that CONTRACTOR's insurance be primary without any right of contribution from the SBCTA. The insurance requirements set forth in this Article in no way limit either party's indemnity obligations set forth in Article 26. Prior to beginning Services under this Contract, CONTRACTOR must provide SBCTA with evidence of compliance with the insurance requirements of this Article by providing a certificate of insurance along with endorsements to the policy.

25.1.0. Minimum Types and Scope of Insurance

- 25.1.1 Workers' Compensation/Employer's Liability Insurance or FELA. Workers' Compensation with Statutory Limits and/or Federal Employer's Liability ("FELA") coverage (whichever is applicable) to its employees, as required by the Federal Employer's Liability Act of 1908, applying to Interstate railroad employees, or, as required by Section 3700 et seq. of the California Labor Code, or any subsequent amendments or successor acts thereto governing the liability of employers to their employees.
- a) If the California Labor Code requiring Workers' Compensation applies, the CONTRACTOR also must maintain Employer's Liability coverage with minimum limits of Ten Million Dollars (\$10,000,000).
 - b) If FELA applies, it must be in accordance with federal statutes and have minimum limits of Ten Million Dollars (\$10,000,000) per occurrence.
- A. SBCTA reserves the right during the term of the Contract to analyze and implement alternative compensation strategies for FELA costs. If a railroad entity, covered under FELA, is selected as a CONTRACTOR, SBCTA reserves the right to retain an independent actuary to analyze the cost of injuries to employees engaged in providing the Work. This analysis will be conducted in order to determine the amount the CONTRACTOR should be compensated by SBCTA for the risk associated with the CONTRACTOR's assumption of financial responsibility for injuries and for any additional administrative costs incurred by the CONTRACTOR in handling FELA claims. The actuary selected must hold a "Fellow of the Casualty Actuarial Society" ("FCAS") designation. If SBCTA undertakes such an independent actuarial analysis of FELA costs, SBCTA may: (a) utilize the FELA payment strategy as described in the CONTRACTOR's proposal, or (b) implement the recommendations of the independent actuary, but only to the extent CONTRACTOR agrees to implement such recommendations, which consent shall not be unreasonably withheld.
 - B. The insurance coverages above must include the following endorsement as further detailed below: in section 25.2.1 Endorsements.
- 25.1.2. Business Automobile Insurance Liability insurance providing Bodily Injury Liability Limits of \$10,000,000 per occurrence, and Property Damage Liability Limits of \$10,000,000 per occurrence, or combined single limits of Liability for Bodily and Property Damage of \$10,000,000 per occurrence. This policy of insurance shall be primary as to any loss involving a vehicle owned by CONTRACTOR or a third-party and used in the provision of the Services.

- A. This insurance must include coverage for, but not be limited to, the following vehicles registered for road use for the performance of services under this contract:
 - a) All Owned vehicles
 - b) All Non-owned vehicles
 - c) Hired or rental vehicles
- B. Such insurance must include the following endorsements as further detailed in “Endorsements” below:
 - a) Additional Insured
 - b) Primary and Non-Contributory wording
 - c) Waiver of Subrogation
- C. CA 20 70 10 13 (or substantially similar) – Coverage for Certain Operations in Connection with Railroads

25.1.3

Cyber Liability Insurance: (1) \$5,000,000 Per Claim and Policy Aggregate; (2) \$5,000,000 Cyber Liability including Privacy, Confidentiality and Network Security liability; (3) \$5,000,000 Cyber Extortion; (4) \$5,000,000 Regulatory Defense, Awards and Fines; (5) \$5,000,000 Business Interruption; and (6) \$5,000,000 Ransomware.

- A. Such policy must contain Cyber Liability risk coverages including network and internet security liability coverage, privacy liability coverage, business interruption, ransomware, and media coverage.
- B. The policy must provide coverage for all work performed by the CONTRACTOR. No contract or agreement between the CONTRACTOR and any subcontractor/consultant will relieve the CONTRACTOR of the responsibility for providing this Cyber Liability coverage for all work performed by the CONTRACTOR and CONTRACTOR must indemnify SBCTA for Claims and Damages for Cyber Liability risk that arises out of work performed by any subcontractor/consultant working on behalf of the CONTRACTOR on the project.

25.1.4

Commercial General Liability Insurance: A Commercial General Liability policy with minimum limits of Bodily Injury Liability Limits of \$10,000,000 per occurrence, and Property Damage Liability Limits of \$10,000,000 per occurrence and annual aggregate liability for both bodily injury and property damage liability of \$20,000,000. This limit can be satisfied by either the General Liability policy or in combination with Umbrella/Excess Liability.

- A. Required Coverage:
 - 1. This insurance must include coverage for, but not be limited to:
 - a. Premises and operations
 - b. Products and completed operations
 - c. Personal injury
 - d. Advertising injury

2. Such insurance must include the following endorsements as further detailed in “23.2.1 Endorsements” below:
 - a. Additional Insured
 - b. Separation of Insureds Clause
 - c. Primary and Non-Contributory wording
 - d. Waiver of Subrogation
 - e. CG 2417 Contractual Liability Endorsement -- Railroads
 - f. Pollution extension for fuels and lubricants brought onto the job location

- B. The subcontractor of CONTRACTOR also must maintain General Liability Insurance coverage of not less than \$5 million per occurrence, combined single limit, for coverage and for losses arising out of injury to or death of all persons, and for physical loss or damage to or destruction of Property, including the loss of use thereof. A \$10 million annual aggregate shall apply.
 1. This insurance must include coverage for, but not be limited to:
 - a. Premises and operations
 - b. Products and completed operations
 - c. Personal injury
 - d. Advertising injury
 2. Such insurance must include the following endorsements as further detailed in the Endorsements section below:
 - a. Additional Insured
 - b. Separation of Insureds Clause
 - c. Primary and Non-Contributory wording
 - d. Waiver of Subrogation
 - e. Pollution extension for fuels and lubricants brought onto the job location

25.2. General Conditions, Endorsements and Requirements

25.2.1 Endorsements

- A. Additional Insureds. The General Liability and Automobile policies as specified in the provisions above must include as Additional Insureds: Los Angeles County Metropolitan Transportation Authority, Orange County Transportation Authority, Riverside County Transportation Commission, San Bernardino County Transportation Authority, Ventura County Transportation Commission, BNSF Railway, Union Pacific Railroad, National Railroad Passenger Corporation (Amtrak), and North County Transit District.
The General Liability and Business Automobile policies as specified in the provisions above must include as Additional Insureds the SCRRRA and SBCTA and their Directors, Supervisors, officers, employees, volunteers and agents, as they now, or as they may hereafter be constituted, singly, jointly, or severally.

The referenced policies will not include language stating that the self-insured retention may only be paid by the named insured prior to triggering Additional Insured coverage and will permit an additional insured to pay or exhaust the self-insured retention.

- B. Waiver of Subrogation - The Workers' Compensation and FELA, General Liability, and Business Automobile policies must contain a waiver of subrogation in favor of the Southern California Regional Rail Authority, Los Angeles County Metropolitan Transportation Authority, Orange County Transportation Authority, Riverside County Transportation Commission, San Bernardino County Transportation Authority, Ventura County Transportation Commission, BNSF Railway, Union Pacific Railroad, National Railroad Passenger Corporation (Amtrak), and North County Transit District.

The optional Following Form Excess or Umbrella policies covering Excess Railroad, General Liability and Business Automobile Liability Insurance must contain a waiver of subrogation in favor of the Southern California Regional Rail Authority, Los Angeles County Metropolitan Transportation Authority, Orange County Transportation Authority, Riverside County Transportation Commission, San Bernardino County Transportation Authority, Ventura County Transportation Commission, BNSF Railway, Union Pacific Railroad, National Railroad Passenger Corporation (Amtrak), and North County Transit District.

- C. Primary Insurance - The insurance limits set forth in this Article may be satisfied by a combination of primary and excess policies. The referenced policies and any Excess and Umbrella policies must indicate that they are primary to any other insurance and the insurance company(ies) providing such policy(ies) will be liable thereunder for the full amount of any loss or claim, up to and including the total limit of liability, without right of contribution from any of the insurance effected or which may be affected by the SBCTA.
- D. Separation of Insureds - The General Liability policy and any Excess or Umbrella policies must contain a Separation of Insureds Clause and stipulate that inclusion of SCRRA, the Los Angeles County Metropolitan Transportation Authority, the Orange County Transportation Authority, the Riverside County Transportation Commission, the San Bernardino County Transportation Authority, the Ventura County Transportation Commission, the BNSF Railroad, the Union Pacific Railroad, the National Railroad Passenger Corporation (Amtrak), and North County Transit District, as Named Insureds and/or Additional Insureds, will not in any way affect their rights either as respects any claim, demand, suit or judgment made, brought or recovered against the CONTRACTOR. The purpose of this coverage is to protect CONTRACTOR, the Named Insureds and the Additional Insureds in the same manner as though a separate policy had been issued to each, but nothing in said policy will operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.
- E. Notice of Cancellation or Non-Renewal - The referenced policies and any Excess or Umbrella policies must contain a Notice of Cancellation or Non-Renewal Endorsement providing that in the event of Cancellation of the policy and/or Non-Renewal of the policy, except for cancellation due to non-payment of premium, SBCTA will be provided with 30 days' Notice of Cancellation or Non-Renewal by the insurer. In the event of cancellation of the insurance policy for non-payment of premium, the Endorsement must also provide the SBCTA will be provided with 10 days' Notice of Cancellation for non-payment of premium by the insurer.

25.2.2 Evidence of Insurance

Prior to commencing work or entering onto the Service Property, CONTRACTOR must provide SBCTA with a certificate evidencing coverage along with the required endorsements, and upon request, a certified duplicate original of the policy. The certificate also must show that the CONTRACTOR's policy(ies) will not be cancelled without 30 days' prior written notice to SBCTA. CONTRACTOR must also provide certificates evidencing coverage to SBCTA throughout the term of this Contract and for two years thereafter, every time a policy of insurance required by this Contract is renewed and/or replaced. CONTRACTOR must maintain evidence of insurance for two years following expiration and/or termination of this Contract.

25.2.3 General Provisions

- A. Notice of Cancellation - The policies must provide that the CONTRACTOR's policies will not be cancelled without 30 days' prior written notice to the SBCTA.
- B. Acceptable Insurers - All policies will be issued by insurers acceptable to SBCTA (generally with a Best's Rating of A- 7 or better).
- C. Self-insurance - Upon written approval by SBCTA and CONTRACTOR's agreement to waive subrogation against SBCTA respecting any and all claims that may arise, CONTRACTOR's obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance. Such self-insurance programs or retentions must provide at least the same protection from liability and defense of suits as would be afforded by "first-dollar" insurance. If CONTRACTOR fails, refuses, or unreasonably delays paying any losses within a permitted self-insured retention, SBCTA will have the right to terminate the Contract upon 30 days' written notice, which termination will be deemed for cause.
- D. Failure to Maintain Insurance - All insurance specified above must remain in force until all work to be performed is satisfactorily completed, all of CONTRACTOR's personnel and equipment have been removed from SBCTA's property, and the work has been formally accepted. The failure to procure or maintain required insurance and/or an adequately funded self-insurance program will constitute a material breach of this Contract. In the event that the CONTRACTOR does not procure or maintain required insurance and after written notice by SBCTA, SBCTA may, 30 days from written notice, procure the insurance on CONTRACTOR's behalf and deduct the cost from any compensation owed to the CONTRACTOR.
- E. Claims Made Coverage - If any insurance specified above is provided on a claim-made basis, then in addition to coverage requirements above, such policy must provide that:
 - a) Policy retroactive/continuity dates must coincide with or precede the CONTRACTOR's start of work (including subsequent policies purchased as renewals or replacements).
 - b) CONTRACTOR must make every effort to maintain similar insurance for at least two years following termination of the Contract, including the requirement of adding all additional insureds.
 - c) If insurance is terminated for any reason, CONTRACTOR agrees to purchase an extended reporting provision of at least two years to report claims arising from work performed in connection with this Contract.

- d) Policy allows for reporting of circumstances or incidents that might give rise to future claims.
- F. Deductibles and Retentions - CONTRACTOR is responsible for payment of any deductible or retention on CONTRACTOR's policies without right of contribution from SBCTA. Deductible and retention provisions may not contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the Named Insured is unacceptable. Any deductible or retention in excess of \$10,000 must be approved by SBCTA. Deductibles and retentions may be satisfied either by the CONTRACTOR and/or the SBCTA.
- G. Aggregate Limits - If any of the required insurance coverages described above which are provided and maintained by CONTRACTOR contain aggregate limits and apply to other operations or tenancies of CONTRACTOR outside of this Contract, CONTRACTOR will give SBCTA prompt, written notice of any incident, occurrence, claim, settlement or adjustment against such insurance which could be reasonably expected to reduce available insurance below the level required by this Article.
- H. Modification of Coverage - SBCTA reserves the right at any time during the term of this Contract to increase or decrease the amounts and types of insurance required to be provided by CONTRACTOR pursuant to this Article by giving CONTRACTOR 90 days' prior written notice of the change, provided that any decrease in the amount or type of insurance required to be provided by CONTRACTOR will be subject to the approval of CONTRACTOR, which shall not be unreasonably withheld, conditioned or delayed. SBCTA's right to increase the amount and types of insurance to be provided by CONTRACTOR will be subject to the availability of such insurance. SBCTA will pay to CONTRACTOR the incremental increase in CONTRACTOR's cost resulting from an increase in insurance coverage required by it and deduct from amounts owing to CONTRACTOR under this Contract any incremental decrease in CONTRACTOR's cost resulting from a decrease in insurance coverage.
- I. Additional Insurance - CONTRACTOR must carry any other insurance required by law.
- J. Claims Costs - CONTRACTOR, at its sole cost and expense, will be responsible for the investigation, administrative handling, and settlement of claims for injury, death or damage arising out of the performance of this Contract for which it is responsible. Each party must respond to reasonable requests by the other party as to the status of all claims presented for which the requesting party is responsible. The parties agree that the furnishing of such information is for the purpose of keeping each other informed, as potential co-defendants, with respect to such claims, is a privileged co-defendant communication, does not waive the attorney-client, attorney work product or any other applicable privilege, and will not be admissible in any action or proceeding of any kind whatsoever as an admission or concession of liability or for any other purpose whatsoever, nor will any such information exchanged be admissible as evidence of liability to, or damages allegedly suffered by any claimant.

25.3 PERFORMANCE BOND

25.3.1 Forty-five (45) days prior to the associated Service Date (ZEMU Maintenance Service Date, DMU Maintenance Service Date, AMF Maintenance Service Date, Materials Management Service Date), the CONTRACTOR will file with SBCTA, on forms provided by SBCTA, a performance bond in an amount equal to the total amount of the Contract commencing on the Effective Date and ending on June 30, 2030. The bond must be for the entire base term, or, with SBCTA approval, may be annually renewable, in which case the CONTRACTOR must provide written evidence of renewal at least 90 days prior to the expiration of the then-current bond. Any replacement bond must be issued at least 30 days prior to the expiration of the then-current bond and will take effect upon expiration of the then-current bond. CONTRACTOR's failure to always have a bond in place, or a failure to provide a replacement bond in compliance with this paragraph, constitutes a material default of this Contract. The bond must be issued by a reputable surety company(ies) acceptable to SBCTA with a Best Guide Rating of A or better, listed in Circular 570: Surety Companies Acceptable on Federal Bonds List, with a bond amount within the underwritten limitation, and authorized to execute such in the State of California. Should any surety be deemed unsatisfactory at any time by SBCTA, notice will be given to the CONTRACTOR to that effect, and CONTRACTOR will forthwith substitute a new surety satisfactory to the SBCTA.

25.3.2 Performance Bond premium costs are separately listed in the CONTRACTOR's Pricing Schedule and are pass-through costs for which the CONTRACTOR may separately invoice SBCTA.

ARTICLE 26. INDEMNITY/LIMITATION ON LIABILITY

26.1 Indemnity

CONTRACTOR agrees to indemnify, defend (with legal counsel reasonably approved by SBCTA) and hold harmless SBCTA, SCRRA, the Los Angeles County Metropolitan Transportation Authority, the Orange County Transportation Authority, the Riverside County Transportation Commission, the Ventura County Transportation Commission, the BNSF Railroad, the Union Pacific Railroad, the National Railroad Passenger Corporation (Amtrak) and North County Transit District, and their authorized officers, employees, agents and volunteers ("Indemnitees"), from any and all 3rd party claims, actions, losses, damages and/or liability (Claims) arising out of, caused by, resulting from, or sustained or incurred in connection with (in whole or in part), Contractor's performance of its obligations hereunder, or any part thereof, or failure to comply with the Contract and for any costs or expenses incurred by Indemnitees on account of any claim related to Contractor's performance of its obligations under this Contract, or any part thereof, or failure to comply with the Contract, except where such indemnification is prohibited by law. CONTRACTOR's indemnification obligation applies to Indemnitees "active" as well as "passive" negligence but does not apply to Indemnitees' sole negligence, willful misconduct and/or gross negligence. Unless SBCTA has withheld from CONTRACTOR the funding specifically requested by CONTRACTOR to remedy a violation of federal, state, or local law or regulation, the indemnity in this paragraph applies such that CONTRACTOR must indemnify, protect, defend and save the Indemnitees and their officers, agents and employees harmless from all fines, penalties, and liabilities imposed under such laws and regulations regarding the Work. Without limiting the foregoing indemnity, CONTRACTOR also must indemnify, defend and hold harmless the Indemnitees from 3rd party Claims arising out of, relating to, or in connection with any claim or allegation that SBCTA's ownership, possession, maintenance, modification, or any other use of materials, including spare parts, provided by Contractor under this Contract, or any other deliverable or work performed by Contractor under this Contract infringe or violate the patent, copyright, trade-secret, or other intellectual-property or proprietary rights of any third party. In the

event any such claims result in a finding of infringement or other violation, CONTRACTOR, at CONTRACTOR's sole cost and expense, must: (a) secure for the SBCTA the right to continue using the materials, equipment, devices or processes by suspension of the injunction or by procuring a royalty-free license, or licenses, (b) replace any software, hardware, materials, equipment, devices, or processes found to be infringing or violative of third-party rights with non-infringing software, hardware, materials, equipment, devices, or processes, or (c) modify them so that they become non-infringing; and the alternative of (a), (b), or (c) must be selected in consultation with SBCTA and with SBCTA's written consent, which will not be unreasonably withheld, though in any event the selection may not entail an unreasonable or excessive amount of time or cause undue disruption to operations of the Arrow service.

26.2 Limitation of Liability

Except as set forth in the following sentence, Contractor's liability arising under this Contract whether in contract or tort or any other theory of law or equity will not exceed \$5,000,000. This cap on Contractor's liability does not apply to Contractor's indemnity obligations under Section 26.1. Neither Party will be liable to the other for loss of profit, loss of business, loss of goodwill, and loss of opportunity.

ARTICLE 27. ERRORS AND OMISSIONS

CONTRACTOR shall be responsible for the professional quality, technical accuracy, and coordination of all Services required under this Contract. CONTRACTOR shall be liable for SBCTA's costs resulting from errors or deficiencies in Services furnished under this Contract, including, but not limited to, any fines, penalties, damages, and costs required because of an error or deficiency in the Services provided by CONTRACTOR under this Contract.

ARTICLE 28. OWNERSHIP OF DOCUMENTS

Consolidated into Article 19

ARTICLE 29. SUBCONTRACTS

- 29.1 CONTRACTOR shall not subcontract performance of all or any portion of Services under this Contract, except to those subcontractors listed in CONTRACTOR's proposal, without first notifying SBCTA in writing of the intended subcontracting and obtaining SBCTA's written approval of the subcontracting and the subcontractor. The definition of subcontractor and the requirements for subcontractors hereunder shall include all subcontracts at any tier.
- 29.2 CONTRACTOR agrees that any and all subcontractors of CONTRACTOR performing Services under this Contract will comply with the terms and conditions of this Contract applicable to the portion of Services performed by them. CONTRACTOR shall incorporate all applicable provisions of this Contract into their subcontracts regardless of the tier. If requested by SBCTA, CONTRACTOR shall furnish SBCTA a copy of the proposed subcontract for SBCTA's approval of the terms and conditions thereof and shall not execute such subcontract until SBCTA has approved such terms and conditions. SBCTA's approval shall not be unreasonably withheld. Without limiting the generality of the previous sentences in this paragraph, each subcontract must state that CONTRACTOR, not SBCTA, is solely responsible for payment to the subcontractor for any amounts owing and the subcontractor will have no claim and may take no action against SBCTA (or its officers, directors, employees, assigns, or sureties) for nonpayment by CONTRACTOR.

- 29.3 Approval by SBCTA of any Services to be subcontracted and the subcontractor to perform said Services will not relieve CONTRACTOR of any responsibility or liability in regard to the acceptable and complete performance of said Services. The CONTRACTOR must be responsible for all work or equipment, whether subcontracted or purchased from a supplier. The CONTRACTOR agrees to pay its subcontractors all sums owed and will be solely responsible for reimbursing any subcontractors. SBCTA will have no obligation to them. The CONTRACTOR will be solely responsible for the performance of its subcontractors, in particular, the CONTRACTOR will be primarily responsible for communications and negotiations with its subcontractors. Any substitution of subcontractors must be approved in writing by SBCTA. CONTRACTOR shall have sole responsibility for managing all of their subcontractors, including resolution of any disputes between CONTRACTOR and its subcontractors.
- 29.4 SBCTA reserves the right to direct the CONTRACTOR to remove any subcontractor when subcontracted work is not being performed in a manner satisfactory to SBCTA. The subcontractor will be removed immediately upon the written request of SBCTA. SBCTA may also request that such subcontractor will not again be employed on the Services. All costs associated with removal and replacement of a subcontractor are the responsibility of the CONTRACTOR. A failure to comply with direction to remove the subcontractor is a material breach of this Contract. Removal and/or replacement of a subcontractor in no way relieves the CONTRACTOR of its obligations to perform under this Contract.

ARTICLE 30. RECORD INSPECTION AND AUDITING

SBCTA or any of its designees, representatives, or agents shall at all times have access during normal business hours to CONTRACTOR's operations and products wherever they are in preparation or progress, and CONTRACTOR shall provide sufficient, safe, and proper facilities for such access and inspection thereof. Inspection or lack of inspection by SBCTA shall not be deemed to be a waiver of any of their rights to require CONTRACTOR to comply with the Contract or to subsequently reject unsatisfactory Services or products.

ARTICLE 31. INDEPENDENT CONTRACTOR

CONTRACTOR is and shall be at all times an independent contractor. Accordingly, all Services provided by CONTRACTOR shall be done and performed by CONTRACTOR under the sole supervision, direction and control of CONTRACTOR. SBCTA shall rely on CONTRACTOR for results only and shall have no right at any time to direct or supervise CONTRACTOR or CONTRACTOR's employees in the performance of Services or as to the manner, means and methods by which Services is performed. All personnel furnished by CONTRACTOR pursuant to this Contract, and all representatives of CONTRACTOR, shall be and remain the employees or agents of CONTRACTOR or of CONTRACTOR's subcontractor(s) at all times, and shall not at any time or for any purpose whatsoever be considered employees or agents of SBCTA.

ARTICLE 32. ATTORNEY'S FEES

If any legal action is instituted to enforce or declare any Party's rights under the Contract, each Party, including the prevailing Party, must bear its own costs and attorneys' fees. This Article shall not apply to those costs and attorneys' fees directly arising from any third party legal action against a Party hereto and payable under the "Indemnity" provision of the Contract.

ARTICLE 33. GOVERNING LAW AND VENUE

This Contract shall be subject to the law and jurisdiction of the State of California. The Parties acknowledge and agree that this Contract was entered into and intended to be performed in whole or substantial part in San Bernardino County, California. The Parties agree that the venue for any action or claim brought by any Party to this Contract will be the Superior Court of California, San Bernardino County. If SBCTA assigns the Contract to SCRRA, Venue will be the Superior Court of Los Angeles County. Each Party hereby waives any law or rule of court which would allow them to request or demand a change of venue. If any action or claim concerning this Contract is brought by any third party, the Parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County (or, if assigned, Los Angeles County).

ARTICLE 34. FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS

CONTRACTOR warrants that in the performance of this Contract, it shall comply with all applicable federal, State and local laws, ordinances, rules and regulations. Without limiting the generality of the previous sentence, CONTRACTOR is responsible for compliance with the provisions of all applicable regulations of FRA and CPUC, other entities with regulatory authority over the rail industry as well as all other applicable federal, state and municipal laws applicable to the Services.

If as a result of a change in law, Contractor suffers any additional costs in the performance of the Contract, Contractor shall notify SBCTA within thirty (30) days, and the parties shall execute a Contract Amendment making Contractor whole for the additional costs.

ARTICLE 35. PRECEDENCE

- 35.1 The Contract consists of the following: Contract Articles, Attachment A - Scope of Work, and Attachment B - Pricing Schedule, and Attachment C - Liquidated Damages, and Attachment D - Additional Clauses, all of which are incorporated into this Contract by this reference.
- 35.2 The following order of precedence shall apply: first, the Contract Articles and Attachment D Additional Clauses; second, Attachment A Scope of Work; third, Attachment B Pricing Schedule; fourth, Attachment C Liquidated Damages.
- 35.3 In the event of an express conflict between the documents listed in this Article, or between any other documents which are a part of the Contract, CONTRACTOR shall notify SBCTA in writing within three (3) business days of its discovery of the conflict. To the extent the conflict cannot be readily resolved, the parties shall utilize the Disputes process set forth in Article 37. and

ARTICLE 36. COMMUNICATIONS AND NOTICES

Notices sent by mail shall be by United States Mail, postage paid, certified mail (return receipt requested). Any and all notices permitted or required to be given hereunder shall be deemed duly given and received: (a) upon actual delivery, if delivery is personally made or if made by fax or email during regular business hours; (b) the first business day following delivery by fax or email when not made during regular business hours; or (c) on the fourth business day after deposit of such notice into the United States Mail. Each such notice shall be sent to the respective Party at the address indicated below or to any other address as the respective Parties may designate from time to time by a notice

given in accordance with this Article. CONTRACTOR shall notify SBCTA of any contact information changes within ten (10) business days of the change.

To Stadler, US, Inc	To SBCTA
5880 West 150 South,	1170 W. 3 rd Street, 2 nd Floor
Salt Lake City, UT 84104	San Bernardino, CA 92410-1715
Attn: Rachelle Glazier	Attn: Joy M. Buenaflor
Email: Rachelle.glazier@stadlerrail.com	Email: jbuenaflor@gosbcta.com
Phone: (916) 201-0800	Phone: (909) 884-8276
2 nd Contact:	Copy: Procurement Manager
Email:	Email: procurement@gosbcta.com

ARTICLE 37. DISPUTES

- 37.1 In the event any dispute, other than an audit, arises between the Parties in connection with this Contract (including but not limited to disputes over payments, reimbursements, costs, expenses, Services to be performed, Scope of Work and/or time of performance), the dispute shall be decided by SBCTA's Procurement Manager within thirty (30) calendar days after notice thereof in writing, which notice shall include a particular statement of the grounds of the dispute. If CONTRACTOR does not agree with the decision, then CONTRACTOR shall have ten (10) calendar days after receipt of the decision in which to file a written appeal thereto with SBCTA's Executive Director. If the Executive Director fails to resolve the dispute in a manner acceptable to CONTRACTOR, then such dispute may be reviewed by a court of competent jurisdiction. The parties may also agree to use an alternate dispute resolution methodology such as mediation or non-binding arbitration.
- 37.2 During resolution of the dispute, CONTRACTOR shall proceed with performance of this Contract with due diligence.

ARTICLE 38. GRATUITIES

CONTRACTOR, its employees, agents, or representatives shall not offer or give to any officer, official, agent or employee of SBCTA, any gift, entertainment, payment, loan, or other gratuity.

ARTICLE 39. REVIEW AND ACCEPTANCE

All Services performed by CONTRACTOR shall be subject to periodic review and approval by SBCTA at any and all places where such performance may be carried on. Failure of SBCTA to make such review or to discover defective work shall not prejudice the rights of SBCTA at the time of final acceptance. All Services performed by CONTRACTOR shall be subject to periodic and final review and acceptance by SBCTA upon completion of all Services.

ARTICLE 40. CONFIDENTIALITY

Consolidated into Article 19.

ARTICLE 41. EVALUATION OF CONTRACTOR

CONTRACTOR's performance may be evaluated by SBCTA periodically throughout the Contract performance period, such as at the completion of certain milestones as identified in Scope of Work and/or at the completion of the Contract. A copy of the evaluation will be given to CONTRACTOR

for their information. The evaluation information shall be retained as part of the Contract file and may be used to evaluate CONTRACTOR if they submit a proposal on a future RFP issued by SBCTA.

ARTICLE 42. SAFETY

CONTRACTOR shall strictly comply with OSHA regulations and local, municipal, state, and federal safety and health laws, orders and regulations applicable to CONTRACTOR's operations in the performance of Services under this Contract. CONTRACTOR shall comply with all safety instructions issued by SBCTA or their representatives.

ARTICLE 43. DRUG FREE WORKPLACE

CONTRACTOR agrees to comply with the Drug Free Workplace Act of 1990 per Government Code section 8350 et seq.

ARTICLE 44. ASSIGNMENT

CONTRACTOR may not assign this Contract in whole or in part, voluntarily, by operation of law, or otherwise, without first obtaining the written consent of SBCTA. SBCTA's exercise of consent shall not be unreasonably withheld. Any purported assignment without SBCTA's prior written consent shall be void and of no effect and shall constitute a material breach of this Contract. Subject to the foregoing, the provisions of this Contract shall extend to the benefit of and be binding upon the successors and assigns of the Parties.

CONTRACTOR agrees that SBCTA may enter into an Assignment and Assumption Agreement with SCRRA, by which SBCTA will assign, and SCRRA will assume, all of SBCTA's obligations under this Contract. CONTRACTOR's consent is not required for SBCTA to assign the Contract to SCRRA. Upon assignment, SCRRA will provide CONTRACTOR a fully executed copy of the Assignment and Assumption Agreement to evidence the assignment, along with updated administrative procedures that may be necessary to effect the assignment (for example, and without limitation, changes to the Notice and Invoice procedures). Thereafter, CONTRACTOR and SCRRA will continue to be bound to the Contract, as modified by any necessary change to administrative procedures.

ARTICLE 45. AMENDMENTS

The Contract may only be changed by a written amendment duly executed by the Parties. Services authorized under an amendment shall not commence until the amendment has been duly executed.

ARTICLE 46. PREVAILING WAGES

CONTRACTOR shall comply with the State of California's General Prevailing Wage Rate requirements in accordance with California Labor Code Section 1770, and all Federal, State, and local laws and ordinances applicable to the Services.

ARTICLE 47. CONTINGENT FEE

CONTRACTOR warrants by execution of this Contract that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by CONTRACTOR for the purpose of securing business. For breach or violation of this warranty, SBCTA has the right to terminate this Contract without liability, pay only for the value of the Services actually performed, or, in its

discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE 48. FORCE MAJEURE

Each party will be excused from performance of any of its obligations when such non-performance results directly from (i) any order, rule, or regulation of any Federal, State, or local government body, agent, or instrumentality that mandates interruption or cessation of rail service or that prevents Contractor from fulfilling its obligations under this Agreement, (ii) an accident, natural disaster, pandemic, epidemic, or civil disorder that disrupts or interrupts the Services, or (iii) any other similar event (but expressly not including work stoppages or other labor unrest) beyond the parties' reasonable control (collectively referred to as a Force Majeure Event). In all cases, financial difficulty in performance is not sufficient to implicate this provision, and a Force Majeure Event only exists if performance is impossible or commercially impractical. The party excused from performance must use all reasonable efforts to minimize its non-performance and to overcome, remedy, or remove the Force Majeure Event in the shortest practical time. The affected party must notify the other that any Force Majeure Event has occurred or is likely to occur within 10 days of becoming aware of it, and will use best efforts, defined to be more than commercially reasonable efforts, to minimize any resulting delay in or interference with the performance of its obligations under the Agreement.

In the event Contractor is excused from performing its obligations for any of the aforementioned reasons, SBCTA may perform all such obligations itself with its own or other personnel without liability to Contractor thereof. Further, in the event Contractor is excused from performing its obligations for a period of 30 days or longer, SBCTA will have the option to immediately terminate the Agreement by giving Contractor written notice thereof. Such termination will be treated as a Termination for Convenience if such notice is provided within 60 days following the commencement of the Force Majeure event.

ARTICLE 49. WARRANTY

CONTRACTOR warrants that all Services performed shall be in accordance with the Contract and all applicable professional standards. In the event of a breach of this provision, CONTRACTOR shall take the necessary actions to correct the breach at CONTRACTOR's sole expense. If CONTRACTOR does not take the necessary action to correct the breach, SBCTA, without waiving any other rights or remedies it may have, may take the necessary steps to correct the breach, and the CONTRACTOR shall promptly reimburse SBCTA for all expenses and costs incurred.

ARTICLE 50. ENTIRE DOCUMENT

- 51.1 This Contract constitutes the sole and only agreement governing the Services and supersedes any prior understandings, written or oral, between the Parties respecting the Project. All previous proposals, offers, and other communications, written or oral, relative to this Contract, are superseded except to the extent that they have been expressly incorporated into this Contract.
- 51.2 No agent, official, employee or representative of SBCTA has any authority to bind SBCTA to any affirmation, representation or warranty outside of, or in conflict with, the stated terms of this Contract, and CONTRACTOR hereby stipulates that it has not relied, and will not rely, on same.
- 51.3 Both Parties have been represented or had the full opportunity to be represented by legal counsel of their own choosing in the negotiation and preparation of this Contract. Therefore,

the language in all parts of this Contract will be construed, in all cases, according to its fair meaning, and not for or against either Party.

ARTICLE 51. COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

CONTRACTOR shall comply with all applicable provisions of the Americans with Disabilities Act in performing Services under this Contract.

ARTICLE 52. EFFECTIVE DATE

The date that this Contract is executed by SBCTA shall be the Effective Date of the Contract.

-----SIGNATURES ARE ON THE FOLLOWING PAGE-----

DRAFT

Attachment: 24-1003105 SBCTA MU Maintenance Contract with Stadler_Rev 8-1-24_FINAL [Revision 1] (10842 : Award of Sole Source

IN WITNESS WHEREOF, the Parties hereto have executed this Contract below.

STADLER US, INC.

**SAN BERNARDINO COUNTY
TRANSPORTATION
AUTHORITY**

By: _____
Martin Ritter
CEO Stadler US Inc.

By: _____
Ray Marquez
President, Board of Directors

Date: _____

Date: _____

By: _____
Daniel Baer
Executive Vice President
Division Service

APPROVED AS TO FORM

Date: _____

By: _____
Julianna K. Tillquist
General Counsel

By: _____
Lucy K. Andre
General Counsel

Date: _____

Date: _____

CONCURRENCE

By: _____
Alicia J. Bullock
Procurement Manager

Date: _____

DRAFT

Attachment: 24-1003105 SBCTA MU Maintenance Contract with Stadler_Rev 8-1-24_FINAL [Revision 1] (10842 : Award of Sole Source

Attachment A
SCOPE OF WORK

DRAFT

Attachment: 24-1003105 SBCTA MU Maintenance Contract with Stadler_Rev 8-1-24_FINAL [Revision 1] (10842 : Award of Sole Source



Zero Emission Multiple Unit, Diesel Multiple Units, and Arrow Maintenance Facility – Maintenance Services

CONTRACT NO. 24-1003105
Scope of Work

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
1170 W 3RD ST. 2ND FLOOR, SAN BERNARDINO, 92410-1715

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Attachment: 24-1003105 SBCTA MU Maintenance Contract with Stadler_Rev 8-1-24_FINAL [Revision 1] (10842 : Award of Sole Source

SECTION 1. DEFINITIONS

ACTUAL COSTS – Those allowable, allocable, and reasonable costs specified in the article titled “Compensation” in the Agreement.

APPROVED BUDGET – The annual budget for Services developed pursuant to the process described in the Scope of Services and approved by the Authority.

ARROW MAINTENANCE FACILITY (AMF) – The maintenance facility located at 958 West 3rd Street, San Bernardino, CA, 92410, the maintenance of which is the subject of NTP 3 of the Contract.

ARROW SERVICE – The service that utilizes 3 Stadler Flirt DMUs and anticipates adding 1 Stadler ZEMU and operates frequently between over 8.9 miles of a railroad between San Bernardino and downtown Redlands.

SCRRA – The Southern California Regional Rail Authority, also referred to as Metrolink.

BASE SERVICES – All services under the Contract (including Options, if exercised) that are covered by the Base Fee, assuming the applicable NTP has been issued. Base Services do not include On-Call Services that require authorization through a Work Directive.

BUSINESS DAY – Any day other than a Saturday, Sunday or day of national holiday or holiday service day identified on the Metrolink Public Timetable.

CONDITION-BASED MAINTENANCE (CBM) – A maintenance strategy that monitors the actual condition of an asset to decide when maintenance needs to be completed. CBM dictates that maintenance shall be performed when certain indicators show signs of decreasing performance or upcoming failures.

CONSUMABLES - Consumable or expendable items of material, as identified by part number and description by Contractor and agreed to by SBCTA.

CONTRACT – The agreement entered into between CONTRACTOR and SBCTA for the maintenance of the ZEMU, DMUs, AMF and providing materials management.

CONTRACT ADMINISTRATOR – The Contract Administrator is an SBCTA employee who is authorized by SBCTA to oversee and assist in the administration of the Contract terms and conditions and provide independent assessments of the Contract Manager’s actions with regard to the management of the Contract and Contractor. The Contract Administrator ensures that all contract actions are properly organized and timely filed and will maintain an independent set of the Contract Documents.

CONTRACT MANAGER – An SBCTA employee who reviews and approves the annual budget, Work Directives and invoices within the limits of delegated authority. The Contract Manager reviews and approves change orders and modifications per the change clauses in the Contract, and resolves disputes associated with the Contract and within delegated authority. The Contract Manager serves as SBCTA’s primary point of contact with the Contractor’s General Manager. The Contract Manager ensures that all contract actions are made in writing and are properly organized and filed and that the original set or copies of the written contract actions are furnished to the Contract Administrator. The Contract Manager will meet and confer and seek consensus with the Contract Administrator on significant changes, modifications or interpretations of the terms and conditions.

CONTRACTOR – Stadler US, Inc., whose address is 5880 West 150 South, Salt Lake City, UT.

CORRECTIVE MAINTENANCE – Maintenance required to the Service Equipment and/or AMF as a result of a failure or defect of a component or system in advance of the replacement of the component or system at the end of its useful life

DAYS – All references to “days” shall be calendar days unless stipulated as “Business Days.”

DMU – One of the 3 Stadler Flirt Diesel Multiple Units purchased by SBCTA pursuant to Contract 16-1001531.

ENTERPRISE ASSET MANAGEMENT (EAM) SYSTEM – System used for the management and maintenance of physical assets of an organization throughout their lifecycle throughout planning, procurement, installation, maintenance and performance through disposal.

EXHIBIT – Any document, schedule, appendix, or supplementary material attached herewith, relevant to the execution and management of the Contract. Note, references in Exhibits to the terms "locomotive" and "coaches" are interchangeable with "MUs", where applicable. Similarly, exhibits referencing SCRRA's fleet and facilities other than that defined in this Scope of Work, should be considered applicable only to the fleet and facilities defined in this Scope of Work.

FISCAL YEAR (FY) – The SBCTA Fiscal Year, which commences July 1 and ends the following June 30.

FLEET – Collection of one or more vehicles of the same type, such as DMU, ZEMU, or rubber-tired vehicles, managed and maintained under this Contract.

GENERAL CODE OF OPERATING RULES (GCOR) – The most current operating rules governing train movement and safety on SCRRA property as modified by SCRRA's Timetable, System Special Instructions, General Order or General Track Bulletin.

GENERAL MANAGER (GM) – The Contractor's employee appointed by the Contractor and approved by SBCTA, and who has the principal responsibility for directing and coordinating Contractor's performance of its obligations under the Contract. The GM must have all the necessary authority and autonomy over operations to locally make decisions including those with its employees as well as subcontractors, vendors, and suppliers subject only to decisions by SBCTA's Executive Team. The GM will act as SBCTA's principal point of contact and liaison between the Contractor, its subcontractors, suppliers, vendor, and SBCTA.

IN-SERVICE – The state of being operational and in use, whether referring to MUs actively engaged in revenue service or equipment and systems being ready for operation and fully functional.

LIFE CYCLE MAINTENANCE PROGRAM (LCMP) – An equipment maintenance program that utilizes the principles of life cycle planning by seeking the most cost-effective strategy for managing assets over their entire life and by capitalizing on timely and appropriate treatments to extend asset life at the lowest reasonable cost.

LONG TERM OUT-OF-SERVICE – A Multiple Unit that has been placed in long term storage due to unforeseen/unexpected mechanical deficiencies. Only SBCTA can authorize long term out-of-service status.

MAJOR OVERHAUL – Comprehensive repair and replacement of major systems and components in the MU. It is typically conducted for life extension purposes. Major Overhaul includes but is not limited to, inspecting major systems and components, replacing worn or damaged parts, refurbishing existing systems, and installing new systems and components as needed to meet current safety and performance standards. The cost of Major Overhauls is not included in the Base Services and, if added, would be performed as an On-Call Service.

MATERIALS – Any equipment, materials, or supplies used in the performance of the Services that is not Service Equipment.

MAINTENANCE INTERVALS (MI) – Length of time between service and inspections

METROLINK – The term Metrolink can be used interchangeably with Southern California Regional Rail Authority or SCRRA.

METROLINK MAINTENANCE OF WAY SAFETY RULES (MOWSR) – The safety rules applicable to track, bridge, signal, communication, and facility workers performing work on SCRRA's maintained infrastructure assets.

MOBILIZATION - The period commencing at NTP 1 (and/or or NTP 2, NTP 3 or NTP 4, respectively) in which the Contractor establishes policies, procedures, personnel, and training necessary to perform all transition and start-up services deemed necessary for the safe and efficient provision of Services. There are 4 potential Mobilization periods contemplated within this Contract as further detailed in Section 10.

MULTIPLE UNIT (MU) – The general term reflecting a DMU or ZEMU used to operate the Arrow Service.

NOTICE TO PROCEED (NTP) – After execution of the Contract, SBCTA will issue a written Notice to Proceed authorizing the performance of Base Services, including Mobilization. The Contract anticipates two notices to proceed as follows:

NTP 1 – SBCTA will issue this written notice to proceed related to commencing ZEMU Mobilization.

NTP 2 – After execution of the NTP 1 by SBCTA and assignment of the Contract to SCRRA, it is anticipated that SCRRA will issue a written notice to proceed related to commencing DMU, AMF, and Materials Management Mobilization as per Article 2 of the Contract.

ON-CALL SERVICES – Work performed by the Contractor that is not within the Base Services, requires additional compensation to Contractor, and is authorized by Work Directive as further described in Article 17. Requests for additional headcount to cover additional service or special events shall be considered an On-Call Service.

OVERHAUL – Repairing or replacing a specific system or component within the MU that is reaching the end of its service life or is included in the SEMP. The process involves disassembling, inspecting, repairing, or replacing damaged or worn parts, and reassembling the system or component to the manufacturer's specifications.

OPERATING RAILROAD – The entity responsible for all reports and submittals required by the Federal Railroad Administration (FRA), including telephonic, written, or electronic reports of a scheduled and unscheduled nature. For purposes of this Contract and SOW, SCRRA is the Operating Railroad.

POWER PACK - Center car module used to contain the engines and generator units for the DMUs, and the fuel cells, hydrogen storage system cylinders, batteries, and associated control systems and cooling equipment for the ZEMU.

PREVENTIVE MAINTENANCE – Maintenance required to prevent defects or failures in Service Equipment and the AMF, ensuring operational readiness through inspections, tests, and replacements based on predefined intervals.

QMP – Qualified Mechanical Person

REVENUE SERVICE – Operations on the Arrow Service where public paying passengers are permitted.

ROLLING STOCK - General term for any rail vehicle

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY (SBCTA)– The San Bernardino County Transportation Authority whose address is 1170 W. 3rd Street, 2nd Floor, San Bernardino, California 92410-1715.

SCOPE OF WORK (SOW) – This document is the SOW and it provides a detailed explanation of the work which will be performed by the Contractor. The SOW is used in conjunction with the Contract, especially the Pricing Schedule and any referenced Exhibits.

SCRRA MEMBER AGENCY – The Los Angeles County Metropolitan Transportation Authority, Orange County Transportation Authority, Riverside County Transportation Commission, San Bernardino County Transportation Authority and Ventura County Transportation Commission or their successors in interest

SERVICES - The word Services includes, without limitation, the performance, fulfillment and discharge by CONTRACTOR of all obligations, duties, tasks, and services imposed upon or assumed by CONTRACTOR hereunder.

SERVICE DATE(S) – The date the day-to-day maintenance and/or materials management responsibilities transition to the Contactor following the applicable Mobilization period(s). There are up to four (4) possible Service Dates under this Contract as defined in Article 4.1.2 and 4.1.3 of the Contract.

SERVICE EQUIPMENT – The 1 ZEMU and 3 DMUs (subject to issuance of NTP 2) manufactured by Contractor and maintained by Contractor pursuant to the Contract to be used to operate the Arrow Service.

SERVICE EQUIPMENT MAINTENANCE PROGRAM (SEMP) – Contractor’s ZEMU and/or DMU Maintenance Plan

SERVICE PROPERTY – Real property, including improvements thereto, owned or leased by SBCTA at the site of the AMF, 958 West 3rd Street, San Bernardino, CA, 92410 as further detailed in section 14.3.A.

SPARE (EQUIPMENT) – Equipment is ready to operate, including Daily Maintenance Interval performed.

STANDARD OPERATING PROCEDURES (SOP) – a written set of step-by-step instructions developed by SCRRA, the Contractor or other subject matter experts to help workers and users carry out routine often repetitive operations and conform to requirements. SOPs’ aim is to achieve efficiency, quality output and uniformity of performance while reducing miscommunication and failure to comply with established requirements. SOP’s may be interchangeably applied or overlap with the following: Manuals, Standards, Specifications, Rules, Instructions, Regulations, Bulletins, Orders, Plans or Guidelines.

STATE of GOOD REPAIR (SGR) – A condition in which the existing physical assets, both individually and as a system, are functioning as designed within their “useful lives” and are sustained through regular maintenance and replacement programs.

SUBCONTRACTOR - Any person or entity (including vendors and suppliers) retained by Contractor to perform a portion of the Services that are the subject of the Contract.

THIRD PARTY – Utility companies and their contractors, local governments and their contractors, private parties such as developers and their contractors, SCRRA Member Agency, and their contractors and in some cases - freight or passenger railroads and their contractors, easement holders and other organizations with SCRRA-permitted access to the ROW.

TRAIN – DMU or ZEMU. TRAIN and MU are interchangeable within this document.

TRAINSET – A DMU or ZEMU maintained by Contractor pursuant to the Contract and utilized in operation of the Arrow Service.

WORK DIRECTIVE – Authorization issued by SBCTA requiring the Contractor to perform specified On-Call Services not included in Base Services. (See Exhibit 55.)

ZERO EMISSION MULTIPLE UNIT (ZEMU) – The hydrogen-battery hybrid trainset purchased by SBCTA through Contract 20-1002310 with Contractor.

SECTION 2. ABBREVIATIONS AND ACRONYMS

AAR – Association of American Railroads
 ADA – Americans with Disabilities Act
 ANSI – American National Standards Institute
 AMF – Arrow Maintenance Facility
 AP – Availability Percentage
 APTA – American Public Transportation Association
 ATIS – Advanced Traveler Information System
 AQMD – Air Quality Management District
 ASCD - Agreement Service Commencement Date
 BNSF – Burlington Northern Santa Fe Railway
 BPA – Business Process Assessment
 Cal OSHA – California Division of Occupational Safety and Health Administration
 Caltrans - California Department of Transportation
 CCTV – Closed-Circuit Television
 CDRL – Contract Deliverables Requirements List
 CFR – Code of Federal Regulations
 CMF– Central Maintenance Facility (located near downtown Los Angeles)
 CBA – Collective Bargaining Agreement
 CPUC – California Public Utilities Commission
 CTC – Centralized Traffic Control
 C&S – Communications and Signals
 DBE – Disadvantaged Business Enterprise
 DMU – Diesel Multiple Units
 DOC – Dispatch and Operations Center
 DTSC – Department of Toxic Substances Control
 DMU – Diesel Multiple Unit
 EMF – Eastern Maintenance Facility (located in Colton, California)
 ESS – Energy Storage System
 EOC – Emergency Operations Center
 EPA – United States Environmental Protection Agency
 FCC – Federal Communications Commission
 FEMA – Federal Emergency Management Agency
 FRA – Federal Railroad Administration
 FTA – Federal Transit Administration

G&A – General and Administrative Overhead Costs
 GAAP – Generally Accepted Accounting Principles
 GCOR – General Code of Operating Rules
 GPS – Global Positioning System
 GTB – General Track Bulletin
 HAZMAT – Hazardous Material
 HCR – Handheld Card Reader
 HOS – Hours of Service
 HSS – Hydrogen Storage System
 HVAC – Heating, Ventilation, and Air Conditioning
 IT – Information Technology
 LAN – Local Area Network
 MDBF – Mean Distance Between Failures
 MDBSE – Mean Distance Between Service Events
 MDBSF – Mean Distance Between Service Failures
 MOC- Metrolink Operations Center
 MOW – Maintenance of Way
 MP – Milepost
 MSDS – Material Safety Data Sheet
 MU – Multiple Unit
 NEPA – National Environmental Policy Act
 NCTD – North County Transit District
 NFPA – National Fire Protection Association
 NIMS – National Incident Management System
 NPDES – National Pollutant Discharge Elimination System
 NTP – Notice to Proceed
 NTSB – National Transportation Safety Board
 O&M – Operations and Maintenance
 OCMF – Orange County Maintenance Facility
 OEM – Original Equipment Manufacturer
 OSHA – Occupational Safety and Health Administration
 OTP – On-time Performance
 PA – Public Address
 PNA – Passenger Needing Assistance
 PTC – Positive Train Control

PTEPP – Passenger Train Emergency Preparedness Plan
PWD – Passenger with Disability
ROW – Right of Way
RWIC – Roadway Worker in Charge
RWP – Roadway Worker Protection
SBCTA – San Bernardino County Transportation Authority
SCRRA – Southern California Regional Rail Authority
SEMP – Service Equipment Maintenance Program
SOC – Security Operations Center located at the DOC
SOGR – State of Good Repair
SOP – Standard Operating Procedure
SOW- Scope of Work/Scope of Services
SSWP-Site Specific Work Plan
SUA – Shared Use Agreement
T&E – Train and Engine Crews
TMDS – Train Management and Dispatch System
TVD – Ticket Vending Device
UPRR – Union Pacific Railroad
UPS – Uninterruptible Power Supply
VMS – Visual Messaging System
ZEMU – Zero Emission Multiple Unit

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SECTION 3. SBCTA OPERATING ENVIRONMENT

This section describes the operating environment in which the Contractor will perform the services.

- 3.1.A The AMF is operated under the General Code of Operating Rules (GCOR), Code of Federal Regulations (CFR), California Public Utilities Commission (CPUC) and the current SCRRA timetable/special instructions and SCRRA safety rules for contractors.
- 3.1.B Within the AMF building, Cal OSHA has additional safety and regulatory oversight.
- 3.1.C The equipment storage tracks and clearance envelopes are governed by California Public Utilities Commission General Orders.

SECTION 4. CONTRACTOR AND SBCTA RESPONSIBILITIES

This section describes the separation of responsibilities between the Contractor and SBCTA.

4.1 CONTRACTOR RESPONSIBILITIES

- 4.1.A The Contractor shall perform Base Services as defined in detail in the Contract, this Scope of Work, pricing sheets, exhibits and other contract documents in a safe, reliable, affordable, efficient, customer-centric manner and in conformance with the Contract requirements.
- 4.1.B The Contractor shall be responsible to provide the Services as defined in the Contract. In general, Contractor shall provide the following: (1) As of the DMU Maintenance Service Date, maintenance for the three (3) Stadler FLIRT3 Diesel Multiple Units (DMU); (2) As of the ZEMU Maintenance Service Date, maintenance for the Zero Emission Multiple Unit (ZEMU); as of the AMF Maintenance Service Date, maintenance of the Arrow Maintenance Facility (AMF); and as of the Materials Management Service Date, materials management services as described in Section 23 of this SOW. In addition, Contractor shall provide management and exempt/administrative employees to support the day to day Services; training and testing of employees for the Services; provision of training documents for the Services not otherwise provided by SCRRA; testing and associated reporting to support the Services; administrative, and all overhead and support functions to execute and support the Services.

Contractor shall provide general management, financial and administrative support personnel, training and safety managers, qualified certified key managers, and other personnel, as needed, to deliver the Base Services.

In accordance with Section 19 and 20, the Services will typically be modified by SCRRA on an annual basis and possibly on a quarterly basis. Some categories of trains include Special trains, Work Trains, rerouting of trains due to incidents, will require the Contractor to make changes, adjustments and provided the Service.

- 4.1.C Working with SBCTA, the Contractor shall be responsible for the delivery of safe, reliable and quality Service Equipment. The Contractor shall be required to develop and implement plans, processes, procedures and programs that enhance the performance and availability of the Service Equipment by prioritizing short range and long range inspection, testing and maintenance goals and objectives. The Contractor shall be responsible to have the Service Equipment available for Revenue Service, for planned maintenance and for non-scheduled maintenance.

The Contractor shall provide the resources for scheduled and unscheduled maintenance and repair of the Service Equipment. The Contractor shall be responsible for the professional quality, technical accuracy, completeness, and coordination of the work, it being understood that SBCTA will be relying upon such professional quality, accuracy, completeness, and coordination in utilizing the Contractor.

All Preventive Maintenance is considered a part of the Base Services.

Except as otherwise provided in this SOW (e.g., Section 13.2), all Corrective Maintenance repairs under \$10,000, regardless of cause, are considered a part of the Base Services excluding operator errors, external events, or accidents. SBCTA shall, however, bear the cost of Corrective Maintenance repairs over \$10,000-due to reasons beyond the Contractor's control or fault and not caused by improper maintenance of the Contractor. To substantiate the cause, the Contractor must provide supporting documentation, which can include but is not limited to reports, MU data recordings, video surveillance where available, third-party reports, operator logs, maintenance logs and/or reports.

- 4.1.D Except for overhauls identified in Section 2.3 of Exhibit B, Pricing Schedule, overhaul work identified in the SEMP is included in the Base Services for the initial base period of the contract, but not for Option Terms as set forth in Article 3 of the Contract. CONTRACTOR will notify SCRRA as described in Section 19, to initiate Work Directives for the Overhaul work identified in Section 2.3 of Exhibit B, Pricing Schedule (Diesel Engine Component Overhaul, wheelsets and Train Brake Kit Component Overhaul).

The Contractor shall provide an integrated inspection, testing and maintenance program that includes details for inspection procedures, intervals, and criteria; test procedures and intervals; scheduled Preventive Maintenance intervals; maintenance procedures; and testing and measuring equipment required to perform inspections, tests, and maintenance. The program shall include provisions to address the reliability of the Service Equipment by considering that availability and performance are directly dependent on the prediction, detection, and correction of vehicle malfunctions. As part of the program, the Contractor shall include provisions for full time (24 x 7) coverage days, nights, weekends, and holidays with qualified maintenance persons and management personnel on duty to ensure equipment is properly prepared and operational for Service requirements.

The Contractor shall also perform Service Equipment cleaning and maintenance as defined in the Contract.

The Contract is exclusive with respect to ordinary, necessary, and recurring equipment maintenance Services; however, SCRRA may, at its sole discretion, separately contract for other services including, without limitation, collision repair and Service Equipment rehabilitation. Contractor shall cooperate fully with SCRRA's staff or any other contractor or entity that may be providing similar or the same services. Any work performed on the Service Equipment by SCRRA-retained contractors will void remaining warranty specific to the component upon which work was performed. In addition, to the extent an SCRRA-retained contractor performs work on the Service Equipment, and there is a subsequent failure caused by that work, as determined in the failure analysis report, Contractor will not be assessed any Liquidated Damages for such failure.

- 4.1.E As of the AMF Maintenance Service Date, and assuming the ZEMU Maintenance Service Date and DMU Maintenance Service Date have passed, the Contractor will be responsible for the following: (1) coordinating maintenance, repairs, testing and inspection activities associated with the AMF as outlined in Section 14 "Facilities Usage and Maintenance" and (2) managing SBCTA's fueling equipment and the fueling of MUs on a daily basis as needed to support Services as outlined in Section 14 of the Contract.

The Contractor shall provide all replacement components and materials including consumable materials and supplies for the maintenance and operation of the AMF in accordance with the CDRL 36, Facility Maintenance Work Plan Schedule to the facilities.

- 4.1.F As per Section 17, the Contractor shall also perform support services with On-Call Services under this contract in a safe, reliable, affordable, efficient, customer-centric manner and in conformance with the Contract requirements. Examples of support services with On-Call Services include support of capital and third-party projects, equipment and material procurement, and rehabilitation work.
- 4.1.G While performing the Services, the Contractor shall cooperate fully with SCRRA's staff or any other contractor or entity that may be providing other services or may require access to SCRRA's maintained rail corridor and facilities.
- 4.1.H The Base Services include:
- Mobilization plan (CDRL 1)
 - Contractor to frequently meet, engage, and partner with SBCTA to ensure mutual success in achieving the requirements of the Contract.
 - The Contractor is responsible for the hiring, training, qualifying/testing, discipline, and assignment of its employees including subcontractors, and as applicable, suppliers and vendors
 - Allow SBCTA/SCRRA to view Contractor's training materials. Additionally, allow SCRRA staff to monitor and audit all Contractor training classes
 - Key Personnel shall work solely for the Contractor.
 - Ensure that the Contractor's General Manager (GM) and local management team shall have authority and autonomy to make decisions, timely react and respond to events locally concerning the daily maintenance and management of the Services and yet have ability to draw upon the Contractor's Corporate support, if required. The Contractor's management shall be assigned exclusively to perform the Base Services of the Contract unless requested and approved by SBCTA to allocate time in the performance of On-Call Services.
 - Contractor's employees shall comply with applicable SBCTA and SCRRA policies, procedures and practices, rules, timetables and special instructions as well as applicable regulatory requirements.
 - Contractor key managers and supervisors shall be cross-trained on the functional aspects of maintaining a safe, reliable, on-time and customer-centric maintenance.
 - Contractor shall be prepared to immediately respond to urgent and unforeseen incidents and restore Service as soon as safe and practical.
 - Promptly report and investigate, any reports of accidents, injuries, damages, or violations of any SBCTA or SCRRA requirements and any federal, state, or local regulations.
 - Provide all personal protective equipment (PPE) and equivalent required by the Contractor's employees.
 - Provide the tools, vehicles, equipment, maintenance, and operation thereof, necessary to reliably and efficiently perform the Base Services
 - Provide Contractor's management staff with mobile communication devices (smart phones, tablets, laptops), commercially available software/applications (apps) and railroad radios (handheld and vehicle/equipment mounted radios) as needed and not otherwise provided by SBCTA to perform the Base Services.
 - Provide experienced, qualified staff (local and corporate), financial and accounting systems,

and processes that will track, allocate, segregate, and document all eligible labor, materials, purchased services/subcontractor Service costs. Service Costs to be allocated to defined line segment Project Numbers and On-Call Work Directive Project Numbers. Both line segment and On-Call projects will occur concurrently. All Base Services costs incurred must be allocable, allowable, reasonable, verified, other cost reimbursement provisions in the Contract.

- Furnish reporting and documentation that can't be obtained through SCRRA's Trapeze system and other SCRRA requested documents. Many, but not all, of these reports and documents are included in the Contract Deliverable Requirements (CDRL) List.
- Utilize, leverage, and enter maintenance activities for Service Equipment and the AMF into SCRRA's furnished Enterprise Asset Management (EAM) system.
- Contractor's designated management staff shall respond to mechanical incident and AMF call outs, excluding cleaning, by SCRRA's DOC or Security Operations Center (SOC) by designated means (phone, text, messaging) within ten minutes of the initial notification. At that time, the Contractor's General Manager or designee shall determine the urgency of the response as described below. The determination shall be based on the number of passenger/freight trains and passengers impacted, the location of the incident and the reported severity of the incident. If the service call was not issued by SCRRA, the Contractor shall immediately notify SCRRA of the call to determine its urgency. SCRRA reserves the right to override the Contractor's determination of urgency.

The Contractor shall submit an Incident Response Plan (IRP) – (CDRL 2) and the CDRL will be submitted per the time specified in the CDRL list. The IRP shall demonstrate adequate response personnel will be located throughout the Arrow Service territory and able to respond to the incident call out categories provided below:

- (1) "Emergency" requiring on-site Mobilization, arrival and initiation of mitigation and remediation efforts by Contractor within one (1) hour or less of notification of the problem;
- (2) "Urgent" requiring on-site Mobilization, arrival and initiation of mitigation and remediation efforts of Contractor within ninety (90) minutes of notification of the problem;
- (3) "Normal" requiring Mobilization, arrival and initiation of mitigation and remediation efforts of Contractor within four (4) hours of notification of the incident;
- (4) "Lower Priority" requiring on-site Mobilization, arrival and initiation of mitigation and remediation efforts of Contractor within 24 hours of notification, by maintenance staff on the next scheduled Business Day.

- As of the applicable Maintenance Service Date, servicing, inspection, repair, and cleaning of the Service Equipment
- As of the AMF Maintenance Service Date, servicing, inspection, repair, maintenance and cleaning of the AMF and support equipment outlined in Section 14 of the Contract.
- Usage of the SCRRA-furnished software or systems
- Safety performance program
- Warranty administration program
- Training, qualification, and efficiency programs (CDRL 10)

- Delivery of required reports and notifications identified in Section 14
- Adherence to performance standards and assessments of forecasted deficient conditions
- Staffing and Key Personnel plan (CDRL 3)
- Schedule and respond to all SCRRA call outs, emergencies, extraordinary events, and requests for unplanned inspections with the resources necessary to ensure safe and timely train movements, protection of the public and protection and preservation and restoration of the Service Property.
- The Contractor shall work collaboratively to pursue technology improvements that improve productivity and increase efficiencies
- Insurance as provided in the Contract

- 4.1.I The Contractor shall plan, schedule and coordinate with SCRRA at least monthly, coordination and progress meetings, the monthly meetings shall be scheduled and agreed to with SCRRA counter parts and the Contractor management staff shall provide an agenda covering but not limited to the following: safety, accidents, incidents, rule violations, operations testing, training, planned, completed and pending work activities; schedules, staffing (including vacancies), SCRRA provided vehicle condition and needs; budget, invoicing, business issues; regulatory compliance issues (including but not limited to 49 CFR Part 219, 220, 243, and 246, as applicable), and customer service issues. Contractor shall provide meeting minutes and include a list of attendees, action items and responsibility. The meeting shall be run and directed by the Contractor's GM and held at a location designated by SCRRA. Key management representatives of the Contractor shall participate, be engaged, and make or contribute to decisions made at the meetings and will be responsible for communications and negotiations with its subcontractors.
- 4.1.J In addition to the monthly coordination and progress meeting with SCRRA and Contractor's GM and Key Personnel, the Contractor shall make available a senior level staff member for approximately four (4) Quarterly Meetings per year at Southern California locations to be specified by SCRRA. An agenda will be jointly developed by both parties and circulated at least 48 hours prior to the meeting. The general purpose of the quarterly meetings is to discuss the performance of the Contract Services and Contract management team and high-level issues raised by either party. Labor and travel costs associated with senior staff to attend or participate in the quarterly meeting shall be included in Contractor G&A-OH cost.
- 4.1.K The Contractor shall provide the Services identified in this Contract in accordance with all applicable local, state and federal laws, regulations, and requirements.
- 4.1.L Unless required by law, Contractor shall not agree to or accept any changes in its policies or agreements that in any way limit the use and operation of cameras, audio, video, software logging and data recording equipment throughout the Arrow system including all Arrow facilities and equipment in accordance with SCRRA's Policies and procedures. The Service Equipment are equipped with inward and outward facing cameras and audio equipment. The Contractor will be required to work in this environment and the use and operation of those cameras, audio, video and data recording equipment shall be in accordance with policies established by SCRRA, the current version of which policy is attached as SCRRA's Head End Video Recorder (HEVR) system Policy & Procedures (Exhibit 5). Contractor shall have access, subject to the policies and procedures adopted by SCRRA, to the recordings made using these cameras and the audio feed.

- 4.1.M At all times while performing the Service, the Contractor shall coordinate and collaborate with SCRRA, SCRRA's contractors, and other authorized users of SCRRA's shared rail corridors to achieve a safe and secure, efficient, cost effective, customer-first, integrated Services all while utilizing best industry practices to modernize SCRRA's business model.
- 4.1.N Contractor shall coordinate with SCRRA and provide an annual State of Good Repair (SGR) Plan (CDRL 37) that includes Service Equipment and AMF Maintenance. The Plan shall be submitted by October 10th of each year. The SGR Plan shall provide an outlook for the term of the Contract and be updated yearly through the end of the Contract and include condition assessments for the AMF and Service Equipment with a level of detail sufficient to monitor and predict the performance of the assets and to inform investment prioritization following the Rolling Stock and Facilities Condition Assessment Exhibits 46 and 62. (49 CFR Section 625.25(b)(2)). If SCRRA requests additional assessments such as a five- and ten-year outlook beyond the Contract period, such services can be provided as On-Call Services. When required by SCRRA, the Contractor shall distribute notices, schedules, and other information on trains as part of daily maintenance cycles. This may include distributing hard copy and/or electronic information. The Contractor shall assist SCRRA in the investigation of passenger complaints and in the preparation of responses to such complaints and implement action plans approved by the SCRRA to resolve the problems.

4.2 SBCTA RESPONSIBILITIES

In addition to those obligations set forth in the Contract, SBCTA shall maintain responsibility for:

- 4.2.A Enforce the Contract terms and conditions. Transmit all directions, approvals, authorizations, notices, and other records in written form to the Contractor. Accept, review, and respond to all other Contractor submittals or requests for information or clarifications and track these submittals to closure.
- 4.2.B Review and return for revisions or approve Contractor's submittals of CDRLs and On-Call Services. Review and timely pay monthly progress payments and monitor actual versus projected budgets to the Project Number level or lower (headcount, direct labor and non-labor costs, equipment and material costs, subcontractor costs).
- 4.2.C Provide SBCTA-controlled and maintained documents as listed in the Exhibits and update or add to these documents as conditions change.
- 4.2.D Monitor, inspect and audit the Contractor's employees, vehicles, equipment, tools, records, documents, software and systems performing the Services and the quality and conformance to the prescribed requirements.
- 4.2.E Establish reasonable policies and standards for conduct and completion of the Services, including input on staffing requirements, shift assignments, and size of workforce.
- 4.2.F Provide and pay for public utilities at AMF – electricity, water, sewer, landline telecommunications.
- 4.2.G Software & licenses (including Electronic Records Management, EAM, RAMs, dispatching and train control software, NAS)
- 4.2.H Property and Liability insurance as provided in the Contract
- 4.2.I Transmit all directions, approvals, authorizations, notices, and other records in written form to the Contractor
- 4.2.J Provide manuals, standard operating procedures, engineering and maintenance standards, drawings, plans, data, rules, timetables, etc.
- 4.2.K Coordinates and arrange for planned and unplanned bussing.

4.2.L Train key Contractor personnel no later than 120 days before the ZEMU Maintenance Service Date on the use of the EAM system for facilities and Rolling Stock maintenance tasks; Contractor will then train remaining Contractor staff by the AMF Maintenance Service Date on the (Facilities EAM BPA), Exhibit 48 (Rolling Stock EAM BPA) Exhibit 47 and (EAM Training) Exhibit 49.

4.3 RAILROAD OPERATOR (SCRRA) RESPONSIBILITIES

4.3.A Primary point of contact and interface with regulatory authorities including but not limited to FRA, CPUC, other railroads (UPRR, BNSF), SCRRA Member Agencies and similar public entities (cities, counties), SCRRA Board, other SCRRA contractors, consultants, suppliers, vendors and third-party contractors, consultants, suppliers, and vendors.

4.3.B For the purposes of regulatory agency compliance including FRA and CPUC regulations, SCRRA will be the Operating Railroad and owner of the Service Equipment and AMF. The Contractor, subcontractors, and its employees will be considered the “employees” qualified to perform inspections, tests, repairs or component replacements for purposes of the regulations (CFRs).

4.3.C Provide SCRRA-controlled and maintained documents as listed in the Exhibits and update or add to these documents as conditions change.

4.3.D Exclusive authority over fares, service routes, service level, and all other aspects of the Arrow Service.

4.3.E Control access to and use of the Service Property, including all tracks and facilities, by all parties including the Contractor, other tenant railroads, other contractors, and all other parties.

4.3.F Establish reasonable engineering, construction and maintenance standards, policies and rules train control systems, bridges, shops, buildings, utilities, and all other elements of the Service Property. Dispatching services originating from the DOC or MOC and Security Services originating from the SOC

4.3.G Assignment of Railroad radio, Ethernet, microwave, and similar wireless spectrum frequency channels

4.3.H Perform FRA Certifications and System Safety Report Submittals to the FRA as the Operating Railroad

4.3.I FRA correspondence

4.4 SBCTA'S OVERSIGHT OF THE CONTRACTOR

4.4.A All electronic & hard copy data generated on the Contract are subject to review at any time.

4.4.B SBCTA may direct the Contractor to cease any maintenance activities being performed on equipment, infrastructure, systems, or facilities. The Contractor shall resume any such maintenance activities only upon receipt of approval to resume maintenance activities from SBCTA. Unless otherwise provided for in this Contract, SBCTA shall make final determination on all matters related to the conduct of the Services.

4.4.C SBCTA shall review and respond to Contractor submittals in accordance with this contract.

Exhibits applicable to this Section:

- Exhibit 48 - Facilities EAM BPA
- Exhibit 47 - Rolling Stock EAM BPA
- Exhibit 49 - EAM Training

SECTION 5. REQUIREMENTS AND STANDARD OPERATING PROCEDURES

5.1 REQUIREMENTS AND STANDARDS

The Contractor, as a representative of SBCTA in supporting a public function, shall ensure that all Contract requirements and responsibilities are completed in a safe, efficient, and effective manner consistent with industry best practices and the highest principles of customer service. The Contractor shall provide the Services in accordance with all applicable local, state, and federal regulatory requirements and SBCTA and SCRRRA standards, specifications, policies, procedures and adopted practices.

SCRRRA may update standards, specifications, policies, procedures, and adopt practices or plans related to its commuter rail service at any time. The Contractor shall comply with any new or revised requirements in the timeframe stipulated by SBCTA or SCRRRA, as applicable. Federal or state authorities and regulatory agencies having jurisdiction, such as the FRA and CPUC, may adopt new regulations, policies, or requirements and if compliance with the new requirements is considered a change in Base Services, the Contractor shall immediately notify SBCTA in writing and the parties shall negotiate any associated cost implications. The Contractor shall immediately notify, and request SBCTA direction should a conflict exist between SOPs, standards, or adopted practices.

The Contractor is encouraged to recommend changes or amendments to such standards; however, such changes or amendments shall be subject to prior written approval of SBCTA. Such corporate policies applicable to the performance of the Services shall be submitted and approved by SBCTA prior to the application of such policies to the provision of the Services.

The Contractor shall comply with the following requirements and standards for performance of Services or within the limits provided within the documents (i.e., railroad corridor property lines). The following are commonly used requirement and standards; however, this is not a complete list, and the Contractor is responsible for compliance with all other requirements as described above.

5.1.A General

- (1) Applicable CFR Regulations under 49 CFR 200 to 299
- (2) FRA Regulation Matrix - Exhibit 51
- (3) General Code of Operating Rules (GCOR) – most current version
- (4) PTC Operations and Maintenance Manual and Change Configuration Management for Train Control Systems
- (5) SCRRRA Head End Video Recorder (HEVR) System Policy & Procedures - Exhibit 5
- (6) Metrolink System Safety Program Plan - Exhibit 9
- (7) SCRRRA Travel Procedures for Contractors Exhibit 42 (Work Directives only)
- (8) Metrolink Transit Asset Management Plan Exhibit 60 (Guideline for CDRL 37)

5.1.B Rolling Stock Equipment:

- (1) Code of Federal Regulations, SCRRRA, and OEM Maintenance Standards
- (2) Metrolink Fuel Conservation Program Exhibit 20
- (3) Service Equipment Maintenance Plan (CDRL 17)
- (4) Rolling Stock Maintenance and Management Plan Exhibit 56

5.1.C Facilities

- (1) Facilities Maintenance & Management Plan Exhibit 28
- (2) Federal, State and Local Regulations
- (3) Environmental laws and regulations

Hierarchy – in the case of a conflict between SBCTA's or SCRRA's issued and controlled documents, industry issued documents and regulatory documents, the more restrictive requirement of the various document will be applied.

5.2 CONTRACTOR DEVELOPMENT OF STANDARD OPERATING PROCEDURES (SOPs) (CDRL 26)

5.2.A The Contractor shall develop SOPs, including but not limited to, Efficiency Testing, 49 CFR Parts 240, 241, and 242 for Contractor controlled Services that fill gaps in SCRRA requirements or supplement and clarify SCRRA procedures and manuals. In general, 30 days should be allowed for SCRRA review and approval cycles. The review cycle should include 20 days for the initial review and response by SCRRA, followed by twenty (20) days for the Contractor to Revise and Resubmit (R&R) and five (5) days for the final SCRRA review and approval. SOPs that must be in place for the ZEMU Maintenance Service Date or afterwards when changes occur should be submitted to the SCRRA for review and approval as soon as practical.

- Operational Test and Inspections Program Plan Procedures
- Drug and Alcohol Program
- Emergency Preparedness Plan
- Medical Emergency Procedures
- Employee Code of Ethics & Business Conduct
- Employee Safety Rules
- Background Checks
- PTC Behavior Policy including Corrective Actions
- Safety Rules and Instructions for Maintenance of Equipment Personnel
- Active Shooter
- Corrective Action Plan(s) i.e., Customer Personnel Complaints, Safety Audits, Accident, and Incident
- Title VI Procedures
- Derailments

5.2.B Once approved by SCRRA, the Contractor shall perform all Services in accordance with both Contractor's approved SOPs and SCRRA procedures and manuals. The Contractor shall ensure that all Contractor, Subcontractor, Supplier and Vendor employees of any tier have the correct and most current version of the approved SOPs and SCRRA procedures and manuals readily available. The Contractor is strongly encouraged to achieve continuous real time distribution of SOPs and other key documents and messaging. In the event there is a conflict between the Contractor's Standard Operating Procedures, and SCRRA's equivalent, SCRRA's policies, procedures and plan documents shall govern.

- 5.2.C Over the course of the Contract, it is anticipated that both SCRRA and the Contractor will have changes and modifications to SOPs. It is critically important that high quality and timely change management and version control practices be established. In this regard the Contractor and SCRRA employees are recommended to use SCRRA and Contractor provided record keeping and configuration management. Adequate time and effort shall be provided in communication and training employees of changes and modifications so that all Contractor and where applicable SCRRA employees follow the most current version of the Contractor's approved SOPs and SCRRA Procedures and manuals.
- 5.2.D All Contractor (and subcontractor) full-time management whose work requires frequent presence near or on the rail corridors and equipment shall be trained and certified on the SCRRA Roadway Worker Protection program and then be annually re-certified.

5.3 RULE VIOLATIONS

- 5.3.A Any allegations of an SCRRA, Contractor or regulatory agency rule violation, close calls pertaining to the safe movement of all trains, or protection of Roadway/Maintenance Workers will require an initial investigation to gather information related to the incident. The Contractor will be required to report such incidents to SCRRA and SCRRA Safety Department within one hour unless circumstances prevent notification.
- 5.3.B Depending on the severity and validity of the alleged Rule Violation, the Contractor will be required to conduct a full investigation into the allegations and provide a full incident report to SBCTA's Contract Manager and SCRRA Safety Department within 24 hours of the incident. The Contractor will also be required to participate in a formal root cause analysis to determine the contributing causes of the rule violation, responsibility, and corrective action(s) to prevent a recurrence of the rule violation, when applicable. A similar root cause analysis process as described above may take place for damage to property or equipment, or reportable injuries and illness, even though there was no alleged rule violation.
- SBCTA reserves the right to direct the Contractor to remove any individual for cause. In the event a person holding such a position, including Key Personnel, are reassigned, or removed, the Contractor shall submit an alternate candidate for SBCTA review and approval.

5.4 COMMITTEES AND MEETINGS

The Contractor shall participate in and contribute to the Maintenance Rules Committee managed by SCRRA. Committee meetings will generally be led by SCRRA but may on occasion be led by the Contractor or other contractors designated by SCRRA.

Contractor shall be provided the training context, forms, frequency, and information related to the meetings below; Key Personnel shall be required to participate in (including, but not limited to) the following:

- (1) Customer Complaints Meeting
- (2) Risk Register Meeting
- (3) Security Meeting
- (4) Timetable Committee Meeting
- (5) Incident Reduction Taskforce Meeting
- (6) Service Delay Meeting
- (7) Performance Review (Mechanical and Operations)
- (8) System Operation Daily Call
- (9) Equipment Status Meeting
- (10) Representation for Incident Recovery Meetings

- (11) Train Control & Configuration Management Meeting
- (12) Board/Committee items applicable to services provided require GM representation at meeting

5.5 BASE SERVICES

Unless explicitly described as an On-Call Service, the cost for performance of Services described in the provisions of this Section 5 shall be included in Base Services prices.

Exhibits applicable to this Section:

- Exhibit 51 - FRA Regulation Matrix
- Exhibit 52 - General Code of Operating Rules (GCOR)
- Exhibit 7 - Metrolink and Arrow Operational Supplemental Instructions
- Exhibit 9 - Metrolink System Safety Program Plan -
- Exhibit 20 - Metrolink Fuel Conservation Program
- Exhibit 28 - Facilities Maintenance & Management Plan

SECTION 6. PERSONNEL REQUIREMENTS

6.1 PROVISION OF PERSONNEL

- 6.1.A The Contractor shall provide appropriate staffing for the safe, efficient management, operation, and maintenance of Arrow Service assets. All employees must be fluent in English. At any time during the term of the Contract, at SBCTA's request, the Contractor and its subcontractor(s) will provide SBCTA both a general organization chart showing the complete headcount of all personnel working on the Arrow maintenance service by job category/discipline, and a detailed list of all personnel working on the Arrow maintenance service that indicates the length of service of each employee, their job title and description, and their current training and certification records including territory and equipment qualifications. If the employee is not currently working due to injury, time off for discipline, disability, or similar, this status shall be indicated on the organization chart. The organization chart shall be updated on a quarterly basis to reflect changes in employees.
- 6.1.B SBCTA and/or SCRRA may monitor positions, position duties and responsibilities.
- 6.1.C To the extent permitted by law, the Contractor may not, and will ensure that its subcontractors will not, without the prior approval of SBCTA, enter into any agreements with labor organizations containing provisions that either (i) increase the number of permanent employees of the Contractor, or (ii) increase the overall costs attributable to employees engaged in Services provided under the Contract over the costs of other employees of the Contractor or subcontractor in the same crafts. To the extent any agreement is entered into between Contractor and a labor organization, Contractor shall be entitled to make adjustments to the Pricing Schedule to reflect and pass on to SBCTA any increased costs, under a Contract amendment.
- 6.1.D Contractor Base Services personnel may not have other employment commitments that would interfere with their ability to be present and performing Contract Services or en-route between service locations during their work shifts. Due to 24 x 7 x 365 operations, Contractor Base Service personnel shall anticipate responding to call outs outside of regular work shifts.

6.1.E Any Employees working under the Contract cannot be utilized for Third Party work.

6.2 HIRING OF EMPLOYEES TO PROVIDE THE SERVICES

6.2.A All personnel hired by the Contractor or its Subcontractors and who are engaged in the provision of the Base Services shall be qualified as defined by the governing regulation and Contractor requirements as reviewed and approved by SCRRA. Contractor shall require criminal background checks in accordance with its Criminal Background Check Policy (CDRL 7) and shall not hire or employ any person if such person has a disqualifying criminal history as described in that Policy.

6.2.B If required, Contractor shall require employees execute a release to SCRRA of confidential information that is pertinent to the issues addressed by the evaluations contained in this section, and the Parties shall establish a procedure for preservation of the confidentiality of any such information provided to SCRRA.

6.3 KEY PERSONNEL , CONTRACTOR'S PERSONNEL AND REQUIRED ROLES

6.3.A Key Personnel

The Contractor shall always provide appropriate management coverage and SBCTA shall be notified of all Key Personnel leaves.

The Contractor must provide Key Personnel coverage to avoid interruption to the Arrow Service. Contractor must have a written plan by which there are designated replacements in the event any Key Personnel are unavailable for more than 72 hours.

If Key Personnel will be absent on a long-term basis— (longer than 30 days), to the extent permitted by law, Contractor must make reasonable efforts to replace the Key Personnel within 30 days with a temporary replacement and within 90 days with a permanent replacement.

Permanent replacements shall be trained, tested, and certified on all requirements associated with the position within 90 days of occupying the position. Temporary replacements may be a pre-existing employee of the Contractor's off-site staff.

The Contractor may not remove, reassign, or reduce the commitment of any Key Personnel during the term of the Contract without the prior approval of SBCTA. The only Key Personnel under this Contract is the General Manager.

(1) General Manager

Contractor shall provide an on-site General Manager authorized to make timely, key decisions on behalf of the Contractor regarding Services, material procurement, employee hiring and discipline, subcontractors, suppliers, vendors, and similar decisions. The Contractor's General Manager shall be authorized to make or delegate to staff immediate decisions as necessary to manage and maintain the safe and efficient maintenance of the MUs and AMF. The Contractor's General Manager or authorized designee(s) shall have a coverage plan whereby sufficient managerial staff will be available or subject to call - out 24 hours a day, seven days a week and every day of the year. Contractor maintenance employees shall be subject to call outs 24 hours a day, seven days a week. Contractor's General Manager or delegated or authorized designee(s) shall be available for occasional urgent unscheduled in - person meetings within four hours' notice as required by SCRRA.

6.3 B Required Roles

The following roles are required:

- (1) General Manager of Mobilization
- (2) Asst. General Manager/Training-Rules-Compliance-Safety
- (3) Manager, Facilities
- (4) Quality Control / Quality Assurance Manager
- (5) Manager, Invoicing/Budgeting

Personnel are permitted to hold more than one Required Role and their title may vary from the role(s) defined above. In such instances, Contractor shall advise SBCTA of which of its employees holds each role.

Contractor's team members shall demonstrate relevant experience with the key railroad functions required to perform under the Contract. Qualifications for each Key Personnel, and required roles, shall be provided as a resume by the Contractor and separately detailed position duties for each position shall be furnished by the Contractor and kept current. Any time the position duties are changed or there is a personnel change, the revised position duties and qualification resume should be submitted to SBCTA. In addition to these specific position qualifications, managers and supervisors shall be sufficiently cross-trained and authorized for the manager or supervisor with the quickest access to a location to respond to any issue or task affecting the safe, efficient, and timely movement of trains and take all measures necessary to recover the service safely and as timely as possible.

The Contractor may not remove or reduce the commitment of any Required Role during the term of the Contract without the prior approval of SBCTA. The Contractor shall provide notice as soon as practicable of any reassignments of Required Roles.

6.3.C Contractor's Personnel.

SBCTA reserves the right to direct CONTRACTOR to remove (on a temporary or permanent basis) any of CONTRACTOR'S personnel when, in SBCTA's reasonable determination, the individual's performance is unsatisfactory. Replacement of any personnel does not excuse the CONTRACTOR from compliance with all of the requirements of the Contract.

At any time during this CONTRACT, at SBCTA's request, the CONTRACTOR and its subcontractor(s) will provide SBCTA both a general organization chart showing the complete headcount of all personnel working under this Contract by job category/discipline, and a detailed list of all personnel working under this Contract that indicates the length of service of each employee, their job title and description, their current salary, and all benefits information and their current training and certification records including territory and equipment qualifications.

6.4 CONTRACTOR EMPLOYEE CONDUCT

6.4.A All employees of Contractor engaged in the provision of the Services shall perform their duties in a safe, professional, efficient, and courteous manner, and all Contractor employees who deal with the public shall be clean and properly attired while on duty. Within 90 days of hire, Contractor shall train all of its employees dedicated to the Contract so that each employee fully understands the SCRRRA Ethics Policy and Metrolink Supplier's Code of Conduct; each employee of Contractor shall sign the acknowledgement form in Metrolink's Supplier's Code of Conduct before performing any Services (Exhibit 11) and (CDRL 8).

Contractor shall retain copies of signed acknowledgement forms and shall provide them upon request to SCRRRA. SCRRRA shall have the right to observe and participate in this training. SCRRRA shall provide employees of Contractor annual refresher training that will include a full discussion of revised, new, and supplemental requirements.

6.4.B Because of the importance of the courtesy and professional decorum of the employees of Contractor who provide the Services, any conduct which is not consistent with the objectives described in the Metrolink Supplier's Code of Conduct and SCRRA Ethics Policy shall be grounds for SBCTA or SCRRA to request Contractor to immediately remove Contractor's employee from the performance of Service Property. Offending conduct includes the following:

- (1) Any instance of violation of applicable safety rules that causes injury to a person or damage to property or multiple violations over a 24-month period.
- (2) Any violation of company and SCRRA policies, procedures, and rules as well as all instructions, directions and orders from supervisors and managers that impact the provision of service.
- (3) Insubordination
- (4) Unauthorized use of all personal or company - issued electronic devices while on duty, including but not limited to cell phones, personal digital assistants, digital cameras, and camera phones.
- (5) Any instance of use of language that is obscene, risqué, or religiously, ethnically, or sexually demeaning, or making light of physical or mental disability, regardless of whether it is directed at a customer.
- (6) Any instance of belligerent, intimidating or malicious behavior.
- (7) Conduct that constitutes oppression, fraud, malice, negligence, or recklessness.
- (8) Accepting gratuities of any kind regardless of value.
- (9) Dishonesty includes theft of SBCTA, SCRRA, or co-worker goods and to accurately complete related reports.
- (10) Any instance of vandalism to Rolling Stock, station areas or SCRRA's property
- (11) Smoking on SCRRA or Contractor - leased property outside of the designated smoking areas while on duty.
- (12) Offensive Conduct or oral, or written demeaning remarks to the SCRRA, Contractor, SCRRA's contractors, SCRRA's customers, third parties or to the public.
- (13) Any instance of being under the influence of alcohol or drugs, including the improper use or abuse of prescription or over the counter medications that, in any way that diminish or raise questions concerning an employee's ability to perform Services safely and efficiently.

All complaints about Contractor employees acting not consistent with the objectives described in the Metrolink Supplier's Code of Conduct and SCRRA Ethics Policy must be reported by the Contractor to SCRRA. Such reports must include the identity of the employee and the facts and circumstances of the complaint. Additionally, if SCRRA is notified of a complaint about an employee by an entity other than the Contractor, the Contractor must respond to requests made by SCRRA for the identity of the employee and, if known by Contractor, the facts, and circumstances of the complaint within two Business days.

SCRRA reserves the right to direct the Contractor to temporarily remove any individual for cause pending a thorough investigation and then permanently, if the circumstances warrant, at conclusion of the investigation. In the event a person holding such a position, including Key Personnel, are reassigned, or removed, the Contractor shall within 30 days submit an alternate candidate for SCRRA review and approval.

6.5 DRUG AND ALCOHOL - FREE WORKPLACE

SBCTA maintains a drug - free workplace. All staff, including Contractor, subcontractors, and vendors, shall comply with the applicable regulations, including but not limited to: Title 49 CFR 219, California Drug Free Workplace, and the SCRRA Drug and Alcohol Policy (Exhibit 12).

SCRRA's Safety Department will provide oversight to the Contractor's approved CFR 219 program. All documents related to the program will be provided to SBCTA upon request and the program will be audited and inspected regularly by SCRRA.

6.6 PERSONAL PROTECTIVE EQUIPMENT (PPE) AND PROPER ATTIRE REQUIREMENTS

All Contractor employees shall be required to wear PPE that complies with rules set by the CFR and OSHA, where applicable. The Contractor shall submit a PPE plan for SCRRA review and approval (CDRL 9).

6.7 BASE SERVICES

Unless explicitly described as an On-Call Service, the cost for performance of Services described in the provisions of this Section 6 shall be included in Base Services prices.

Exhibits applicable to this Section:

- Exhibit 10 Qualifications of Key Management and Personnel
- Exhibit 11 Metrolink's Supplier's Code of Conduct
- Exhibit 12 SCRRA Drug and Alcohol Policy

SECTION 7. TRAINING

7.1 GENERAL REQUIREMENTS

7.1.A The Contractor shall be responsible for the design, development, and implementation of comprehensive training, testing, qualification, certification, and monitoring programs that comply with the requirements of 49 CFR Parts 200-299 (particularly 49 CFR Part 243), industry best practices, SCRRA's as well as the Contractor's SCRRA-approved training requirements. The Contractor's Training Programs (CDRL 10) shall also ensure that any existing or retained employees are retrained, retested, requalified, and recertified by Service date. The purpose of the training programs is to ensure that the Contractor's workforce is always fully prepared to achieve the highest standards of academic and technical excellence for provision of the Services and are instructed in the necessary and required policies, procedures, contractual responsibilities, and rules relating to maintenance, customer service, and safety. The Contractor's workforce shall demonstrate a thorough understanding of the relevant procedures before they are permitted to perform the Services. The policies and procedures shall also apply to all of Contractor's Subcontractor or vendor employees working on the Services.

7.1.B Upon request, SCRRA's employees shall be allowed to attend all Contractor Training Programs as an observer/auditor, included in the Base Services. When requested and agreed to, as part of On-Call Services, Contractor shall train SCRRA Staff as if they were Contractor's employees.

7.1.C The Contractor's Training Program shall include robust provisions to train, test, qualify, certify, and monitor Disadvantaged Business Enterprise (DBE) subcontractors as well as other smaller subcontractors.

7.1.D As part of On-Call Services, the Contractor may also be required to train, test, qualify, certify, or provide "train the trainer" classes for SCRRA employees for training that is already provided to Contractor employees. Any training not provided to Contractor employees may be directed through a Work Directive.

- 7.1.E As part of On-Call Services, the Contractor shall also be required to train, test, qualify, certify, monitor, or provide “train the trainer” classes for SCRRA’s Member Agency employees, consultants, government employees (FRA, CPUC, FTA, etc.), other railroads, contractors, suppliers, and vendors performing closely related construction, rehabilitation, Third Party support work, oversight, and inspection on the Arrow service.
- 7.1.F The Contractor’s training instructors shall be experienced MU and facility maintenance professionals abreast of the latest changes in the workplace and have previously served as managers, supervisors or hands on worker and subject matter experts in the fields they are instructing. The instructors and instruction program shall utilize best industry practices in instructional design and technology, multimedia services, and administration. The training program shall cost effectively and efficiently manage student workforce time. In addition to classroom training, maximum use of hands-on training and the use of test laboratories equipped with simulator and bench test shall be applied as applicable. Safety quality and environmental awareness shall be embedded into all training courses.
- 7.1.G SCRRA will electronically furnish to the Contractor any available manuals, rules, and similar materials that the Contractor shall include or consider for use in its Training Program. A summary of these SCRRA-provided materials is available in System Safety Plan, Training Summary Requirements, and FRA Regulation Matrix (Exhibit 51).
- 7.1.H Commencing at NTP 1, SCRRA shall coordinate with existing contractors and vendors to provide necessary orientation and training needed for their specific responsibilities relating to SCRRA’s equipment, software tools and facilities.

7.2 TRAINING AND CERTIFICATION PLAN

The Metrolink System Safety Plan, Training Summary Requirements, and FRA Regulation Matrix establish the minimum requirements of the Contractor’s Training and Certification Plan (CDRL 10). The Training Plan and Certification Program shall be integrated with the employee hiring process to assure that all new employees (including those that have not recently worked on the Service) will meet the minimum training requirements prior to the Service date. Employees retained from the existing maintenance contracts and employed under the new Contract, must be fully retrained, retested, requalified, and recertified by Service date. The Training Plan will include the location, layout, and capabilities of the Contractor’s training facilities. The Contractor’s plan must comply with 49 CFR Part 243 Training, Qualification and Oversight for Safety Related Railroad Employees.

The Contractor shall submit a Training and Certification Plan for all staff that at a minimum specifies:

- 7.2.A Training standards, training courses to be offered, the classes of employees that will attend, and the estimated number of person days of training that will be provided for each course and the frequency of refresher training.
- 7.2.B Certification criteria and recertification schedules including an ongoing proficiency testing program for all crafts that ensures that Contractor employees have the knowledge and skills required to safely and competently administer their duties. Testing shall include equipment and procedures unique to Service operations.
- 7.2.C Training resources required such as instructors, visual aids, training materials and other training equipment.
- 7.2.D Assistant General Manager/Training-Rules-Compliance-Safety (TRCS or SRCT) organization chart indicating full-time and part-time staff serving the training management representative for the functional areas (operations, equipment, etc.) and subject matter experts who shall be responsible for formulating and coordinating all training activities and be available to meet with representatives of SCRRA to review all training programs and reports.

- 7.2.E Supervisors shall successfully complete the training courses required of employees whom they supervise, including refresher training.
- 7.2.F Supervisors shall successfully complete the training courses required of employees whom they supervise, including refresher training.
- 7.2.G Backfill training to ensure that adequate levels of qualified personnel are available so that personnel absences, promotions, or transfers do not affect performance of Services.
- 7.2.H Systems and processes will be established to allow SCRRA to continuously and in real-time determine the training status of all Contractor's Employees.

7.3 TRAINING AND CERTIFICATION IMPLEMENTATION

- 7.3.A The Training and Certification Plan (CDRL 10) which includes the training staff is to be included in the Mobilization and Transition Plan and Schedule and shall allow 90 days for SCRRA review and approval prior to commencing any training. The Training Plan and Certification Program shall be integrated with the employee hiring process to assure that all employees will be adequately trained prior to the Service date. The Training Plan will include the location, layout, and capabilities of the Contractor's training facilities.
- 7.3.B Contractor's workforce training shall be ongoing and a very high priority throughout the duration of the Contract. During Mobilization and on an annual basis throughout the term of the Contract, as part of the Training Plan and Certification Program, the Contractor shall submit a Training Plan Schedule. The Contractor shall schedule training activities to optimize employees' time and to minimize impacts to the provision of Services under the Contract.
- 7.3.C SBCTA and SCRRA employees shall be allowed to attend and observe, in the Contractor's training programs.
- 7.3.D All employees shall be trained to industry best practices and the extent necessary to be fully qualified, abreast of the latest changes in technology, regulations, and rules and competent to perform their duties. Those who are identified as being deficient in knowledge, skills or certification shall promptly attend and pass courses of instruction specific to their craft or service area or be removed from performing any Services. The Contractor may reinstate the removed Contractor personnel to Service once the employee successfully completes the required training. SCRRA reserves the right to request evidence that the Contractor's employees and subcontractors who are providing Services are appropriately trained and certified and has completed appropriate efficiency and competency tests.
- 7.3.E The Contractor shall meet semi-annually with SCRRA to review the effectiveness of the approved training program. The Contractor shall also provide SCRRA with a semi-annual training report furnished at least two weeks prior to the semi-annual training review. The Contractor also shall provide monthly reports to SCRRA on performance of efficiency testing as required by SCRRA and/or federal regulations. The Contractor's report shall include the training, testing, certification, and monitoring status of all employees and shall track DBE firms and other small business training status.
- 7.3.F Training materials developed specifically for the maintenance of the MU and AMF such as SOP developed under this Contract shall be the property of the SCRRA. Access to the training materials required for regulatory compliance that is not developed specifically for this SOW, shall be provided to SCRRA and shall remain the property of Stadler.
- 7.3.G Upon request, the Contractor shall provide to SCRRA electronic records that verify training and qualifications.

7.4 TRAINING RECORDS

Contractor is responsible for maintaining up-to-date Contractor employee training records (including applicable subcontractor, vendors, and suppliers) and shall submit training records to SCRRA. A copy of all training records will be provided electronically to SCRRA and kept current as Contractor employees turn over.

7.5 BASE SERVICES

Unless explicitly described as an On-Call Service, the cost for performance of the provisions of this Section 7 shall be included in Base Services prices.

7.6 ON-CALL SERVICES

If directed by SCRRA, Contractor shall provide training, testing, certification, and post training record retention and monitoring to SCRRA staff, outside contractors, suppliers, and vendors, Third Party contractors or consultants working on the Services and the Contractor shall be compensated on a Work Directive basis.

Exhibits applicable to this Section:

- Exhibit 51 FRA Regulation Matrix
- Exhibit 9 Metrolink System Safety Program Plan
- Exhibit 11 Metrolink's Supplier's Code of Conduct
- Exhibit 13 Training Summary Requirements

SECTION 8. SAFETY

The Contractor shall conduct its operations in compliance with the SCRRA System Safety Program Plan (SSPP) Exhibit 9, FRA Part 270, and all other applicable safety and operating rules; all safety provisions of the Scope of Services; and all federal, state, and local laws and regulations. The Contractor Safety Manager shall have the responsibility to ensure compliance with all requirements of this section and shall be cross trained to oversee all the functional areas performed by the Contractor under this Contract.

8.1 CONTRACTOR SAFETY MANAGEMENT PLAN (SMP) and SAFETY MANGEMENT SYSTEM (SMS) RESPONSE PLAN

8.1.A The Contractor shall furnish for SCRRA approval, no later than 90 days prior the transition/operation of any scope, the Contractor's Safety Management Plan (SMP) and Safety Management System (SMS) Response Plan (CDRL 13) that outlines the organizational structure, duties, and responsibilities of the employees that describes how the Contractor will comply with the SCRRA SSPP and is inclusive of employee, customer and operational safety, employee health and environmental safety. The Contractor will prepare and submit the appropriate forms as identified in the SCRRA SSPP to SCRRA for review and approval. SCRRA will report the data to the FRA or FTA through the electronic reporting system.

8.1.B The Safety Management Response Plan shall be updated annually and made consistent with the most current version of the SCRRA SSPP and shall be submitted to the SCRRA Safety Officer for review and approval no later than December 01 of each year. The Safety Action Plan shall be created and published specifically for Arrow. Investigation reports, forms, files software, data and metrics shall be identified as Arrow and assigned to Arrow. Contractor's standard "corporate" safety program and forms shall not be used.

8.2 IN ADDITION TO THE REQUIREMENTS ABOVE, THE SAFETY MANAGEMENT RESPONSE PLAN AND SAFETY MANAGEMENT SYSTEM ELEMENTS INCLUDE:

- 8.2.A General Safety Rules for Employees
- 8.2.B The Contractor shall establish and enforce an Accident and Incident investigation procedure which is compatible with SCRRRA's existing program and meets applicable FRA requirements of 49 CFR Part 225
- 8.2.C Accident/Incident Reporting
- 8.2.D Hazard Identification and Management (including "close calls/near misses and leading indicators")
- 8.2.E Substance Abuse program as specified by 49 CFR Part 219 Control of Alcohol and Drug Use
- 8.2.F Fatigue Management and Hours of Service
- 8.2.G Employee safety certification
- 8.2.H Voluntary Employee Safety Reporting following specific rules and guidelines
- 8.2.I Auditing of rail operations and maintenance (O&M) activities for compliance with SCRRRA, federal, and state requirements
- 8.2.J 24/7 response to all accidents or safety - related incidents
- 8.2.K Reporting administrator to provide information required by 49 CFR Part 225 Railroad Accident/Incident: Reports Classification and Investigation and other federal and state reporting requirements to SCRRRA Reporting Officer
- 8.2.L Use of the Metrolink safety reporting software system Vector for entering safety- related information such as identified hazards, corrective actions, training records, accident/incident information, and audit reports (both internal and external)
- 8.2.M Completion of an annual internal audit to determine compliance with the SCRRRA SSPP
- 8.2.N Staffing of an EOC as defined in the Passenger Train Emergency Preparedness Plan (PTEPP) (Exhibit 14)
- 8.2.O Participation in the Metrolink tri - annual SSPP third - party audit
- 8.2.P Coordination of required Emergency Response Drills with local agencies and in compliance with SCRRRA's PTEP
- 8.2.Q Coordination of Contractor Safety Committee and Safety Meeting requirements
- 8.2.R Participation in the SCRRRA System Safety Review Committee, Risk Register, Metrolink Rules Committee, and the Incident Reduction Task Force
- 8.2.S Participation in Monthly System Safety Action Team Meeting
- 8.2.T Oversight of Contractor training requirements as identified in the SCRRRA SSPP
- 8.2.U Management of all environmental and employee health issues as required by CALOSHA
- 8.2.V Occupational noise program complying with the SCRRRA's existing program and applicable FRA requirements of 49 CFR 1910.95 and 49 CFR 227.
- 8.2.W Review of work plans for safety compliance, and field audits of maintenance, inclusive of night and weekend work.

8.3 SAFETY AUDITS

- 8.3.A The Contractor Safety Management shall participate, when requested by SCRRA, to audits by SCRRA's Safety and Compliance Department or SCRRA's internal auditors or audits by outside parties or agencies such as Member Agencies, APTA, FRA, or CPUC. Following receipt of an audit report with findings and recommendations, the Contractor Safety Manager shall develop and submit, electronically, a corrective action plan to SCRRA for approval within 30 Business Days for all deficiencies or recommendations that result from the audit (Corrective Action Plan-CDRL 11). The Contractor's Safety Manager shall be responsible for completion of the corrective action plan.
- 8.3.B SCRRA will conduct routine audits consistent with the SCRRA SSPP and SMS, the Contractor shall participate in those audits as well as furnish requested documentation. The Contractor shall perform an annual internal audit as directed by SCRRA to determine compliance with the SCRRA SSPP. The Contractor shall prepare a written summary of findings, with a remedial action plan, for SCRRA review within 30 days of the completion of the internal audit. The Contractor shall implement corrective actions recommended by the internal audit or by third-party auditors, after review with and approval by SCRRA designated personnel. The Contractor shall invite and allow SCRRA management to participate in all safety-related reviews, including, but not limited to, efficiency tests, internal safety audits, and other reviews of a related nature.

8.4 SYSTEM SAFETY PROGRAM PLAN (SSPP)

The Contractor shall comply with and support the most current SCRRA SSPP. Updates and modifications to the plan are made regularly, and the Contractor shall participate with SCRRA during annual update and review of the SCRRA SSPP and comply with all changes to the plan. The Contractor shall also participate in the review and update of other safety related documents as required by the SCRRA.

8.5 SAFETY COMMITTEES

- 8.5.A The Contractor shall maintain a safety committee program and participate in SCRRA's System Safety Action Team Meetings in compliance with the SCRRA SSPP. The Contractor's Asst. General Manager/Training - Rules - Compliance - Safety and Safety Managers shall be responsible for auditing the safety committee meetings and shall attend and participate.
- 8.5.B Minutes of these meetings shall be forwarded each month to the SCRRA Safety Officer. The Asst. General Manager/Training - Rules - Compliance - Safety and Safety Managers also shall participate in a monthly safety meeting with SCRRA Safety Officer.

8.6 EMERGENCY OPERATIONS CENTER

In the event of an Emergency, Contractor shall provide staffing support for an Emergency Operations Center as defined in the SCRRA Passenger Train Emergency Preparedness Plan (Exhibit 14) as part of On-Call Services.

8.7 EMERGENCY RESPONSE DRILLS

The Contractor shall participate in one field drill/exercises and tabletop/EOC drill annually, which will be organized and staged by SCRRA in accordance with ICS and 49 CFR 239.

The tabletop drill will include such emergencies as active shooter, train fire, serious train accident with multiple injuries and fatalities. Field drills will be conducted annually.

8.8 UNSAFE CONDITION REPORTING

- 8.8.A The Contractor shall notify SCRRA of any unsafe conditions, which shall be recorded by the Contractor in the Contractor's software system and in SCRRA's safety reporting software system, Vector. The Contractor may be required to initiate and utilize an anonymous hazard reporting system or confidential close call reporting system (C3RS).
- 8.8.B Contractor shall conduct a Bi-Monthly Safety Walk of Contractor occupied Arrow facilities and report all observations to the SCRRA Bi-monthly Safety Walk Observations) on the 15th day following the Bi-Monthly Safety Walk.
- 8.8.C Where SCRRA or Contractor determines an immediate and serious hazard exists, the Contractor or SCRRA representative has the authority to immediately contact the appropriate personnel to request that the hazardous conditions be corrected, or hazardous practices halted. Should contact prove infeasible or unsuccessful, the Contractor or SCRRA representative shall have the authority to stop the project work, train, or equipment movement. SCRRA reserves the right to conduct unannounced inspections aimed at identifying and eliminating unsafe practices, operations, and conditions.

8.9 REGULATORY AGENCY REPORTING

SCRRA is the Operating Railroad for all incident and injury reports to regulatory agencies, including but not limited to FRA, CPUC and Cal-OSHA and in accordance with FRA regulations contained in 49 CFR 225. The Contractor shall prepare and maintain an Internal Control Plan for Accident and Incident Reporting (CDRL 12) as required by 49 CFR 225. The Internal Control Plan shall be submitted for SCRRA review and approval within 90 days prior to In-Service date. The Contractor shall immediately enter all incident and injury information into SCRRA's safety reporting software system (currently Vector) and shall update the information routinely. They shall provide the SCRRA Safety Department with a full report within 15 days of the accident or incident, the report shall provide all of the required details to determine a root cause. The Contractor shall designate a reporting officer as the primary contact for all reporting requirements, and the Contractor's reporting officer and SCRRA staff shall meet monthly to discuss the previous month's incidents and on-going issues involving reporting compliance.

8.10 ACCIDENT AND INCIDENT INVESTIGATION AND REPORTING

- 8.10.A The Contractor shall immediately report all incidents and injuries to SCRRA and follow up with all reporting documentation in the investigation of all accidents, incidents, injuries to employees or passengers, Rule violation or damage to Service Property or Service Equipment. Contractor's responding managers shall be trained in and respond in accordance with ICS protocols, including compliance with SCRRA Incident Response Plan and participation at any Incident Command Post established on scene.
- 8.10.B Investigations must be documented on appropriate forms as prescribed in the Contractor-provided Internal Control Plan for Accident and Incident Reporting (CDRL 12). Completed investigative reports must include a detailed narrative description of the accident/incident, a description of the immediate remedial actions taken by the Contractor, a Corrective Action Plan outlining steps the Contractor will take to prevent the occurrence of the accident/incident in the future, and any applicable supporting documents.
- 8.10.C Completed investigative reports must be forwarded to the SCRRA Safety Department the next Business Day after the time the event took place. In cases where it is not feasible to forward a completed report within the next Business Day, a preliminary report must be forwarded. Follow-up reports must be made to SCRRA when corrective actions are completed or changed. The Contractor also shall enter all investigative reports and pertinent information into its own software system and SCRRA's safety reporting software system (currently Vector).

- 8.10.D The Contractor shall ensure investigation and reporting requirements are included in any contracts or subcontracts entered by the Contractor. The SCRRA Safety Officer shall approve these requirements. The Contractor shall ensure that all managers and all front-line employees have received the FEMA National Incident Management Incident System (NIMS) training appropriate to their job classification and responsibilities. Accident and Incident investigation and reporting requirements are specified in the Required Reports and Notification section of the Scope of Services.
- 8.10.E Nothing in this section shall relieve the Contractor from notification requirements found elsewhere in the Contract that require notification of accidents, incidents, or hazards to SCRRA officers, including without limitation those found in the Scope of Services. Final closeout reports of accidents or incidents provided to SCRRA shall contain summaries of discipline assessed, if any, and any recommended changes in operations, rules, standards, or training resulting from the accident or incident investigation.

8.11 EVENT RECORDERS, SERVICE EQUIPMENT AND TABLET TRACKING AND VIDEO RECORDERS

SCRRA currently has active video recording devices on equipment and throughout the Arrow system. SCRRA reserves the right to install and utilize additional video recorder camera systems on or within all Arrow Equipment and facilities. SCRRA shall have full and complete access to and where applicable control of or access to the following, without prior notification to the Contractor:

- 8.11.A MU event recorders and MU event recorders data
- 8.11.B MU video recorder camera systems and video recorder data
- 8.11.C Closed-circuit television (CCTV) systems at fixed facilities

8.12 REVISION OF SAFETY PRACTICES

The Contractor shall, with prior SCRRA approval, review and/or revise its SOPs, emergency response practices, training techniques, or reporting practices annually.

8.13 PROVISION OF SECURITY

The Contractor shall cooperate and comply with all security practices, policies, programs and plans as determined necessary by SCRRA. SCRRA will provide sworn peace officers and armed and unarmed security contracted security protection for SCRRA and its facilities, and the Contractor shall cooperate with the sworn peace officers and contracted security firm resources as provided for this purpose. The Contractor shall include communication and coordination with peace officers in all SOPs and emergency plans.

8.14 BASE SERVICES

Unless explicitly described as an On-Call Service, the cost for performance of Services described in this Section 8 shall be included in Base Services prices.

Exhibits applicable to this Section:

- Exhibit 9 Metrolink System Safety Program Plan
- Exhibit 14 Metrolink Passenger Train Emergency Preparedness Plan

SECTION 9. QUALITY PROGRAM

9.1 GENERAL REQUIREMENTS

The Contractor shall establish and implement a Quality Program based on a recognized industry best practice such as the Association of American Railroads Quality Assurance Program. The Program shall provide quality assurance and quality control procedures, processes, and resources to ensure that all

Services are performed satisfactorily.

The Quality Program shall include quarterly reports and recommendations to Contractor senior management and SCRRA. The Contractor shall enforce the elements of the quality program with all subcontractors and suppliers performing services.

The Contractor shall conduct reviews of its quality program effectiveness and provide reports no later than the 15th of each quarter to the SCRRA Operations Department.

At a minimum, the program should include for the following areas of focus:

- 9.1.A Rail Vehicle Maintenance Services for the ZEMU
- 9.1.B Rail Vehicle Maintenance Services for the DMU (in the event NTP 2 of the Contract is issued)
- 9.1.C Facilities Maintenance (in the event NTP 3 of the Contract is issued)
- 9.1.D Materials Management (in the event NTP 4 of the Contract is issued)

9.2 QUALITY PROGRAM PLAN

The Quality Program Plan (QPP), (CDRL 14) shall include the quality assurance and quality control documented procedures, policies, plans, and organization activities of the Contractor, and Subcontractors, which shall assure that all work, testing, and documentation conforms to the requirements of this Contract.

The QPP shall also include:

- 9.2.A The Contractor's Organization Chart (CDRL 4), showing the lines of authority
- 9.2.B Responsibility for quality assurance and quality control functions and relationships with other functions
- 9.2.C Titles and names of Key Personnel
- 9.2.D Titles and functions of all quality personnel

The quality management system for each area of the Contractor's work shall be defined in the QPP. The QPP (CDRL 14) shall be submitted for SCRRA review no later than 90 days after NTP. The Quality Assurance Program shall include the following general requirements, at a minimum:

- (1) Management responsibility
- (2) Inspection and testing methodology
- (3) Inspection Standards
- (4) Workmanship Standards
- (5) Configuration and Document Control
- (6) Measurement, Analysis, and Improvement
- (7) Control of non-conformance
- (8) Corrective and Preventive Action
- (9) Audits
- (10) Training

9.3 STANDARDS AND REFERENCES

- 9.3.A The QPP shall identify the process whereby SBCTA is assured that the maintenance work performed on Arrow assets (DMUs, ZEMUs, facilities, yards, shops, information technology systems, and other SBCTA or SCRRA property and software used in the performance of the Contract) is compliant with the OEM or established, SCRRA-approved overhauled/rebuilt requirements and SCRRA-approved maintenance procedures established for these assets.

- 9.3.B Within the work areas, processes, procedures, and criteria shall be developed to measure compliance with the Contract and requirements of the specific activity. The Contractor shall ensure that workmanship is maintained at a level of quality consistent with the technical and functional requirements of the work. Workmanship shall be defined to the greatest practical extent by written standards, with references to SCRRA technical specification(s) or recognized industry standards accepted by the Contractor and SCRRA as examples of satisfactory workmanship.
- 9.3.C All procedures, processes and instruction documents shall be referenced to recognized regulatory or national standards documents where appropriate, such as FRA, AAR, AREMA, APTA and American National Standards Institute (ANSI). To the extent practical, all maintenance documents for equipment, systems, and purchased items shall be based upon and referenced to the latest instructions of the OEM. When OEM instructions are not available, or not relevant to SCRRA applications, the Contractor shall develop a proposed standard for SCRRA to review with supporting documentation.
- 9.3.D Once approved by SCRRA, a standard shall be maintained and documented through the configuration management system. Any corrective action that requires changes in plans or procedures shall be reviewed through the configuration management process.
- 9.3.E The calibration standards shall be traceable to the National Bureau of Standards. The calibration history and frequency records shall be maintained and available. The calibration dates and due dates shall be displayed on equipment.

9.4 QUALITY INSPECTIONS

The Contractor shall conduct quality inspections required to demonstrate full compliance with the Contract. The Contractor shall provide an inspection system capable of producing objective evidence that materials provided and finished work performed by the Contractor meet the quality requirements of this Contract.

The quality inspection shall be considered acceptable when, at a minimum, it provides for the detection and removal of non-conforming work or material where it can be corrected in advance or to a more progressive state prior to being placed into Revenue Service.

9.5 QUALITY AUDITS

- 9.5.A The quality audit plan (CDRL 15) shall identify minimum audit requirements for internal audits to be performed of all functional areas as well as Subcontractors and major suppliers. Emphasis shall be given to all areas directly impacting customer service, comfort, and safety. The Contractor shall provide copies of all audit reports and findings to SCRRA within three Business Days of conclusion of the audit.
- 9.5.B A Quality Audit Summary Report shall be prepared and submitted to SCRRA on an annual basis (Section 18). The specific schedule for submission of these reports shall be included in the Quality audit plan.
- 9.5.C SCRRA reserves the right to conduct its own audits of the Contractor or the Subcontractors and suppliers at any time. The Contractor shall fully cooperate and assist in such audits, as requested by SCRRA. The Contractor shall afford access to SCRRA for inspection of all service equipment to ensure that it is serviceable and properly stored, and may conduct spot inspections of service equipment, support property, and all Service Property for compliance with the requirements of this Contract. The Contractor shall promptly address any SCRRA quality assurance findings of deficiencies and shall conduct any additional training required to remedy such deficiencies.

9.5.D SCRRRA reserves the right to conduct quality assurance reviews of the Contractor's training, inspection, maintenance, and safety programs, as well as procedures, and documentation.

9.6 BASE SERVICES

Unless explicitly described as an On-Call Service, the cost for performance of Services described in this Section 9 shall be included in Base Services prices.

SECTION 10. MOBILIZATION

As set forth in Article 4.1 of the Contract, there are 2 potential Mobilization periods contemplated within this Contract as follows:

1. ZEMU Mobilization – the period commencing at NTP 1 and concluding five (5) months later;
2. DMU, AMF and Materials Management Mobilization – the period commencing at NTP 2 and concluding on the DMU Maintenance Service Date, AMF Maintenance Service Date and Materials Management Service Date.

During each of the above-referenced Mobilization Phases, the Contractor shall mobilize and train sufficient personnel, centrally located within the Arrow Service area, to perform all transition and start-up services deemed necessary by SBCTA to enable the Contractor to commence the associated Base Services in accordance with the associated Service Dates (e.g. ZEMU Maintenance Service Date, DMU Maintenance Service Date, AMF Maintenance Service Date and Materials Management Service Date) and the Contractor's approved Mobilization plan (CDRL 1), which shall be modified after each NTP) in accordance with the following schedule:

The Contractor shall fully cooperate and coordinate with SBCTA, SCRRRA, and existing SCRRRA service contractors to help ensure a smooth transition of maintenance services including the following:

- (1) In accordance with the Contractor's approved interface and access schedule in the Mobilization plan (CDRL 1), SCRRRA will direct the coordination of existing SCRRRA service contractors for receiving relevant information regarding the Service Property, Service Equipment, the AMF and/or materials management, dependent upon which of the NTPs are exercised. In the event access to all DMU and AMF maintenance records, facility breakdown structures and other necessary historical records are not provided within five (5) days of NTP 2, the completion of mobilization may be delayed, and the associated Maintenance Service Date may need to be adjusted to allow Contractor the full period for mobilization. The Contractor shall furnish sufficient staff at such joint transition meetings to visibly observe and assess the existing SCRRRA service, contractor's operations, safety measures, and other operations and maintenance activities. At these meetings, the Contractor shall thoroughly document sufficient information to review and revise, where necessary, required plans identified in the CDRL List and SOPs.
- (2) At no time will the Contractor's Mobilization efforts, including hiring of existing contract employees, coordination, and observation or the training of those employees, affect the existing SCRRRA service contractor's performance or safe operations. The Contractor shall prepare complete submittals for SBCTA or SCRRRA approval, as applicable, and allow 10 business days for SBCTA or SCRRRA, as applicable, to review and request resubmittal or provide final approval for the Mobilization CDRLs required for the Contractor to confidently perform the Base Services associated with each of the exercised NTPs by the applicable Service Date (s).

10.1 MOBILIZATION PLANS

Contractor shall submit a ZEMU Maintenance Mobilization Plan (CDRL 1) for review and approval within 7 days after NTP that includes:

- 10.1.A A detailed Mobilization Phase Schedule that identifies activities, the sequence and progress for transition and start-up of all Mobilization. Phase services. This shall include meeting the Mobilization Phase equipment and readiness training requirements of the Contract. The Mobilization Phase Schedule shall be part of the Mobilization Plan (CDRL 1). The Mobilization Plan shall identify all contractual milestone dates and clearly distinguish tasks, and portions of tasks, that must be completed prior to the ZEMU Maintenance Service Date. Additionally, the Mobilization Plan must include durations and dates for: 100% staffing, submission of plans, programs, guidelines, information systems, manuals, schedules, and forms, asset condition assessment and acceptance, and critical paths of activities required to meet each milestone. The plan shall also identify the Contractor's staffing schedule.
- 10.1.B Identification of the roles and responsibilities currently performed by SCRRA's existing contractors that will be transitioned to the Contractor's own staff. Contractor shall also identify services provided by staff provided by Contractor and those provided by sub-contractors. The Contractor shall provide a list of vendors that will be utilized under a purchase order.
- 10.1.C The Contractor's Employee Hiring Plan (CDRL 16) shall include its proposed method to comply with the requirements of 49 U.S.C. § 5333(b) (formerly Section 13(c) of the Urban Mass Transportation Act).
- 10.1.D Staffing and Organization Plan as submitted with proposals and incorporated into the Contract, including:
- (1) An organization chart (CDRL 4) with job descriptions for all positions to SCRRA including refined organization charts providing a head count for all full time Basic Service Contract employees (prime, subcontractors, vendors, consultants, subject matter experts) categorized by functional area. The organization chart should include vehicles (Contractor's, SBCTA's and SCRRA's), Tablets, and headquarter or daily reporting locations and vehicle and equipment assignment (both Contractor and SBCTA/SCRRA owned.) Additionally, a separate but similar organization chart should be provided for the Work Directive type work. DBE and Mentor Protégé firms and number of employees shall be also indicated on the Organization charts.
 - (2) Contractor will comply Exhibit 53, FRA Tier 1 Passenger New Starts Deliverables.
 - (3) Personnel assignments by time of day to assure that forces are deployed effectively and efficiently to complete scheduled tasks.
 - (4) Job descriptions shall identify critical skill positions where the Contractor shall place emphasis on filling vacancies due to the importance of these skill sets to the performance of Services.
 - (5) Training program, including course descriptions, certification, training schedules, competency tests, Subcontractor training plans and schedules and requalification plans.
- 10.1.E Asset condition surveys - Contractor and SBCTA shall perform a joint audit of Service Equipment, capital spare parts, and AMF assets and identify any assets that are not in a condition adequate to meet any of the requirements set forth in this Contract. Any deviation from the condition data provided by SCRRA or supplemental information provided shall be justified with clear documentation and may require a mutually agreed upon, independent, third- party reviewer and review.

- 10.1.F Identification of existing contractors' owned, leased, or rented equipment that must be replaced by SCRRA-provided equipment or Contractor's owned, leased or rented equipment.
- 10.1.G Detailed interface and access schedule for receiving relevant information and where necessary, training staff regarding the Service Property, Service Equipment, and operations. The Contractor shall conduct the interface and access to avoid duplicative joint transition meetings or observations previously viewed and assessed. SCRRA shall notify the Contractor of any requested interface and access that potentially disrupts services performed by existing contractors or is duplicative and the Contractor shall revise its proposed interface and access schedule including adjusting hours to limited access time frames on different work shifts.
- 10.1.H Specifics regarding support required from SCRRA staff and/or contractors.
- 10.1.I Overall Information Technology Systems Deployment Plan (CDRL 39). detailing all software, hardware, mobile devices (tablets, smart phones, etc.) and any training required.
- 10.1.J During the Mobilization period, the Contractor shall submit for SCRRA review all plans, submittals, SOP's, and submittals per regulatory requirements for all Services commencing on the Service date. (CDRL 26).
- 10.1.K The Contractor shall submit a Service Equipment Maintenance Management Plan (CDRL 30).
- 10.1.L The Contractor shall submit Maintenance Interval Procedures (CDRL 18) to SCRRA for review and approval no later than 90 days prior to In-Service date.
- 10.1.M The final list of cleaning chemicals (CDRL 29) and processes shall be developed and delivered to SCRRA for review and approval no later than 90 days after NTP (Cleaning Chemicals and Processes List).
- 10.1.N Contractor shall revise Maintenance Mobilization Plan (CDRL 1) for review and approval within 30 days after NTP 2, 3 and 4 that includes the applicable criteria set forth in Section 10.1.

10.2 MOBILIZATION PRICE

The cost for performance of all Services identified above shall be included in Mobilization price in the Pricing Schedule.

Contractor shall not be subject to Liquidated Damages during any of the 2 enumerated mobilization periods.

Exhibits applicable to this Section:

- Exhibit 53 FRA Tier 1, Passenger New Starts Deliverables

SECTION 11. TRAIN OPERATIONS AND CREWING (N/A)

N/A

SECTION 12. CUSTOMER SERVICE (N/A)

N/A

SECTION 13. MAINTENANCE OF SERVICE EQUIPMENT

13.1 SERVICE EQUIPMENT MAINTENANCE

The Arrow Service is a rail transit service between Downtown San Bernardino and University of Redlands, nominally operating 30-minute peak and 60-minute off-peak frequencies and servicing five stations along the 9-mile route; it began operations in October 2022. The service is operated with three Diesel Multiple Units (DMUs) and it is anticipated that a hydrogen-hybrid Zero Emission Multiple Unit (ZEMU) will transition into the fleet in late 2024. These two MU types are essentially identical except for the propulsion systems. The DMU uses a diesel-electric propulsion technology while the ZEMU uses a hydrogen battery hybrid propulsion system. Both types of systems provide electrical power to the traction motors, which are common to both models.

In parallel with the delivery of the ZEMU, SBCTA has contracted with another entity to perform retrofit work to the AMF to support maintenance of the ZEMU and construct a hydrogen fueling station on site. Until the AMF retrofit is complete and Contractor is the exclusive maintainer of the AMF, Contractor will make reasonable efforts to perform Base Services related to the ZEMU without access to a facility. During such time, the monthly service price shall be adjusted as per the Pricing Schedule.

13.1.A On the ZEMU Maintenance Service Date and DMU Maintenance Service Date, respectively, Contractor shall assume responsibility for the maintenance of the Service Equipment defined in Table 1 below and its use to provide and support passenger rail service for the Arrow Service. Contractor must ensure that the Service Equipment meets all FRA requirements and is suitable for use in the Arrow Service.

Table 1 Fleet of Multiple Units.

Service Equipment					
MU#	Type	#	Seats	Year	Manufacturer / Model
3401-3403	DMU	3	132	2022	Stadler / FLIRT 3
3501	ZEMU	1	132	TBD	Stadler / FLIRT H2
Total		4			

13.1.B The Contractor may, with SBCTA's written approval, contract Service Equipment maintenance (including servicing, periodic maintenance and overhaul, and other program/heavy repairs) to one or more third parties.

13.1.C The Contractor shall not undertake any alteration or modification of Service Equipment without express written permission from SBCTA. If the modification is originated by the Contractor, the Contractor shall submit a written description of the work, with sketches and wiring schematics as appropriate, and a detailed cost estimate for approval. During the modification program, the Contractor shall submit periodic progress reports at least monthly and shall keep a permanent record of those units which have been modified. Revised vendor components that replace obsolete components and may require minor modifications to install, shall not be considered modifications under the intent of this section.

13.1.D All local, state, federal and SCRRRA required air pollution control standards shall be met. No adjustment or modification shall be made to any equipment that would affect the emission quality standard. For DMUs, the Contractor shall follow written instructions for idling and fuel conservation, refer to Metrolink Fuel Conservation Program, Exhibit 20. Automatic fuel shutoff equipment on DMUs shall always be maintained in working order

- 13.1.E SBCTA and SCRRA Special Tools and Test Equipment (Exhibit 63) is a list of tools and test equipment that SBCTA and SCRRA have procured for rolling stock equipment maintenance to be made available to the Contractor on the associated Service Dates. Prior to such availability being made, SBCTA and/or SCRRA and the Contractor shall perform an audit as to the quantity, type and condition of the tools and test equipment. Any initial calibration, repair or replacement costs shall be borne by SBCTA. Thereafter, Contractor shall be responsible for calibration, repair and replacement of Special Tools and Test Equipment damaged by the Contractor. SBCTA shall procure any other special tools and test equipment required for new and overhauled rolling stock incorporated into the Service Equipment after the Service Date.
- 13.1.F Contractor shall be responsible for developing and integrating the life cycle maintenance program for the Service Equipment into the overall inspection, testing, and maintenance plan for the Service Equipment for the duration of the Contract. Any additional development or integration beyond the end of the Contract shall be handled as On-Call Services.
- 13.1.G Throughout the period of performance for this Contract, at SBCTA's discretion, SBCTA may issue Work Directives for the enhancement and/or replacement of various vehicle systems, for the overhaul and upgrade of Service Equipment, and for the repair of damaged Service Equipment where the work may be performed off-site. The Contractor shall be responsible for preparing the Service Equipment for shipment off-site, for cooperating with SBCTA in the acceptance of the Service Equipment upon return and for coordinating the return of the vehicles into Revenue Service operation. This work would not to be considered Base Services, but rather, On-Call Services. The Contractor shall work in partnership with SBCTA and SCRRA to ensure that the ability of the other contractors to perform any duties, obligations, or liabilities under the terms of their individual contracts is not compromised.
- 13.1.H The Contractor is responsible for following SCRRA's PTC On-board inspection, Verification, and Certification Plan as listed in Exhibit 23. All regulatory requirements of record keeping shall be followed by the Contractor. The Contractor shall not modify any SCRRA PTC training or qualification program unless given written consent by SCRRA's PTC department. Contractor shall submit to SCRRA any requested changes in training requirements for SCRRA approval.
- 13.1.I The Contractor is responsible to ensure maintenance of equipment personnel are trained as described on the PTC On-board Inspection, Verification, and Certification Plan as listed in Exhibit 23. Contractor won't perform any PTC duties, maintenance or inspections unless qualified per SCRRA's program. The Contractor shall not modify any SCRRA PTC maintenance program or interval unless given written consent by SCRRA's PTC department. Contractor shall submit to SCRRA any requested changes in onboard PTC maintenance requirements for SCRRA approval. SCRRA will provide training to Contractor management who will then train and qualify Contractor maintenance of equipment personnel. Contractor is not allowed to change SCRRA's PTC training program unless given permission by SCRRA's Train Control & Communications department. Contractor is not allowed to have a Contractor employee performing any PTC maintenance tasks on a train unless they are PTC qualified and up to date on training according to SCRRA's PTC training curriculum. Contractor shall ensure all Contractor maintenance of equipment employees are also re-certified as outlined in SCRRA's PTC training curriculum (Exhibit 23). For any newly PTC qualified Contractor maintenance of equipment employees that will perform PTC departure tests, the Contractor shall provide to designated SCRRA representative the employee's unique ID (6-digits) and unique PIN (4-digits) seven (7) days prior to new employee maintaining any train for the SCRRA to upload PIN/ID information to PTC database to allow employee to perform PTC departure test.

- 13.1.J As an On-Call Service, the Contractor will be responsible for managing the oversight and re-railing of all Service Equipment derailments. This will include the development of an authority approved SOP (CDRL 50) for handling derailments, a third-party contract with a reputable vendor that is available 24x7 for the re-railing and transport of derailed equipment, and the clean-up of all related materials. The track maintenance contractor will be responsible for all track caused derailments and will be required to comply with their contractual requirements. The equipment contractor shall collaborate and coordinate with track and signal contractors to expedite the mitigation of derailments on property. If the primary cause of derailment is directly related to a negligent act or omission of the Contractor, a Contractor employee or Subcontractor, these shall not be considered On-call Services, and the Contractor shall bear all associated costs.
- 13.1.K Contractor will be required to follow and abide by proposed CFR 246 Certification of Signal Employees, which include any Contractor or subcontractor employees involved in the maintenance, troubleshooting, testing and installation of PTC systems on the MUs. This includes. This new CFR regulation has been issued and will go into effect after NTPs but Contractor should be aware of the regulations and requirements that will be imposed on their staff, including but not limited to Hours of Service tracking/logging, training and certification, audits, recertifications and background checks for certified employees.

13.2 FLEET AVERAGE MONTHLY AVAILABILITY CALCULATIONS

A formula has been developed based upon total Monthly Fleet Availability for the DMU-Fleet and the ZEMU-Fleet.

Availability Percentage (AP) = $100 \times (\text{Available Time (AT)} - \text{Unavailable Time (UT)}) / \text{AT}$

Where:

- AT = Monthly total number of hours the MUs should have been available.
- UT = Monthly total number of hours the MUs were unavailable when scheduled.

Specific availability criteria for the ZEMU and DMU fleets are detailed in sections 13.6 and 13.7, respectively.

13.3 SERVICE EQUIPMENT AVAILABILITY AND FLEETS REQUIREMENTS OVERVIEW

- 13.3.A Beginning on the DMU Maintenance Service Date (if applicable), the Contractor shall collect and analyze DMU availability information described herein. The availability goal for the Fleet of Revenue Service DMUs is to achieve a minimum of 95% availability. The vehicle availability shall be reported as part of the monthly Fleet Availability, Performance, and Cleanliness Report.
- 13.3.B Beginning when the ZEMU enters Revenue Service, the Contractor shall collect and analyze ZEMU availability information described herein. The availability goal for the Revenue Service ZEMU is to achieve a minimum of 95% availability. The vehicle availability shall be reported as part of the monthly Fleet Availability, Performance, and Cleanliness Report.
- 13.3.C For clarity, the ZEMU Fleet shall be measured and calculated separately than the DMU Fleet for these purposes.
- 13.3.D The Service Equipment shall be maintained with the goal to achieve the availability levels targeted by this Contract. The Contractor will be responsible for providing a Maintenance Service Plan that outlines how the Contractor will seek to achieve the availability targets. The Service Equipment shall be maintained in compliance with all applicable regulatory, SCRRA, and OEM requirements.

- 13.3.E The Contractor shall not defer maintenance or repair work on any Service Equipment vehicle without the prior written permission of SBCTA for the purpose of reducing cost and improving maintainability, reliability, and availability of the Service Equipment.
- 13.3.F All equipment maintenance shall be performed as outlined in SCRRA's EAM system and maintenance/inspection records shall be entered into the system as well. Any changes, additions or removal of rolling stock maintenance inspection tasks or intervals need to be submitted to SCRRA for review and approval; if approved, the Contractor shall be responsible to update SCRRA's EAM system to reflect changes in maintenance tasks.
- 13.3.G Service Equipment that is undergoing long term maintenance or damage repair (Laid Up Bad Order) shall not be included when calculating the equipment's availability.
- 13.3.H Beginning on the Service Date, the Contractor shall analyze and provide Service Equipment availability information daily to SCRRA, for example, the Daily Shop Sheet. Ninety (90) days after the Service Date, the Contractor shall submit to SCRRA a Service Equipment Availability, Performance, and Cleanliness Report. The report shall identify potential areas for availability improvements and describe proposed corrective actions and schedule for the implementation of preventive actions and anticipated results of each.
- 13.3.I Required each month the Service Equipment availability information per vehicle type (DMU and ZEMU), per MU, and by period. The information shall include vehicles required, vehicles available and used, vehicles available and not used, vehicles not available for use, per vehicle utilization and revenue service miles and hours for the month.
- 13.4 SERVICE EQUIPMENT AVAILABILITY REQUIREMENTS**
- 13.4.A To be considered available for revenue service, including spares, equipment must have the characteristics set forth below and be at the designated location to support train distribution and train trip schedule requirements. Equipment "available for revenue service" shall mean equipment from the revenue service vehicle fleet that has the following attributes:
- (1) Daily Maintenance Interval (MI) work has been performed
 - (2) PTC Requirements as noted in Exhibit 23 (PTC Onboard Inspection, Verification and Certification Plan)
 - (3) Passed all required tests and inspections including PTC scheduled maintenance and tests
 - (4) Compliant with SCRRA inspection criteria and condemning limits
 - (5) Posted as being available for service
 - (6) The MU has left the AMF at the scheduled time and is performing the scheduled hours of service. If the MU fails to leave the facility when scheduled and a different MU has to be sent, it counts as being unavailable.
- 13.4.B The vehicle availability requirements for the Revenue Service Vehicle Fleets shall include vehicles designated for daily service, operating spares and stored serviceable vehicles, but shall not include vehicles undergoing damage repair or long-term maintenance. SCRRA may change the Service Plan in response to changes in service demand.
- 13.4.C The Contractor shall ensure laid up good order equipment is available for use on an as needed basis. To be considered available for service, laid up good order equipment must have the characteristics set forth as follows:

- (1) Required inspections have been performed
- (2) All controlling ends that are to operate in the lead are PTC functional. For the purposes of this section, PTC functional means:
 - a. PTC system on all controlling ends that are to operate in the lead are NOT in a failed state
 - b. Successful PTC departure test has been completed on all controlling ends that will operate in the lead within past 24 hours
 - c. Successful PTC initialization (entered the PTC disengaged state) has been completed on all controlling ends with Metrolink (SCAX) as operating and employing railroad
 - d. All PTC circuit breakers (PTC main and PTC Radio), cut-out switches (emergency, penalty, and horn) and pneumatic valve are sealed in the "ON/Cut-in" position
- (3) Compliant with SCRRRA and regulatory inspection criteria and condemning limits
- (4) Posted as being available for service

13.5 TRAINSET REQUIREMENTS

- 13.5.A The Contractor shall make MUs available in accordance with the scheduled departure time for each train from the AMF in Revenue Service. MUs and maintenance requirements will change as service patterns and equipment condition change.
- 13.5.B Each MU placed in service must meet the following characteristics:
- (1) The minimum Service Equipment availability requirements for scheduled trips
 - (2) Each car on the Trainset has all passenger entry doors operational
 - (3) All vehicles in the Trainset comply with the applicable regulatory, SCRRRA and OEM requirements
 - (4) Contractor shall ensure that no Trainset is released for service unless all controlling ends that are to operate in the lead are PTC functional. For the purposes of this section, PTC functional means:
 - a. PTC system on all controlling ends are NOT in a failed state
 - b. Successful PTC departure test has been completed on all controlling ends that will operate in the lead within past 24 hours
 - c. Successful PTC initialization (entered the PTC disengaged state) with Metrolink (SCAX) as operating and employing railroad has been completed on all controlling ends (rear and buried units) that will operate in the lead out of an SCRRRA repair location or location where equipment receives Class 1 air brake test.
 - d. All PTC circuit breakers (PTC main and PTC Radio), cut-out switches (emergency, penalty, and horn) and pneumatic valve are sealed in the "ON/Cut-in" position
- 13.5.C The Contractor is responsible to update all consist information in the SCRRRA-provided Asset Management System
- 13.5.D The Contractor shall provide the Service Equipment availability report at the start of each day, prior to the first scheduled departure. Service Equipment levels must be maintained throughout the day in accordance with the Arrow Service Plan.

13.6 ZEMU AVAILABILITY CRITERIA

Due to the new propulsion system and the development nature of the ZEMU project, SBCTA will waive the minimum availability target for six (6) months once testing is complete and the ZEMU enters revenue service (Revenue Service Break-in Period). The Parties agree that a targeted minimum availability rate of 95% within two years of the completing the Revenue Service Break-in Period is indicative of a successful pilot project and readiness for production mode.

Availability performance shall be measured in availability percentage, which shall be calculated by applying the following formula.

$$\text{Availability Percentage (AP)} = 100 \times (T - UT) / T$$

Where:

- AT = Monthly total number of hours the ZEMU should have been available.
- UT = Monthly total number of hours that the ZEMU was unavailable when scheduled

At the conclusion of each month, the Contractor shall calculate the AP, rounded to the nearest 1/10 of a percent, and determine the AP.

There are no Liquidated Damages associated with the measurements and calculations set forth in this Section 13.6.

13.7 DMU AVAILABILITY CRITERIA

The DMU-Fleet is targeted achieve a minimum availability rate of 95%.

Availability performance shall be measured in availability percentage, which shall be calculated by applying the following formula.

$$\text{Availability Percentage (AP)} = 100 \times (AT - UT) / AT$$

Where:

- AT = Monthly total number of hours the DMUs should have been available.
- UT = Monthly total number of hours that the DMUs were unavailable when scheduled

At the conclusion of each month, the Contractor shall calculate the AP, rounded to the nearest 1/10 of a percent, and determine the AP.

There are no Liquidated Damages associated with the measurements and calculations set forth in this Section 13.7.

13.8 DMU AND ZEMU AVAILABILITY EXCEPTIONS

If a vehicle is not in service due to the following reasons, it will be exempt from the fleet availability calculations:

- 13.8.A Damage due to vandalism, accidents, or force majeure
- 13.8.B Any SCRRA directed removal from service of Service Equipment

13.9 OUT OF SERVICE VEHICLES

The Contractor shall not permit any Service Equipment to remain out of service without SCRRA, regulatory or OEM justification.

13.10 SERVICE EQUIPMENT'S PERFORMANCE

- 13.10.A Beginning on the ZEMU Maintenance Service Date and DMU Maintenance Service Date (if applicable), the Contractor shall collect and analyze Service Equipment performance information described herein. The vehicle performance goal for the Revenue Service MUs is to achieve a minimum of 20,000 Mean Distance Between Failures (MDBF) for the Service Equipment. The vehicle performance shall be reported as part of the monthly Fleet Availability, Performance, and Cleanliness Report.
- 13.10.B Ninety (90) days after the ZEMU Maintenance Service Date and DMU Maintenance Service Date (if applicable), the Contractor shall submit, as part of the Fleets Availability, Performance, and Cleanliness Report, the results of the analysis of the previous three months with supporting data that will be used to establish the baseline for Service Equipment Performance for assessment of improvements. The report shall identify potential areas for performance enhancements and describe proposed corrective actions and schedule for the implementation of preventive actions and anticipated results of each.
- 13.10.C The Equipment Performance information shall include, as a minimum, individual vehicle performance, vehicle type (DMU and ZEMU) performance, Service Equipment performance in terms of Revenue Service miles for the month. The report shall identify causes for reported train delays. The report shall identify and explain reasons for any variances and provide plan and schedule for implementing appropriate corrective and preventive actions.
- 13.10.D Mean Distance Between Failure ("MDBF") shall be calculated by the Contractor and reported to the SCRRA monthly as part of the Fleets Availability, Performance, and Cleanliness Report.
- 13.10.E A failure for Revenue Service MDBF calculations is defined as a vehicle failure that causes the train to be delayed six minutes or more, the train to be annulled, or the vehicle to undergo unscheduled service, repair, or maintenance.
- 13.10.F MDBF calculations are defined as a vehicle failure that causes the train to fail completion of the prescribed work-plan for the timeframe in which is it called for duty. The MDBF for the Service Equipment fleets shall be calculated in the following manner:
- (1) The mileage in service during the reporting period divided by number of failures in the reporting period.
 - (2) Calculation shall be carried out as follows:
(Miles in Month X for vehicle-type) divided by (Number of Failures of vehicle-type in Month X) = MDBF for Vehicle type (DMU and ZEMU) in Month X
 - (3) For example:
In May the DMU fleet ran 12,420 miles;
experienced 2 failures in May;
therefore, MDBF for DMU fleet in May = $12,420/2 = 6,210$ miles
MDBF shall also be calculated for each individual Service Equipment type (DMU and ZEMU) as a means of tracking vehicle specific performance.
- 13.10.G Mean Distance Between Service Failure (MDBSF) is defined as in-service failures of vehicle systems that do not affect the On-Time Performance of the train or MDBF calculations but may affect the passengers. These failures include, but are not limited to:

- (1) HVAC System Failure - Failure to maintain temperatures within the design values;
 - (2) Door Failure - Failure of a door to operate as designed;
 - (3) Lighting System Failure - Failure of 10% or greater of the lights in the interior of the vehicle to remain illuminated for the duration of the trip;
 - (4) Communication System Failure - Failure of the Public Address System, Intercom, Signage or Vehicle Radio en-route; and
 - (5) Ride Quality Failure - Failure of the truck and suspension system to provide the designed ride quality.
 - (6) Inoperable bell, horn, windshield wiper
 - (7) Ineffective windshield wiper
 - (8) Inoperable sander
 - (9) Defective engineer's and/or observer's seat
 - (10) Service Equipment with low water and/or oil
 - (11) Passenger compartment door will not stay in closed position
 - (12) Defective and/or missing AED.
 - (13) ZEMU Hydrogen Storage System (HSS) or Energy Storage System (ESS) issue
- 13.10.H The MDBSF for each type of vehicle shall be calculated in the same manner as described for MDBF. MDBSF shall be calculated by the Contractor and reported to SCRRA monthly as part of the Fleets Availability, Performance, and Cleanliness Report. The Contractor shall monitor and report vehicle specific MDBSF to SCRRA monthly to ascertain whether there are any problematic DMUs and/or ZEMUs that require immediate action and to determine the Contractor's compliance with its obligations under the Contract.
- 13.10.I Mean Distance Between Service Event ("MDBSE") is defined as an event that requires a positive action on the part of a crew member to adjust, cut-out or reset any onboard equipment or requires notification to the SCRRA Mechanical Department of an underlying condition that requires action by a Qualified Maintenance Person (QMP) or Qualified Person (QP) after the vehicle has been released for service whether or not the event results in a failure or service failure.
- 13.10.J MDBSE for each vehicle type (DMU and ZEMU) shall be calculated in the same manner as described for MDBF.
- 13.10.K Mean distance between service events shall be calculated by the Contractor and reported to SCRRA on a monthly basis as part of the Fleet Availability, Performance, and Cleanliness Report.
- 13.10.L MDBSE shall also be calculated on a vehicle-basis and shall be utilized as a means of tracking and evaluating vehicle specific performance and effectiveness of inspection, testing and maintenance activities.
- 13.10.M There are no Liquidated Damages associated with the measurements and calculations set forth in this Section 13.10.

13.11 MAINTENANCE PROGRAM

- 13.11.A The Contractor shall develop and implement plans, processes, procedures, and programs that enhance the performance and availability of the Service Equipment by prioritizing short range and long-range inspection, testing and maintenance goals and objectives. The Contractor shall have the Service Equipment available for service, for planned maintenance and for non-scheduled maintenance. Service Equipment shall not be dispatched with safety hazards or obvious defects. The Contractor shall be responsible for repairs to Service Equipment resulting from crossing accidents, debris damage and other operating anomalies. Unless otherwise designated by SBCTA, reimbursement for such repairs will be addressed in accordance with Section 17 Work Directives for On-Call Services of the Contract. The Contractor may be responsible for Service Equipment repair costs for damage that was Contractor's responsibility.
- 13.11.B The Contractor shall keep all information racks on board trains stocked with materials approved and provided by SCRRA. Trains must be checked once daily to ensure racks remain neat and stocked with materials. All passenger cars shall have all loose trash, including newspapers and paper cups, picked up and disposed of in appropriate receptacles.
- 13.11.C The Contractor shall provide an integrated inspection, testing and maintenance program that includes details for inspection procedures, intervals, and criteria; test procedures and intervals; scheduled preventive Maintenance Intervals; maintenance procedures; and testing and measuring equipment required to perform inspections, tests, and maintenance in SCRRA's provided EAM system. The program shall include provisions to address the reliability of the equipment by considering that availability and performance are directly dependent on the prediction, detection, and correction of vehicle malfunction.
- 13.11.D Contractor shall make available certified personnel to facilitate movement of Service Equipment within the AMF and Service Property at any given time. The Contractor's training program shall address training and certification to perform the duties as outlined above.
- 13.11.E As of the ZEMU Maintenance Service Date, the Contractor is responsible for providing trained and qualified personnel to operate the wayside power and battery charging systems and monitor the state of charge of the ZEMU traction battery.
- 13.11.F As of the DMU Maintenance Service Date, the Contractor shall provide full time 24 hours/day every day of the year coverage with qualified maintenance personnel (QMP) and management personnel on duty to ensure Service Equipment is properly prepared and operational for service requirements. To support operations, field personnel shall be available to respond to mechanical issues throughout the Arrow Service system, during Revenue Service.
- 13.11.G As part of Base Services, Contractor shall support PTC hardware replacements, software configuration and system power cycles on the Service Equipment only within the Arrow Service. Contractor shall be responsible for responding to PTC onboard hardware/software follow - up and actions per SCRRA direction only at the AMF. Contractor shall support fleet-wide PTC onboard software changes as directed by SCRRA that will require Contractor to install new PTC onboard software and verify software prior to releasing Service Equipment for service. Contractor shall not modify onboard PTC infrastructure (hardware, software or configuration) unless directed by SCRRA; any modifications to the onboard PTC infrastructure outside daily operations shall be handled through a separate work directive. SBCTA shall be responsible for costs associated with such replacements and/or changes.

- 13.11.H The Contractor shall be responsible for the movement of MUs within the mechanical limits of the AMF. The Contractor shall be responsible for providing the personnel, direction and control of train and rolling stock movements within the AMF yard limits at any given time or day. The Contractor shall develop a plan (CDRL 48) that details the procedures, communication and coordination among Contractor staff as well as other SCRRA contractors that may be moving Service Equipment within the AMF mechanical limits so that Contractor is not moving MUs when another contractor is moving MUs in the mechanical limits.
- 13.11.I The Contractor shall be responsible to train and qualify personnel to perform Service Equipment movement duties consistent with GCOR and CFR requirements relevant to SCRRA's equipment maintenance, operations, and the Contract.
- 13.11.J The Contractor shall be responsible for refilling of Consumables in Service Equipment (e.g., sanding and windshield washer fluid)

13.12 SERVICE EQUIPMENT MAINTENANCE PROGRAM

- 13.12.A The Contractor shall develop and implement a comprehensive preventive maintenance, inspection, and cleaning Program which shall incorporate:
- a. Component, system- and vehicle-level Life Cycle Maintenance Program (LCMP); FRA inspection requirements; SCRRA procedures; OEM maintenance requirements; and cleaning standards.
 - b. Preventive and predictive maintenance tasks and procedures to produce ongoing, consistent, and reliable equipment performance and availability.
 - c. Comprehensive condition-based maintenance plan and schedule for monitoring, replacing, repairing, and restoring vehicle systems and parts before failures occur without adversely affecting availability and performance.
 - d. Coordinate all inspection, maintenance, and test activities so as not to detrimentally impact availability. The program shall include all revenue and non-revenue equipment.
 - e. Contractor shall utilize SCRRA's equipment database and OEM remote monitoring system to monitor and analyze vehicle, system, and component performance to develop maintenance, troubleshooting and repair strategies to improve equipment maintainability and reliability.
- (1) Within 90 days after first inventory reconciliation (during mobilization), the Contractor shall inspect the inventory of tools and submit updated records to SCRRA. In conjunction with this update, the Contractor shall collaborate with SCRRA's Materials Management staff to validate current levels of inventory and make recommendations for sufficient inventory levels for rolling stock, i.e., wheels, brakes, tools, etc.
 - (2) 90 days prior to In-Service Date, the Contractor shall provide the plan and schedule for the SEMP implementation to SBCTA and SCRRA for review and approval. The plan and schedule shall be implemented on the ZEMU Maintenance Service Date and, if applicable, the DMU Maintenance Service Date.
 - (3) The SEMP shall contain an option that includes condition-based maintenance (CBM).
 - (4) Reports shall be provided to SCRRA outlining the current status of the equipment as it relates to the SEMP. The summary report shall include comparison of previously reported results for all vehicle types (DMU and ZEMU), and include recommendations to SCRRA on procedures, practices, and actions to improve fleet availability and reliability. The Contractor shall be required to coordinate the content and frequency of these reports with SCRRA.

- 13.12.B The Contractor shall implement systematic problem-solving techniques including root cause analyses as part of its efforts to increase the reliability of Service Equipment systems and components and its investigation into defects and failures encountered in the inspection, testing and maintenance of the Service Equipment. The Contractor shall identify the top 10 major components and top 10 failure modes by value of criticality on an annual basis. The Contractor shall then implement the appropriate corrective actions and incorporate suitable preventive actions to eliminate or reduce future occurrences, if applicable. The Contractor shall utilize the information developed through the program to supplement and continually improve the Service Equipment reliability, availability, and performance.

The Contractor may be required to conduct emissions monitoring and analysis to ensure the fleet is meeting applicable EPA standards. This work will be completed under a separate work directive as On-Call Services.

- 13.12.C Contractor shall provide continued access for a single user to utilize the database tools and software used by the Contractor as part of the SEMP after completion of the Contract.

13.13 MAINTENANCE MANAGEMENT SYSTEM

- 13.13.A SCRRA currently employs the Trapeze Enterprise Asset Management (EAM) System for its equipment and the contractor will be required to utilize this system. The EAM system is used for maintenance management, tracking and documentation of daily defects, periodic maintenance, repairs, modifications, and capital program work, etc. The Contractor will be required to use any additional software provided by SCRRA. The Contractor shall ensure that SCRRA's EAM system is the official repository of all maintenance management of Service Equipment and shall ensure data in the EAM system is accurate and up to date. During the ZEMU Mobilization, SCRRA shall provide access for Contractor to the EAM at no additional cost to Contractor. Contractor may interface the EAM with the Stadler Rail Management System (SRMS).

13.13.B EAM Information Tracking

- (1) No later than 60 days after NTP, the Contractor shall be trained by SCRRA to utilize SCRRA's EAM system. The Contractor shall input data required to accurately reflect Service Equipment availability, performance, and cleanliness as required by the Fleets Availability, Performance, and Cleanliness Requirements. The EAM shall be the tool for collecting, tracking, and analyzing vehicle availability, performance, and cleanliness data.
- (2) The Contractor shall track availability, performance and cleanliness on a vehicle-specific basis and system specific basis using the EAM as the source of information. All data reported in this system must have the ability to be sorted by task, part number, date, employee performing work, hours, location, repeat failures as defined by part number, task, equipment ID and supervisor. The task must define the work scope, action taken (example: replace, repair), time to accomplish task and amount of material consumed to perform task (if applicable). Free form text cannot be accepted to close a work order.

13.13.C Maintenance Instructions

- (1) Inspection, servicing, maintenance, and repairs of all Service Equipment shall be carried out in conformance with the approved SEMP.
- (2) All maintenance, including programmed maintenance, shall be performed in accordance with OEM or vendor manuals, and the approved SEMP. All maintenance inspections must conform to FRA, CPUC and APTA Passenger Rail Equipment Safety Standards (PRESS) rules and regulations.

13.13.D Maintenance Intervals

The work performed during Maintenance Intervals (MIs) shall be documented and compliant with regulatory requirements and OEM recommendations. For each Maintenance Interval, identified below, the Contractor shall develop and implement unique, detailed inspection procedures and criteria, test procedures, and preventive maintenance integrated with the SEMP.

The Maintenance Interval Procedures shall incorporate the Contractor's core preventive maintenance practices and procedures knowledge, while improving upon the current component repair and overhaul procedures. The Contractor shall submit these Maintenance Interval Procedures to SCRRA for review and approval during the Mobilization period and no later than 90 days prior to In-Service date.

The PTC inspection requirements are dictated by SCRRA. (Exhibit 23) The Contractor is prohibited from modifying PTC inspections on the trains unless given approval by SCRRA's Train Control & Communications department.

The following Maintenance Intervals are required (the Contractor is responsible for identifying any necessary additional MIs):

- (1) Service Equipment Intervals
 - a. Daily MI
 - b. Car Body PM included with Daily MI
 - c. 92-day MI
 - d. 184-day MI
 - e. 368-day MI
 - f. 1472 - day Air Brake Inspections
 - g. PTC inspections
 - h. 1000 hrs. – Power Pack PM
 - i. 1000 hrs. – Air Brake compressor
 - j. 540 – day TM Gear oil

13.14 SERVICE EQUIPMENT CLEANING

Each train consist and fleet-type shall be cleaned in accordance with the cleaning intervals described below. For each cleaning interval, the Contractor shall develop and implement detailed cleaning procedures and criteria that include, at a minimum, the cleaning steps identified below. The Contractor shall submit these Cleaning Interval Procedures to SBCTA for review and approval no later than 90 days after the issuance of NTP 1 and NTP 2, respectively. Each cleaning interval performed shall be recorded in the EAM system by task ID, vehicle ID number and date performed.

Minor graffiti shall be addressed as part of each of the classes of cleaning listed below. If there is a significant graffiti incident, and SCRRA does not deem the graffiti offensive, the Contractor shall keep the equipment in Revenue Service until its next regularly scheduled time for service and inspection and address the car at that time (such time not to exceed 24 hours from notice or discovery of the graffiti). If SCRRA deems the graffiti is offensive, the vehicle shall be removed from Revenue Service at the point of discovery and moved to an appropriate facility for graffiti removal as soon as practicable.

SCRRA shall have the right to perform regular or random walk-throughs of train consists that have been released by the Contractor for service to perform cleanliness audits.

As used in this Section, "wipe down" shall be defined as cleaning a surface using a damp cloth with cleaning solution while not leaving a film, residue or streak when completed. The final list of cleaning chemicals and processes shall be developed and delivered to SCRRA for review and approval during the Mobilization period and no later than 90 days after NTP 1 for the ZEMU and no later than 90 days after NTP 2 for the DMU (Cleaning Chemicals and Processes List).

13.14.A Service Equipment Daily B-1 (Passenger Area) Cleaning

Service Equipment Daily B-1 Cleaning shall take place no less than once every day a Trainset is operated in Revenue Service and for each Trainset scheduled to enter Revenue Service and not approved by the SCRRA as Long Term Out of Service. The Service Equipment Daily B-1 Cleaning shall be performed on all Trainsets prior to initial morning service. The Service Equipment Daily B -1 Cleaning shall involve the following work:

- (1) Interior
 - a. Remove all trash and replace plastic bags
 - b. Wipe down all seating surfaces
 - c. Clean all spills and vacuum floors
 - d. Clean all windows
 - e. Sweep flooring and wash floor and heater guards
 - f. Wipe down all handles and passenger grab handles, stanchions and hand- holds
 - g. Remove all graffiti and unauthorized materials (e.g., stickers and gum) from interior surfaces
- (2) Exterior
 - a. Wash exterior with an approved cleaner along with AMF train wash when needed
 - b. Hand wash and squeegee windows

13.14.B Service Equipment 92-day B-2 (Passenger Area) Cleaning

The Service Equipment B-2 Cleaning shall take place once every 92-calendar day for each Trainset not approved by SCRRA as Long Term Out of Service. The Service Equipment Class B -2 Cleaning shall involve the following work:

- (1) Interior
 - k. Deep clean and wipe down all interior panels
 - l. Vacuum and clean floor and seats
 - m. Wash and squeegee all windows
 - n. Wipe down all surfaces, including handles, hand-holds, trash receptacles and light lenses handles
 - o. Clean and wipe down seat cup holders and armrest
- (2) Exterior
 - c. Thorough washing including difficult to reach areas
 - d. Detailed hand wash and squeegee windows

13.14.C Service Equipment 180-days Class A (Passenger Area) Cleaning

The Service Equipment Class A Cleaning shall take place no less than once every 180 calendar days for each Service Equipment that is not designated as Long Term Out of Service with SCRRA's approval. In addition to this cleaning, floor and seat cleaning shall take place no less than every 92 days. The Service Equipment Class A Cleaning shall involve the following work:

- (1) Interior
 - a. Steam clean seat backs, seat bottoms, and seat frames
 - b. Perform a detailed cleaning all interior surfaces, including stanchions, partitions, and ceiling panels
 - c. Replace or clean air filters and ventilation systems
 - d. Wash floor and heater guards more intensively than in the daily cleaning
 - e. Inspect and repair/replace all decals and safety signage
 - f. Clean door tracks including side doors
 - g. Wash floor and heater guards
 - h. Wipe down all trash receptacles
 - i. Wipe down all light lenses (covers)
 - j. Restock timetables and other SCRRA authorized publications
 - k. Inspect all n and unauthorized materials (e.g., stickers and gum) from interior surfaces.
- (2) Exterior
 - a. Remove all debris from the exterior of the vehicle

13.14.D Service Equipment Daily Cleaning

Contractor shall not be required to perform any cleaning, including Emergency Response Cleaning, while the Service Equipment is in-service.

13.14.E Service Equipment Daily (Cab and Power Pack) Cleaning

The Service Equipment Daily Cleaning shall take place no less than once every calendar day for each Trainset not approved by the SCRRA as Long Term Out of Service. The Service Equipment Daily cleaning shall involve the following work:

- (1) Interior
 - a. Remove all trash and replace plastic bags
 - b. Wipe down any seating surfaces; and
 - c. Wash and squeegee windshield and windows
- (2) Exterior
 - a. Wash cab and the Power Pack with an approved cleaner along with AMF train wash when needed
 - b. Hand wash and squeegee windshields where applicable

13.14.F Service Equipment 92-day Class A (Cab and Power Pack) Cleaning

The Service Equipment Class A Cleaning shall take place no less than once every 92 days for each Trainset not approved by SCRRA as Long Term Out of Service. The Service Equipment Class A Cleaning shall involve the following work:

- (1) Interior
 - a. Wipe down cab control stand, consoles, and floor
 - b. Clean the Power Pack equipment rooms per OEM recommendations
- (2) Exterior
 - a. Power wash trucks and diesel fuel tank (when applicable)
 - b. Remove all debris from the exterior of the vehicle
 - c. Inspect all decals and reflective materials and repair/replace as required; and
 - d. Remove all graffiti and unauthorized materials from exterior surfaces

13.15 CORRECTIVE MAINTENANCE

13.15.A The Contractor shall perform all Corrective Maintenance of Service Equipment.

13.15.B The Contractor shall acquire and maintain the necessary tools and fixtures, or have access to any required special tools, fixtures or expertise, required to perform all levels of Corrective Maintenance. Necessary tools are at a minimum those required by the OEM to properly maintain the equipment.

13.15.C Corrective Maintenance shall be performed as required in a timely manner to ensure Service Equipment availability and shall not be deferred. Repairs made by the Contractor shall at a minimum follow the standards and practices described in this section. The Contractor shall administer all applicable warranties, including fleet defect and other field modification programs. Inspections, troubleshooting, and repair work shall seek to reveal circumstances where SBCTA warranties apply. Such work shall be part of the Base Services.

13.15.D The Contractor shall prepare and maintain the data necessary to advance claims, both for individual repairs and for fleet defect and field modification programs and meet locally with suppliers as SBCTA requests. Such preparation and maintenance shall be facilitated by the rail vehicle maintenance information system and by the material management system provided by the Contractor.

13.15.E The Contractor shall maintain enough resources to address Corrective Maintenance to maximize Service Equipment availability and performance. Rolling stock spares, and capital assets belonging to SBCTA, shall not be stripped of parts to use on other equipment, unless the Contractor receives prior approval from SBCTA.

13.15.F The Contractor may engage in retrofits, field modifications, renovation, warranty repairs, and other program rolling stock work as a subcontractor to SCRRA supplier without penalty, but only when applied to SCRRA rolling stock and only with the approval of SCRRA. The Contractor shall demonstrate to SBCTA's satisfaction that its financial accounting and control systems and procedures will prevent SBCTA from being inappropriately charged for the costs of such work.

13.15.G Component Failure Due to Improper Maintenance

All repairs resulting from a component failure that is caused by improper maintenance shall be the responsibility of the Contractor. The Contractor's continuous equipment performance monitoring and implementation of the LCM Program shall be designed to minimize Corrective Maintenance due to component failure.

13.15.H Component Failure Due to Wear

The Contractor shall implement a maintenance approach that will ensure that components are replaced in advance of the point of failure due to normal wear-and-tear to the greatest extent possible.

13.15.I Component Failure Due to Vendor Defect

Corrective Maintenance activities resulting from defective components supplied by a vendor are the responsibility of SBCTA.

The Contractor shall immediately inform SBCTA, in writing, of cases where vendor defective components have caused failures and when available, document the findings of an investigative inspection and the corrective actions necessary. This shall be supported by the Contractor's Quality Assurance Program.

13.16 FLEET FUELING

13.16.A SBCTA will be responsible for ordering, paying for and delivering diesel and hydrogen fuel. The Contractor shall manage and monitor fuel handling activities within the Service Property for Service Equipment. The Contractor shall monitor fuel deliveries, document observations on an SBCTA-approved checklist and maintain them for not less than 36 months. Contractor shall perform the daily fueling of trains as needed to support Metrolink Service Plan.

13.16.B The Contractor shall be responsible for flushing / purging / de-fueling of any or all hydrogen systems on-board the ZEMUs (high- and low-pressure systems) including the replacement of inert gas e.g., nitrogen, with hydrogen or vice versa to support maintenance activities or for any other need such as initial fill of replaced hydrogen tanks. This includes following all hazard mitigation procedures identified through Hazard and Operability Analysis (HAZOP) assessments. Prior to completion of the AMF retrofits and necessary approvals for Contractor to use the AMF facility, the cost of such additional services shall be borne by SBCTA and invoiced on a monthly basis. Upon completion of the AMF retrofits and after confirmation of safety compliance by Contractor and other applicable regulatory authorities, such costs will be part of the Base Services pricing.

13.16.C The Contractor shall be responsible for managing layover of the MU and battery plug-in charging.

13.17 DAMAGED COMPONENTS**13.17.A Damaged Components**

Any work to repair or replace damaged components that result from vandalism, ROW accidents or incidents, or debris strikes caused by unauthorized third parties or trespassers shall be reimbursed to the Contractor. This work shall be covered as On-Call Services through issuance of a Work Directive.

The Contractor shall present the SBCTA with a Corrective Maintenance Incident Report providing a description of the circumstances that caused the damage, the extent of the damage, estimated schedule to complete the work and the cost estimate to complete these repairs within one (5) Business Days of the event causing the damage or discovery of damage. Exceptions for one Business turnaround for estimates may be granted on a case-by-case basis. The Corrective Maintenance Incident Report template shall be submitted to SBCTA in a draft form for review and approval no later than 60 days after In-Service date (Corrective Maintenance Incident Report-).

The Contractor shall provide supporting evidence that the damage is due to vandalism, ROW accidents or incidents, or debris strikes caused by unauthorized third parties or trespassers.

The Contractor shall maintain control in and around the Arrow maintenance and layover facilities as a deterrent to vandalism and unauthorized entry. The incident report claiming vandalism against the Arrow rolling stock shall include a demonstration that security measures implemented by SCRRA were in place at the time of the incident and, to the extent possible, provide a description of how the security measures implemented by SCRRA were evaded or compromised to allow for the act of vandalism.

Work to repair or replace components that are damaged due to vandalism, ROW accidents or incidents, and debris strikes shall not commence until SBCTA directs the Contractor to proceed. SBCTA will review and provide disposition of work to be performed within three business days of receipt of Corrective Maintenance Incident Report.

Email shall not be considered a formal request or approval. A formal document signed by an authorized representative of the Contractor and an authorized SBCTA official shall constitute the appropriate notification of a request and authorization of approval with the conditions of approval or disapproval of the request.

13.17.B Disputes Regarding Responsibility for Corrective Maintenance

If the Contractor and SBCTA are unable to resolve differences in terms of responsibility for Corrective Maintenance, the dispute shall be resolved pursuant to the Disputes provision set forth in Article 37 of the Contract.

SBCTA reserves the right to direct the Contractor to commence work that is the subject of a dispute pursuant to the Disputes provision set forth in Article 37 of the Contract.

13.18 CONFIGURATION CONTROL AND MANAGEMENT

13.18.A The Contractor shall employ an integrated Configuration Management and Change Control Program. This program includes the processes and procedures required to systematically document and verify configuration information for each vehicle. The Contractor shall maintain configuration records of hardware, software, and firmware for each vehicle. The Contractor shall be responsible for the control and documentation of all changes and modifications to each vehicle. The program shall maintain current configuration status reports for each vehicle.

13.18.B The configuration of the fleet shall not be degraded. Configuration management shall be improved as opportunities arise, and the Contractor shall use the vehicle information and material management systems to implement systematic improvements to the configuration management of the fleet.

13.18.C Contractor shall not modify MU software, firmware or configuration without prior notification to SCRRA and receipt of SCRRA written approval. Contractor shall account for any impact to downstream systems, such as PTC, when modifying MU software, firmware or configuration. MU software, firmware or configuration changes that would impact the PTC system will need to be processed through SCRRA's PTC Configuration Management System for review and approval.

13.19 MAINTENANCE DATABASE

Contractor will utilize the SCRRA-provided EAM software for maintenance, testing and capital planning, and will be required to train and become proficient on the system as outlined in 2.8 Maintenance Database.

13.20 MODERNIZATION, ADDITIONS, AND IMPROVEMENTS

- 13.20.A Changes to rolling stock configuration require SBCTA approval and must result in documented, controlled, uniform, and traceable systems on the Service Equipment and inventories. Prior to providing approval, SBCTA shall require documentation including:
- (1) Rolling stock affected
 - (2) Drawings, prints, and schematics
 - (3) Inventory
 - (4) Inspection and repair forms
 - (5) Parts books
 - (6) Detailed description of the work, including material, tools, disposal of removed items, and industrial safety and environmental precautions
 - (7) Updating of vehicle configuration files
 - (8) Procedures for functional testing and inspection of the finished work
 - (9) Instruction for transportation crews
 - (10) Benefits anticipated
 - (11) Approval signoffs per SCRRA SSPP
- 13.20.B First modifications may be for tests of changes, e.g., prototypes. Such tests shall be clearly identified on the equipment being tested. Once approved, all modifications must include modifying pool spares and new material, including small renewal parts.
- 13.20.C All retrofits and changes required by SBCTA (except for modifications, additions, and improvements that can be included during the normal maintenance cycle) shall be considered On-Call Services.
- 13.20.D SBCTA may inspect any equipment utilized on the Service Property at any time, and remove from service and replace any equipment which, in SBCTA's sole discretion, is in an unacceptable condition.
- 13.20.E Contractor shall coordinate with SBCTA and provide an annual Service Equipment State of Good Repair (SOGR) Plan (CDRL 37). The Plan shall be submitted by October 15 of each year. The SOGR Plan shall provide a one, five and ten-year outlook and include condition assessments for the Service Equipment with a level of detail sufficient to monitor and predict the performance of the assets.

13.21 WHEEL TRUING AND REPLACEMENT

- 13.21.A Wheel Truing
- (1) The Contractor shall regularly perform wheel truing operations to maintain the proper profile and dimensions of the Service Equipment wheels.
 - (2) Truing shall be conducted according to industry best practices and in compliance with applicable safety standards.
 - (3) The frequency of wheel truing operations shall be determined based on the OEM recommendations, applicable standards, regulations, and the current condition of the wheels.
 - (4) The Contractor shall maintain accurate records of all truing activities, including, but not limited to, dates, specifications, wheel part number, and any relevant observations or findings such as damage, shelling, or flat spots.

- (5) The Contractor shall notify SCRRA within five (5) days in writing if there is a 20% or more increase in wheel truing or wheel replacement activities compared to the previous 6-months reporting period. MU data recordings, maintenance logs, video surveillance where available, third-party inspection reports, maintenance inspection reports, and/or operator logs.
- (6) Wheel truing shall be priced separately and included as part of On-Call Services.

13.21.B Wheel Replacement

- (1) In cases where wheel truing is not sufficient to restore the wheel's integrity or when the wheels reach the end of their service life, the Contractor shall replace them with new wheels.
- (2) The Contractor shall ensure the availability of suitable replacement wheels.
- (3) Wheel replacement shall be carried out in a timely manner and shall not affect Service Equipment availability.
- (4) The Contractor shall notify SCRRA within five (5) days in writing if there is a 20% or more increase in wheel truing or wheel replacement activities compared to the previous 6-months reporting period
- (5) Wheel replacement shall be priced separately and included as part of On-Call Services.

13.22 PARTS AVAILABILITY AND OBSOLESCENCE MANAGEMENT

13.22.A Parts availability of the ZEMU shall be governed by SP 9.1 of the ZEMU delivery contract. In addition, for the ZEMU and DMU, if material, component, assembly or software is no longer supported by the manufacturer or licensor, the Contractor shall develop a suitable succession plan and develop a replacement for the impacted material or software. While, the Contractor is responsible for the redesign and development of any obsolete material, component, assembly or software to ensure the contractual performance of the fleet, the costs associated with redesign and development are not covered by the Base Fee. In addition, any cost associated with re-certification of the vehicles as required by regulatory authorities is not covered by the Base Fee.

13.22.B The obsolescence management process shall consist of all steps required to manage the following:

- (1) Manufacturing discontinued discrete components (e.g. discrete processor modules, capacitors, dampers, air compressor, etc.)
- (2) Manufacturing discontinued complete systems or sub-systems (e.g. brake system, circuit boards, etc.)
- (3) Perform qualification testing

13.22.C For every specific case of obsolescence, typically various options will be available to manage it. The Contractor will undertake all measures to mitigate the negative effects of obsolescence for the material or software. Specifically, the Contractor agrees to issue formal reporting to the SBCTA no less than fifteen (15) days after receiving notice of obsolescence and additional reporting not less than seven (7) days after mitigating solutions have been considered. In addition, the Contractor shall issue formal reporting consisting of a report status of all identified obsolete or potentially obsolete materials and software with mitigating solutions and their respective status of action during the annual obsolescence meeting. The Contractor shall arrange for an annual meeting with SBCTA to review the Obsolescence Management plan and the reports.

- 13.22.D Component or system obsolescence shall not relieve the Contractor from the material supply requirements and relevant penalties.
- 13.22.E The Obsolescence Management Plan shall be submitted to SBCTA in a draft form for review and approval no later than 60 days after NTP 1 for the ZEMU and no later than 60 days after NTP 2 for the DMU (Obsolescence Management Draft). The plan shall detail all planned processes and coordinated activities for monitoring, reporting, and assessing the impact of hardware and software obsolescence, whether impending or already occurred. It also shall include the known and expected dates of obsolescence of all Service Equipment systems, as well as any relevant portions of Service Equipment systems, in addition to the expected mitigation strategies.
- 13.23 BASE SERVICES
- 13.22.F Unless explicitly described as an On-Call Service, the cost for performance of provision of this Section shall be included in Base Services prices.

13.23 ON-CALL PRICING TASKS FOR SERVICE EQUIPMENT

The following tasks are not included in the Base Services and shall be performed in accordance with the requirements defined in SECTION 17, ON-CALL SERVICES.

- 13.23.A Major Overhauls - DMUs
- 13.23.B Major Overhauls - ZEMUs
- 13.23.C Designated Repairs- DMUs
- 13.23.D Designated Repairs- ZEMUs
- 13.23.E Procure and install any additional equipment, hardware or software not included as base components within the vehicle
- 13.23.F PTC hardware modifications, overhauls, and upgrades; this includes procurement, installation, and validation tasks
- 13.23.G Procurement and installation of wayside/track validation monitoring systems installed on vehicles
- 13.23.H Wheel Truing
- 13.23.I Wheel Replacement
- 13.23.J Diesel Engine Component Overhaul
- 13.23.K Train Brake Kit Component Overhaul
- 13.23.L Trailer Wheelset Wheel truing
- 13.23.M Motor Wheelset Wheel truing
- 13.23.N Motor Wheelset Wheel replacement
- 13.23.O Trailer Wheelset Wheel replacement

SECTION 14. FACILITY USAGE AND MAINTENANCE

14.1 ACCESS AND USAGE OF FACILITIES

As of NTP 3 and throughout Contractor's tenure, SCRRA shall furnish keys and grant the Contractor access to utilize the AMF.

Section 10 of this SOW shall dictate the period Contractor will have to complete AMF Maintenance mobilization. SBCTA and SCRRA shall have keys and access to all facilities furnished to the Contractor, and SBCTA and SCRRA reserves the right to audit or inspect the AMF and its equipment at will. Access control systems, locks, and key issuance shall be maintained and controlled by SBCTA and SCRRA.

State and federal inspectors and law enforcement officers are permitted to enter the facilities without prior notice to SCRRA. The Contractor shall immediately notify SCRRA when such official visits occur.

14.2 SECURITY AT FACILITIES

14.2.A SCRRA will provide on-site security services for the Service Property.

14.2.B SCRRA shall monitor any security cameras and monitor surveillance feeds of facilities from the SOC.

14.2.C The SCRRA is responsible for maintaining, repairing, or modifying physical and badge access to facilities and buildings.

14.2.D Contractor shall be responsible for SCRRA pass codes, keys and/or identification, building access cards loaned to Contractor for entry and exit to the SCRRA's premises while performing services under the contract. Contractor shall return all keys and/or access cards upon contract termination or when requested by SCRRA. Identification access cards shall not be used by any persons other than the person to whom the card was issued. All lost, stolen, or broken keys and access cards shall immediately be reported to the SCRRA Safety Department. For security purposes, SCRRA reserves the right to re-key any locks as required due to Contractor's loss of control over keys issued to Contractor at a market rate per lock, to be charged back to the Contractor. Contractor to maintain a record for SCRRA -issued keys and distribution. SCRRA will issue access badges and keys: keys may not be reproduced.

14.3 CONTRACTOR MAINTAINED FACILITIES

As of the AMF Maintenance Service Date, the Contractor will be responsible to maintain the AMF which is summarized below:

14.3.A Arrow Maintenance Facility (AMF) located at 958 West 3rd Street, San Bernardino, CA, 92410, comprises a 2.9-acre maintenance yard, with a 15,219 SF maintenance building. The building includes two working platforms above the two pits, with office space, a maintenance shop for multiple repair and scheduled maintenance work. There is no fueling or sanding infrastructure. There are two tracks with access puts for under equipment inspections inside a building. There is one air compressor, lifting jacks, HVAC equipment, mobile train washer and roll-up doors in the maintenance building. Other equipment includes, but is not limited to emergency generator, and transfer switch. AMF also has a train wash pad with a reclamation system and chemical drum storage building. There is an oil sceptor system on site. The maintenance facility has gates and secure fencing. AMF will be shared with maintenance of equipment, train operators and material management staff and for train operator crew briefings. The AMF will undergo retrofit works associated with ventilation, electrical, gas detection and fire suppression systems in 2024 to enable the housing of the hydrogen and traction battery related equipment in the ZEMU vehicles. Additionally, hydrogen fueling infrastructure will be installed. The retrofit and hydrogen fueling system installation are SBCTA's responsibility. Contractor facility responsibilities at this facility include:

- (1) Perform facility maintenance requirements pertaining to lighting, signage, landscaping services, weed abatement, trash/debris cleanup on yard tracks, facility equipment, HVAC, electrical, and plumbing
- (2) Perform janitorial services and shop cleaning.
- (3) Monitor, test, maintain, inspect, repair, and troubleshoot SCRRA - owned systems at the AMF and on - site equipment including but not limited to HVAC, generators, fire protection systems, dry agent system, pumps, controls and alarms, oil-water separator, water heater, train washing equipment, compressed air system, wayside power stations, crane, utility carts, forklifts, jacks, NOx system, security gates, plumbing and electrical systems. [See Asset List (SCRRA Facilities Equipment with PM Schedule Exhibit 26)].

14.4 FACILITY MAINTENANCE – GENERAL REQUIREMENTS

- 14.4.A At Contractor Maintained Facilities, the Contractor shall comply with the approved SCRRA Facilities Equipment with PM Schedule (Exhibit 26).
- 14.4.B Contractor shall maintain facility assets according to maintenance and inspection tasks and intervals as outlined in the SCRRA-provided Asset Management System.
- 14.4.C Exhibit 26 outlines utility carts and equipment provided by the SCRRA to the Contractor. SCRRA has access to other vehicles for example a hi-rail bucket trucks, lifts or stake bed, that can be requested from SCRRA when needed for Contractor use.
- 14.4.D Any Contractor tools, equipment, vehicles, or vehicle usage (own, rent, or lease) used for this contract in addition to the vehicles provided by SBCTA shall be at the Contractor's cost; this will include fuel, Operations and Maintenance for the vehicles.
- 14.4.E Contractor shall document maintenance, inspection, repairs, work order and testing records in the SCRRA-provided Asset Management system. Documentation will include licenses and certificates for any system, equipment or machines as required by federal, state, or local regulatory agency. This will include all labor hours by the contractor's employees and subcontractors, material/supply costs, and special equipment costs for major repairs.
- 14.4.F Contractor shall provide updates for asset history files of completed work orders for all equipment individually identified as an asset. Updates shall include causes for failures and repairs made. The contractor shall provide work reception and dispatch function twenty-four (24) hours a day, seven (7) days per week, 365 days a year.
- 14.4.G The contractor shall functionally close out all work in the SCRRA's Asset Management System within five (5) business days when ability permits. The work will not be considered complete until all required data entry work and other administrative requirements are completed.
- 14.4.H Training, operating instructions, operating manuals, warranties will be provided to SCRRA no more than 30-days after purchase for all new equipment and systems installed as part of the work.
- 14.4.I The Contractor shall comply with all federal, state and local laws and follow the most restrictive guidance in cases of conflicting guidance. All work shall be performed in accordance with all applicable laws, codes, manufacturer's recommendations and accepted industry standards. SCRRA policy, regulations and specifications will apply as developed.
- 14.4.J The Contractor or subcontractor shall not undertake any alteration or modification of buildings, facilities, systems, which includes electrical, plumbing, structural, and sub-support systems, or apply any signage to any interior or exterior surface without prior SBCTA approval.

- 14.4.K The Contractor shall be responsible under base services without SBCTA approval for any repair of facility system or equipment that is less than \$10,000. Any repair that is greater than \$10,000, and not part of the base scope, will be issued through an On-call Work Directive. The Contractor shall provide an estimate of the repair to SBCTA for approval prior to the work being performed.
- 14.4.L During the term of the Contract, various warranty periods for the major equipment items and other facility sub-systems may apply. All maintenance services shall be performed in a manner that assures the integrity of the warranty for each item serviced. Notwithstanding the indemnity obligations of SBCTA set forth in the Contract, if the Contractor, through its direct or indirect actions or omissions voids the warranty for a specific piece of support equipment or component, the Contractor shall, at its sole expense, assume the remaining warranty obligations for such piece of support equipment or component. All components that are removed for replacement or repair shall have applicable serial numbers recorded for both the used and new component.
- 14.4.M SBCTA shall provide Contractor with drawings of the AMF and Service Property. As - built drawings of the Arrow service and support facilities summary are shown in the SCRRA Facilities Summary Exhibit 26
- 14.4.N Contractor shall perform all technical work with skilled staff certified and knowledgeable about that specific equipment or system.
- 14.4.O Contractor shall coordinate with SCRRA and provide an annual Facilities State of Good Repair (SGR) Plan. The Plan shall be submitted by October 10 of each year. The SGR Plan shall provide an outlook for the term of the Contract and be updated yearly through the end of the Contract and include a condition assessment for the AMF following the Facilities Condition Assessment Procedure Exhibit 61 ((49 CFR Section 625.25(b)(2)). If SCRRA requests additional assessments such as a five- and ten-year outlook beyond the Contract period, such services can be provided as On-Call Services.
- 14.4.P Stormwater Pollution Prevention Plans for maintenance facilities to be abided by Contractor – Exhibit 39
- 14.4.Q SCRRA is responsible and will manage all AQMD, CUPA and Stormwater permits. Contractor is solely responsible maintaining equipment to the permit requirements, filing any variances related to operations to appropriate regulatory agency and subject to any fines and violation due to Contractor not following permit requirements and regulations.
- 14.4.R The disposal and recovery of hazardous materials, such as oil and engine coolant, shall be coordinated with SBCTA staff under a separate agreement/scope. Lubricating oil leaks shall be repaired promptly, and oil shall not accumulate on decks or in passageways. Rags and towels shall not accumulate and shall be put in proper containment after use.
- 14.4.S Within 90 days of Contractor having full access to the AMF, Contractor shall ensure parts and components are stored and secured only in designated areas and protected from heat, cold, moisture and humidity as required to preserve the integrity of the parts and components.
- 14.4.T All designated facilities shall be kept clean and maintained in a state of good repair.
- 14.4.U Contractor shall immediately notify SBCTA of any issue that could pose a hazard to the public, equipment or any person.
- 14.4.V Contractor shall be responsible for ensuring the facility temperatures, controls, humidity levels, light levels and other environmental conditions are maintained in accordance with industry standards and as otherwise defined in this contract. The Contractor shall also actively participate in assisting SBCTA in reducing energy costs and the execution of energy reduction programs.
- 14.4.W Contractor shall follow and conform to on-track protection requirements outlined in Exhibit 64 (Facilities Personnel On-Track Protection Procedures) when performing any facility maintenance tasks on or within the foul of SCRRA's nearest running rail.

14.5 FACILITY ROUTINE AND PREVENTATIVE MAINTENANCE (PM)

Contractor shall review the Facility and Equipment PM program in SCRRA's Asset Management System and provide SCRRA with any recommendations or changes. These shall consider all maintenance aspects, be based on system condition or performance, and aim to achieve SCRRA's goal of maintaining facility quality while reducing life-cycle costs. The Contractor shall not modify any PM tasks or scheduled without SBCTA written approval. The Contractor will be responsible to update the SCRRA's Asset Management System PM tasks for any SCRRA approved PM changes.

The Contractor will perform routine facility maintenance and repair services at the AMF which include but are not limited to:

- (1) Maintenance of all facility doors, locks, windows, roofs and means of fire egress.
- (2) Routine review and maintenance of normal and emergency power supplies (i.e., generators, transfer switches) and electrical switchgear
- (3) Recommendations to administration concerning life safety procedures.
- (4) Maintenance of facility equipment and structures to ensure a safe environment.
- (5) Maintenance of grounds, parking lots, water, and dump stations to ensure a safe and clean environment, interior and exterior pest and rodent control.
- (6) Maintenance of facility systems, i.e., heating, ventilation, and air conditioning units, water back-flows preventers, etc. in full compliance with the code and to ensure a safe environment.
- (7) Preventative maintenance of support equipment and systems (jacks, train washing equipment and forklifts, cranes, wayside power stations, etc.)
- (8) Assistance with long-range capital and maintenance planning and budgeting
- (9) Routine maintenance includes but not limited to changing or repair of non-functioning lights, outlets, fuses, troubleshooting issues, minor floor tile or covering repairs, jetting, or snaking of sewer pipes up to 6" or smaller, oil sceptor and storm drains cleaning. Repairs to faucet or toilet flushometer gaskets or components, etc. Replacement of worn or damaged hoses in the yards, minor pothole repair or filling cracks. Equipment filters, belts, oils.
- (10) Utility cart maintenance and repair, including tires and batteries.
- (11) Contractor maintenance on the fire protection systems shall consist of monthly and annual inspections and testing, as well as semi-annual dry agent service. Inspections and testing must be conducted by a certified fire protection systems contractor and coordinated by the Contractor, including annual recertification, and charging of fire extinguishers and dry agent system.
- (12) Contractor will provide painting as required for routine touch up or painting projects throughout the year. A maintenance schedule shall be kept ensuring high traffic areas such as entrances, lobbies, doors, and corridors are properly maintained in a timely manner.

14.6 FACILITY CORRECTIVE MAINTENANCE AND REPAIR – MAJOR WORK

Facility Corrective Maintenance is classified as repairs to AMF equipment due to component failures not caused by lack of maintenance or neglect by Contractor.

Corrective Maintenance for tasks not under routine maintenance above \$10,000 will be performed under an On-Call Work Directive. SBCTA reserves the right to have other contractors to perform these tasks as desired. Contractor must provide proof of competitive pricing.

14.7 FACILITY MAINTENANCE – SITE SPECIFIC MAJOR SCOPES OF WORK

Detailed scope of work and expected effort for Contractor major services at AMF:

14.7.A SHOP CRANE MAINTENANCE

- (1) The Contractor/subcontractor must be NCCCO (National Commission for the Certification of Crane Operators) certified for the type of crane listed in Table I and be in compliance with applicable Federal OSHA standards or regulations.
- (2) All work listed shall be performed in accordance with California Code of Regulation Title 8, §5031, Inspection and Maintenance; §5034, Adjustments and Repairs; §5025, Certification; §5020, Operational Testing; §5021, Equipment over Three Tons Rated Capacity; and §5022 and §5023, Proof Load Test and Examination when applicable.
- (3) The Contractor shall perform a timely and effective Preventive Maintenance (PM), and service calls for repairs when required. SCRRA shall coordinate the specific dates of performance with the Contractor.
- (4) The Contractor shall furnish all labor, tools, supplies, repair kits, oil, grease, hoses, seal kits, all associated hardware, all associated travel/transportation costs to and from the work site, all repair services performed to perform timely and effective preventative maintenance (PM) every 90 days, including the performance of Emergency Service calls as required for the cranes.
- (5) Table 1 displays the SCRRA-owned cranes that Contractor will be responsible to maintain

Table 2 AMF Cranes

Crane Number	Equipment	Qty	Manufacturer	Model Number	Serial Number
1*	15 Ton Bridge Crane*	1EA	NEW		19x647

- (6) All repairs, preventive maintenance, quadrennial proof load test and emergency services are to be performed in accordance with Original Equipment Manufacturer (OEM) manual. The Contractor shall make available to SCRRA point of contact (POC) and enter into SCRRA's provided Asset Management System a written report detailing work completed for each Crane and status of any repair work in progress. The report shall include at minimum the following information:
 - Date/time of service request
 - Name of SCRRA personnel requesting service
 - Identify if a PM or Emergency Service Request
 - Date/time of response (sign-in)
 - Date/time of service completed
 - Equipment, model number, serial number of the malfunctioning equipment
 - Description of equipment malfunction
 - Repair performed.
 - Replacement part nomenclature, model number and serial number
 - The cost of each part replaced.
 - Number of hour(s) incurred when remedial maintenance services are provided
 - Name of the technical representative performing the PM or remedial services

- (7) Preventative Maintenance will be performed by a qualified field engineer/mechanic/technician/electrician on a quarterly scheduled basis. PMs include visual and operational inspection of all components and any repair or adjustment necessary to ensure proper operational Cranes in accordance with OEM specifications and guidelines. The services to be performed include quarterly (every 90 days) preventive maintenance and certification to include but not limited to the following:
1. **Structure** (inspect and clean):
 - General Structure and Welds
 - Girder Connections
 - Alignment and Tracking
 - Guards and Covers
 - Bumpers
 - Railsweeps
 - Catwalk and Railing
 - Capacity Markings
 - Clearance
 2. **Machinery** (inspect and clean)
 - Brake and Hydraulics
 - Gear Case
 - Wheels
 - Wheel Bearings
 3. **Trolley** (inspect and clean)
 - Connection to Hoist
 - Tow Arm
 - Brake
 - Gear Case
 - Motor
 4. **Hoist** (inspect and clean)
 - Holding Brake
 - Robe Drum
 - Robe Guide
 - Wire Rope
 - Block Assembly
 - Hook and Latch

5. **Electrics** (inspect and clean)

- Warning Device Light
- Warning Device Horn
- Bridge Power Disconnect
- Pushbutton Festoon
- Control Festoon
- Wiring and Conduits
- Motor
- Control Enclosures Control Operations Hoist/Trolley Conductors
- Lights
- Bridge Power Collections
- Pushbutton Pendent
- Radio Transmitter
- Radio Receiver

- (8) Emergency service calls shall be performed as required but within 4 hours or less of telephone or e-mail notification. The contractor shall respond to a repair service call that is required due to malfunction of the equipment. Emergency service calls shall include the cost to travel to and from the work site. The hourly rate for emergency services shall begin upon the arrival at the work site. Emergency service calls include but are not limited to repairs on an as required basis to replace or overhaul unserviceable components, assemblies, sub-assemblies, and electrical components to keep the equipment fully operational. Minor repairs will have the maximum twenty-four (24) hour turn-around time after notification by SBCTA, excluding SBCTA holidays and weekends. If parts/supplies are not readily available to meet the twenty-four (24) hour repair criteria, the contractor will be required to provide to SBCTA a written justification for the delay and the estimated delivery date of the parts/supplies.
- (9) Parts and materials used by the Contractor in performance of this contract shall be new and conform to the original equipment manufacturers or re-manufacturers specifications unless otherwise approved by SBCTA. Rebuilt assemblies may only be used with prior approval of SBCTA when it is a standard industry practice, and the rebuilt assembly or subassembly carries the same manufacturer's or re-manufacturer's warranty as a new assembly or subassembly. Any part removed is SBCTA property and shall be returned upon request of SBCTA unless the replacement part is predicated upon an exchange basis with the part being replaced. Contractor shall provide all repair parts and supplies necessary for preventative maintenance and repair of requirement and will be reimbursed by SBCTA for actual cost, to include any material handling fee.
- (10) Warranty for materials and services furnished under this contract shall be covered by the most favorable commercial warranties the Contractor provides to customers for such materials and services, but if not otherwise specified, not less than a minimum of ninety (90) days warranty. The Contractor agrees that the rights and remedies provided herein are in addition to and do not limit any rights afforded to SBCTA by any other clause of this contract. New equipment received by SBCTA under manufacturer's warranty will not be repaired without prior approval of SBCTA. SBCTA may request the Contractor to inspect the equipment to determine if the provisions of the manufacturer's warranty are applicable. Payment for Contractor inspection will be determined in accordance with the schedule of prices.

- (11) Contractor will complete all work order closeouts, PMs and repairs for each equipment on SCCRA's provided Asset Management System.

14.7.B HVAC MAINTENANCE

Contractor shall be solely responsible for providing all required HVAC preventative maintenance services necessary to keep the Arrow Service fully operational during the entire term of the Contract, including but not limited to the following:

- (1) Contractor shall submit a schedule of work to be performed, at least one (1) week prior to the beginning of that work, for SBCTA's approval. Revisions to the schedule may be necessary to accommodate planned use of the Arrow facilities.
- (2) Contractor shall develop, maintain and update as part of the maintenance system documentation, data on each item of major equipment. The data shall also include necessary information to identify/reorder routine consumable and/or normally predictive failure components/sub-assemblies.
- (3) Contractor will complete a "Preventative Maintenance Program" work order closeouts for each equipment PM on SCRRA's Asset Management System.
- (4) Contractor shall provide annual status reports, which are to review each piece of equipment contained in the major equipment lists provided by SCRRA. These reports shall describe the current condition of that equipment and its anticipated remaining service life. These reports shall be submitted to SCRRA's designee on or before October 10th of each year. Contractor shall provide new operation and maintenance manuals for all major system components installed by the Contractor as requested by SCRRA.
- (5) Contractor shall be available, at no additional charge, to provide technical consultation regarding design changes and equipment selection, based on past experiences with similar systems.
- (6) Contractor shall maintain all equipment in good working order at all times. Contractor shall ensure that all equipment is maintained in a satisfactory condition and capable of providing the designed capacity with required system performance and reliability.
- (7) Response Time: Twenty-four (24) hour response to all heating, ventilating, refrigeration and air conditioning, and/or boiler maintenance and remedial services requests for all the SCRRA owned facilities. Contractor must guarantee a maximum 4-hour response time for emergencies and a 4-24 hour response time for non-emergency service calls, twenty-four (24) hours per day, seven (7) days per week, including holidays. Whether or not the problem is an emergency will be determined by SBCTA's designee calling in the work during and/or after normal business hours.
- (8) Contract specific preventative maintenance duties include the following items as they apply to the AMF equipment:
 1. Package Air Conditioning, swamp coolers & Split Systems (every 90 days)
 - Check unit's general condition. *
 - Check refrigerant temperature / pressures. *
 - Check amperage draw of condenser and compressor motors. *
 - Inspect wire for damage and check continuity if required.
 - Clean and tighten electrical connections.

- Clean bearings and lubricate as required.
- Check condition of belt(s) and adjust required.
- Check operating and safety controls and cycles system in heating and cooling.
- Provide and replace air filters (MERV 13 or higher).
- Clean condenser coils biannually during the spring and summer service. *
- Check and clean condensate drain.

* Provide readings and input to EAM system for each unit.

14.7.C BACKUP GENERATOR MAINTENANCE

Contractor shall be solely responsible for providing all required generator preventative maintenance services under \$2,500 that will be required to keep all backup generators at AMF fully operational as of the AMF Maintenance Service Date and through the entire term of the Contract, including but not limited to the following:

- (1) Contractor shall develop, maintain and update as part of the maintenance system documentation, data on each item of major equipment. The data shall also include necessary information to identify/reorder routine consumable and/or normally predictive failure components/sub-assemblies.
- (2) Contractor will complete a "Preventative Maintenance Program" work order closeouts for each equipment PM on SCRRA's Asset Management System.
- (3) Contractor shall maintain detailed and accurate records applicable to the maintenance of the equipment indicated in these specifications, either using the SCRRA's Asset Management System. Include within those reports a dated history of all breakdowns/repairs that took place within the reporting period, for each listed piece of equipment.
- (4) Contractor shall provide annual status reports, which are to review each piece of equipment contained in the major equipment lists provided by SCRRA. These reports shall describe the current condition of that equipment and its anticipated remaining service life. These reports shall be submitted to SCRRA's designee on or before October 10th of each year.
- (5) Contractor shall provide new operation and maintenance manuals for all major system components installed by the Contractor as requested by SCRRA.
- (6) Contractor shall be available, at no additional charge, to provide technical consultation regarding design changes and equipment selection, based on past experiences with similar systems.
- (7) Contractor shall maintain all equipment in good working order at all times. Contractor shall ensure that all equipment is maintained in a satisfactory condition and capable of providing the designed capacity with required system performance and reliability.
- (8) During each monthly visit the items listed on the following page will be performed:

LUBRICATING SYSTEMS

Check for Leaks (All Services)
 Check Lube Oil Level (Inspections Visit)
 Change Lube Oil Filter (Major Service)
 Change Oil (Major Service)
 Check Hoses and Connections

EXHAUST SYSTEM

Check for Leaks
 Check Heat Exchanger Zincs
 Check for Exhaust Restrictions

AIR INTAKE SYSTEM

Check for Leaks
 Inspect Air Cleaner
 Check Piping and Hose Connections
 Inspect Turbo

FUEL SYSTEM DIESEL & GASOLINE

Check for Leaks
 Inspect Fuel Filters (Inspection Visit)
 Check Fuel Lines and Connections
 Check Float Switch/Transfer Pump
 Change Fuel Filter (Major Service)

FUEL SYSTEM PROPANE & NATURAL GAS

Check for Leaks
 Operate Dual Fuel Change Over
 Crank Time to Start

SWITCH GEAR

Check Start Switch in Auto
 Inspect Buss Bars/Feed Connection
 Check Transfer Switch Operation

GENERATOR

Grease Bearing
 Wipe Down Dust on Gen and Control
 Check Breaker Operation

ELECTRICAL SYSTEM

Check Operation Alarms
 Check Safety Devices
 Check Battery Terminals
 Check Battery Electrolyte and Level
 Check Battery Charging System
 Record Frequency
 Record Amp, Volts, KW

COOLING SYSTEM

Check for Leaks
 Check Coolant Level
 Check Coolant Filter (Inspection Visit)
 Check Hose and Connections

Check Belt Condition
 Check Fan Hub – Grease if Req'd
 Check Water Pump
 Drain Condensate Trap
 Check Motor Operated Louvers
 Check Radiator Air Restrictions
 Check Operation Coolant Heater
 Change Coolant Filter (Major Service)

ENGINE RELATED

Inspect/Tighten Mounting Hardware
 Check for Excessive Vibration
 Change/Clean Crankcase Breather

IGNITION SYSTEM

Exercise Automatic Crank System
 Check Overcrank
 Reconnect Starter and Exercise Auto Crank
 Check Spark Plugs, Points and Condenser
 Check Spark Plug Wires

GOVERNOR

Check Electronic Governor Control
 Check Mechanical Governor Linkage
 Check Hydraulic Governor Oil
 Check Governor Operation

OPERATION CONDITION

Record Crank and Rest Time
 Record Crank Voltage Drop
 Record Fuel Level
 Record Anti-Freeze Protection
 Record DCA Concentration
 Record Time for Engine to come online (Sec)
 Record Operating Oil Pressure
 Record Operating Temperature
 Record Air Cleaner Restriction

Monthly Schedule of Services

First Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Second Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Third Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Fourth Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Fifth Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Sixth Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Seventh Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Eighth Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. At this time the technician will fill out the customers run log and keep log at the generator set Location.

Ninth Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Tenth Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Eleventh Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Twelfth Visit: The technician will perform a Major Service of the generator set and a minimum 1/2 Hour Exercise Test under load (75% of the generator capacity). The technician will fill out the customers run log and keep log at the generator set location.

- (9) Minimum twice a year, with SCRRA's permission, simulate an under-load (with transfer switch) power failure to ensure the proper operation of all emergency backup system components.
- (10) All work to be coordinated with SCRRA Facility Maintenance staff and/or SCRRA Signal Maintainer.
- (11) Contractor is responsible to respond to all emergency call outs within Four (4) hours.

14.7.D JANITORIAL SERVICES

- (1) Contractor janitorial services must be performed during non-business hours specified in this Contract. Any requests for janitorial services to be performed outside of the specified hours must be approved by SBCTA prior to performing the work.
- (2) Contractor must supply all janitorial cleaning supplies and equipment including but not limited to vacuums, floor machines, mops, buckets, ringer, etc.
- (3) The Contractor shall supply all janitorial products such as toilet paper, hand towels, toilet seat covers, and hand soap, for all locations serviced by the Contractor. Products supplied shall be those designed for use in installed holders. SBCTA reserves the right to change these specifications, including installed dispensers, throughout the life of the contract.
- (4) The Contractor shall maintain a minimum of one (1) week's supply of all paper supplies in all facilities at all times during the life of the contract that can be utilized by agency personnel for the purpose of restocking the facilities' dispensers.
- (5) Contractor is to maintain an on-hand inventory log of janitorial materials for each site.
- (6) The Contractor shall submit by November 1 annually CDRL 47 (Janitorial Services Plan) for SBCTA review and approval the timeline, frequency for when and how often each janitorial task is to be performed at each Contractor maintained facility. Contractor shall include technical data sheets and material data sheets on all chemicals proposed for janitorial use in CDRL 47.
- (7) Below is a list of Tasks that must be included in CDRL 47 development:
 - A. Tasks.
 1. **Trash and Recycling Receptacles** - All waste receptacles, recycling containers, and other trash containers within the building shall be emptied and returned to their initial locations. The interior, exterior and housing of trash and recycling receptacles, and walls next to the receptacles, shall be damp-wiped to remove soil. Wet spills on the interior of wastebaskets shall be cleaned and dried. Trash receptacle plastic liners shall be replaced as needed, when dirty, wet or torn.
 2. **Trash and Recycling Storage Areas** - All trash shall be placed inside trash dumpsters. All recycling shall be placed inside recycling totes or dumpsters. The area around all dumpsters shall be kept clean of all materials, paper, litter, etc. Dumpsters shall be closed after use.
 3. **Outside Entrances and Steps** - Porches, handicap ramps, steps, fire escape stairways, basement stairways and any other areas within 20 feet of an entryway outside the buildings shall be swept to remove all soil, litter, and trash, soil, dirt, cobwebs, etc. Handrails by any handicap ramp will be wiped down.
 4. **Entrance Mats** - Entrance mats located in either the exterior or the interior of entrances shall be cleaned.

5. **Cigarette Containers** - Empty reservoir or holding containers to remove ashes and debris. Pick up and dispose of all cigarette butts on the ground located within 5 feet of all cigarette containers.
6. **Entrance Doors/Windows** - Clean both sides of glass entrance door and frames and windows immediately adjacent to the entrance doors.
7. **Entrance Floors Inside** - The surfaces shall be swept or dust-mopped prior to wet mopping to remove all loose soil and dust. All accessible areas shall be mopped to remove all soil, scuff marks, and non-permanent stains. Baseboards shall be wiped to remove all splash marks.
8. **Drinking Fountains** - Remove all streaks, smudges, stains, scales and other obvious soil from drinking fountains and entire cabinet. Disinfect all plastic and metal surfaces including the orifice and drain. Stainless steel sections shall be polished with an appropriate cleaner.
9. **Internal Building Surfaces and Walls** - Remove smudges, fingerprints, pen marks, streaks, etc., from washable surfaces including brass, stainless steel, around light switches, doors, doorways, door handles and casings, interior glass (such as reception counters and reception windows), bulletin boards and display cases, laminated plastic surfaces, clear sections of office cubicles, kick and push plates, and vertical/horizontal blinds with a treated cloth. Areas adjacent to entrance glass within buildings that lead into offices shall also be completely cleaned and restored free of soil and streaks. Any damage to the surfaces or walls should be reported to the SCRRA.
10. **Non-Carpeted Floors** - Sweep up or vacuum all surface, including under chairs, trash receptacles, desks and other furnishings, behind doors, and corners. The entire area (100%) will be thoroughly dry-mopped or cleaned with appropriate solution. New installed tile flooring shall be sealed and waxed 48 hours after installation is completed.
11. **Tables, Counters, Desks, Chairs, Sofas** - Remove any non-permanent stains, spots, spills and pencil marks from tables, counters, and desks using a sponge or cloth dampened in mild detergent solution. The cleaning shall not be of such a degree as to remove the finish or leave abrasive marks. Chairs and sofas, where applicable, shall have cushions lifted for the purpose of the removal of any trash. Information written on whiteboards (dry/wet erase boards) shall not be cleaned off by Contractor unless requested by the SCRRA.
12. **Stairs and Stairwells** - Stairwells, stairs, landings, and steps shall be vacuumed and/or damp mopped. Flights include the landings and steps on stairways between floors.
13. **Break room/Concession/Kitchenette Area** - Clean and disinfect sinks, floor sinks, counters, exterior of appliances and cabinets, tables and chairs.
14. **Clean and Disinfect Toilets and Urinals** - Clean and disinfect all exposed surfaces of the toilets and urinals. A non-abrasive cleaner shall be used on the exposed hardware. The cleaning includes the drying and polishing of all exposed hardware. All foreign material shall be removed from the urinal drain trap. Remove scale, scum, mineral deposits, rust stains, etc., from the interior of toilet bowls and urinals. After cleaning, the toilet seat must be completely dried and placed in an upright position. Stopped-up toilets shall be plunged free of obstructions. The Contractor supervisor shall report all plumbing discrepancies to the SCRRA immediately.
15. **Paper Products Dispensers** – Re-supply all paper towel, toilet paper and toilet seat cover dispensers to their maximum level when stock is low, but do not overfill. Replace consumed rolls and partial rolls, which appear to be down to the last 10-15%. The dispenser interior, exterior and adjacent surfaces shall be wiped with a sanitizer to remove fingerprints and smudges when filling. Inoperable devices shall be reported the SCRRA.

16. **Soap Dispensers** – Soap dispensers shall be re-filled with liquid soap when there is stock is low. The dispensers and adjacent surfaces shall be wiped with a germicidal detergent to remove fingerprints and smudges. Inoperable devices shall be reported the SCRRA. In cases of any contradictions, complying with the Agency and State EPP Policy and proper sizing for installed dispensers takes precedence. Supplies are part of the Base Services.
17. **Counter Tops and Sinks** - Clean and disinfect all exposed surfaces of the sink. A non-abrasive cleaner shall be used on the exposed hardware. The cleaning includes the drying and polishing of all exposed hardware. All metal hardware, such as faucet valves, drain and faucets, shall be free of streaks, spots, stains, etc. Inoperable or broken fixtures shall be reported daily to supervisors.
18. **Walls, Partitions, and Doors** - Clean the partition walls, partition doors, and walls surrounding the urinals and toilets. Remove any nonpermanent stains, spots and streaks using a cloth/sponge dampened with a germicidal detergent solution. This also includes the light switches, and doors, and any of the walls within the restroom.
19. **Mirrors** - Remove soil, streaks, smudges, film etc., from the surface of the mirrors. The frame of the mirror and shelves and other adjacent areas also shall be cleaned.
20. **Vertical/Horizontal Blinds** - Dust all vertical and horizontal blinds with a treated cloth or yarn duster.
21. **Dusting** - Dust all surfaces, including windowsills, banisters, handrails, ledges, pictures, plaques, cubicle wall tops, door tops, tops and sides of book shelves and cabinets, etc. with a treated microfiber cloth, or yarn duster up to 80 inches from the floor. Computers, printers, general equipment in all buildings are included for dusting. Dusting shall include the following surfaces: employees' desks, employees' computers, and shelving within a bookcase.
22. **Storage Areas/Closets** – Sweep non-carpeted floors and vacuum carpeted floors to remove all debris.
23. **Floor Drains** – Remove all built up deposits, embedded hairs, etc., from the grate and neck of the drain. Replace the grate properly. Clean the inside of the drain by pouring 50/50 mixture of clean water/disinfectant through the drain.
24. **Restroom, Locker and Shower Floor** – All surface litter such as paper, tape, towels, etc., shall be removed before machine scrubbing. The deep cleaning shall remove heavy stains, mildew, and mineral deposits from the surface and grout. Mop the floor and wipe all baseboards with a damp clean rag. Areas not accessible with the buffer shall be manually scrubbed with an abrasive hand pad.
25. **Shower Walls and Floors** - Wash shower walls, curtains, shower floors, bathtub areas using an approved germicidal cleaner. Clean the shower drains.
26. **Furniture** - Vacuum all cloth furniture. Removable cushions shall be lifted and vacuumed underneath. Wipe down all vinyl and hard surfaces with a damp cloth.
27. **Clean all outside lights attached to building exteriors entrance (up to a height of 15 feet and 20 feet from entrance door(s))** – remove cobwebs from lens covers and lamp housing.
28. **A/C Supply Vents, Returns and Exhaust Fan Grills** - Clean all particles from vents and wall or ceiling area adjacent to the vent.
29. **Window Washing** - Exterior and interior washing of all perimeter windows; all interior partitions; and towel dry all window sills. If any items are moved away from windows by window washers they shall be returned to original location. Workers will give occupants every opportunity to clear window areas prior to washing. Any damage to windows, building, occupant's furniture,

equipment or occupant work papers shall be reported immediately to the SCRRA. Contractor shall notify the Authority of any existing deterioration in windowsills or frames. If it is determined by the SCRRA that additional washings are needed during this Contract period, the dates of the additional washings are to be agreed upon by the SCRRA and the Contractor. The price for additional washing shall be the negotiated between the parties.

B. General Technical Requirements

1. The Contractor must provide adequate floor care equipment to perform stripping, scrubbing, spray buffing, burnishing, and polishing of hard flooring.
2. Contractor outdoor sidewalk and concourse cleaning equipment including, but not limited to automated scrubbing and pressure washing equipment, and equipment capable of reclaiming all outdoor wash water.
3. Contractor carpet cleaning must include a deep cleaning, such as extractor or encapsulation methods.

C. Janitorial Supplies

1. The Contractor shall provide all cleaning chemicals and equipment necessary to perform the cleaning standards of the contract. The Contractor is required to use floor care products that meet and are guaranteed by the manufacturer to equal or surpass the test method developed by the American Society of Testing Material (ASTM) for determining the slip resistance of floor finishes (ASTM D2047).
2. Contractor must comply with all applicable sections of SCRRA's Environmentally Preferable Purchasing (EPP) Policy including, but not limited to:
 - All janitorial paper products for which the United States Environmental Protection Agency (U.S. EPA) has established minimum recycled content standard guidelines shall contain the highest post-consumer content practicable, but no less than the minimum recycled content standards established by the U.S. EPA Guidelines found at www.epa.gov/cpg. Specifically, the following minimum post-consumer recycled content percentages apply: paper towels - 40% post-consumer; bathroom tissue - 20%; and paper napkins - 30%. In addition, janitorial paper products shall be unbleached or processed without chlorine or chlorine derivatives.
 - Contractors shall supply industrial and institutional cleaning products, including general-purpose, bathroom, glass and carpet cleaners, that meet Green Seal's Industrial and Institutional Cleaning Standard, GS-37. To the extent practical, Contractor shall use products that meet Green Seal's standard for industrial and institutional Floor Care Products, GS-40, and Green Seal's industrial and institutional Hand Cleaners, GS-41
 - Manufacturers of plastic trash liners shall be in compliance with the State of California's Recycled Content Trash Bag Program:
<http://www.ciwmb.ca.gov/BuyRecycled/TrashBags/>.

D. Currently Used Janitorial Equipment and Supplies

Below is list of currently used janitorial equipment and supplies that Contractor can reference

1. Equipment

- Item:
 - Paper towel Dispensers
 - Roll
 - Toilet Paper Dispenser
 - Base type (Jr-Jumbo Size)
 - Stainless Steel Type (Jr-Jumbo Size)
 - Hand Soap Dispenser
 - Pump
 - Pumice hand cleaner dispenser 1gal.
 - GoJo Dispenser 2000ml
 - Hand Sanitizer (Approved EPA)-Optional
 - Contractor to provide replacement equipment when equipment failures are reported to fit the supplies outlined.

2. Supplies

- Item:
 - Trash can liners, 24" x 33", 30" x 37", 40" x 48"
 - Toilet Seat Covers
 - Roll Towels (Natural color, 12/600')
 - Jr. Jumbo Toilet Paper
 - Jr. Jumbo Toilet Paper (Regular & Premium)
 - Power Scrub Pumice
 - Hand Soap, Gallon Type.
 - S
 - GOJO -Orange Pumice Hand Cleaner # 7255
 - Chemical Supplies: This list is not inclusive, but the minimum standards required:
 - Graffiti cleaner
 - Spot remover/cleaner
 - Disinfectant
 - Germicide
 - Mild detergent
 - Metal cleaner/polish
 - Furniture polish
 - Bathroom deodorizers
 - Urinal deodorizers

- Work Location Specifications
 - (1) Arrow Maintenance Facility (AMF) (948 W. 3rd Street, San Bernardino, CA, 92410)
- Janitorial Cleaning Hours: 7:00 am to 5:00 pm
- Approximate Square Footage: 1859
- Current frequency for janitorial services: 5 days a week

14.7.E LANDSCAPE/HARDSCAPE SERVICES

Maintenance of landscape/hardscape shall be provided on as needed basis as part of the base scope.

(1) The Contractor shall provide complete landscape maintenance at AMF, including, but not limited removing and controlling weeds; controlling removing trash and debris; and other maintenance required to maintain the work sites in a safe, attractive and useable condition.

(2) The Contractor shall provide at their own cost all labor, materials, parts, tools equipment, transportation, hauling, dumping, and other items needed to perform hardscape maintenance tasks as required under this Contract.

(3) The Contractor shall provide complete clean up services at AMF, parking lots, asphalt/concrete paving, culverts, fencing, rock walkways, and landscaped areas. The work will include, but will not be limited to, removal of trash and debris, removal and controlling of weeds and brush, tree limbs and any other trash and vegetation that may accumulate on the property due to weather or human negligence.

- A. **Weeds, Disease and Pest Control** - All landscape and hardscape areas within the specified scope of work shall be kept free of weeds at all times. The complete removal of all weed growth shall be accomplished on a continuing basis. SCRRA may request a colored material as evidence of applied work. The Contractor shall regularly inspect all landscaped areas for the presence of disease, insect or rodent infestation. The Contractor shall advise SCRRA within four (4) days when insect or rodent infestation is found, and the action to be taken. Upon approval of SCRRA, the Contractor shall implement approved control measures, following all federal, state, county and municipal laws, regulations and ordinances required for the approved work; approved control measures shall be continued until the disease, insect or rodent is controlled to the satisfaction of SCRRA. The Contractor shall utilize all safeguards necessary during disease, insect or rodent control operations to ensure safety of the public, SCRRA employees and employees of the Contractor and the employees of SCRRA's Operating Contractors.

(4) General Maintenance and Clean-Up

- The Contractor shall collect all rubbish and debris at all worksites and dispose of same in a lawful manner at the Contractor's expense the same day they are generated.
- Parking lots must be kept clean
- After heavy windstorms, the entire areas shall be cleaned of litter, fallen branches, tumble weeds, palm branches, etc.
- The Contractor shall keep paved areas, walkways or driveways clean of any dirt or soil that might be washed from adjacent slopes or planted areas caused by weather or irrigation systems.

(5) Other Requirements

- The Contractor shall replace, at Contractor's own expense, any decomposed granite requiring replacement due to negligence resulting from Contractor's failure to provide maintenance in accordance with the provisions of this agreement. These requirements are not to be construed as requiring the Contractor to replace decomposed granite due to conditions beyond the Contractor's control, but are to be considered strictly as a normal maintenance condition within accepted practice.

(6) Hardscape Areas

- The Contractor shall control, remove, haul off and properly dispose of any weeds or other growth which may occur around any of the buildings, structures, inspection pits, concrete or asphalt walkways and driveways on this site.

(7) Extraordinary Landscape/Hardscape Maintenance

- Extraordinary Landscape maintenance will be handled through an on-call work directive.
- The replacement of hardscape material, may be considered extraordinary maintenance Services if damage or malfunction is mainly caused by any of the following:
 - Acts of God
 - Civic Disorder
 - Vehicle Collision
 - Vandals
 - Power Failures
 - Underground wiring damage
- The Contractor shall contact SCRRA regarding any extraordinary Landscape Maintenance Services work and seek prior approval before the work is scheduled. SCRRA will instruct the Contractor before any extraordinary work is commenced if any safety or security guidelines are applicable.
- Below is a list of tasks that would constitute extraordinary landscape maintenance:
 - Extraordinary Services
 - Trees exceeding 25 feet
 - Tree removals and with stump grinding to ground level if applicable
 - Landscaping upgrades
 - Repairs due to wear and age
 - Weed abatement to areas not within Base Services

(8) Environmental Guidelines

- Contractor is to comply with California Assembly Bill 1826. It is expected that all landscaping wastes generated by the contractor will be removed from the site and recycled as green wastes and will not be disposed in landfills.
- Work Location Maps
 - Landscape and Hardscape Maintenance
 - **Arrow Maintenance Facility (AMF)**
 - Landscape and hardscape maintenance at AMF is outlined in pictures below with blue shaded areas.

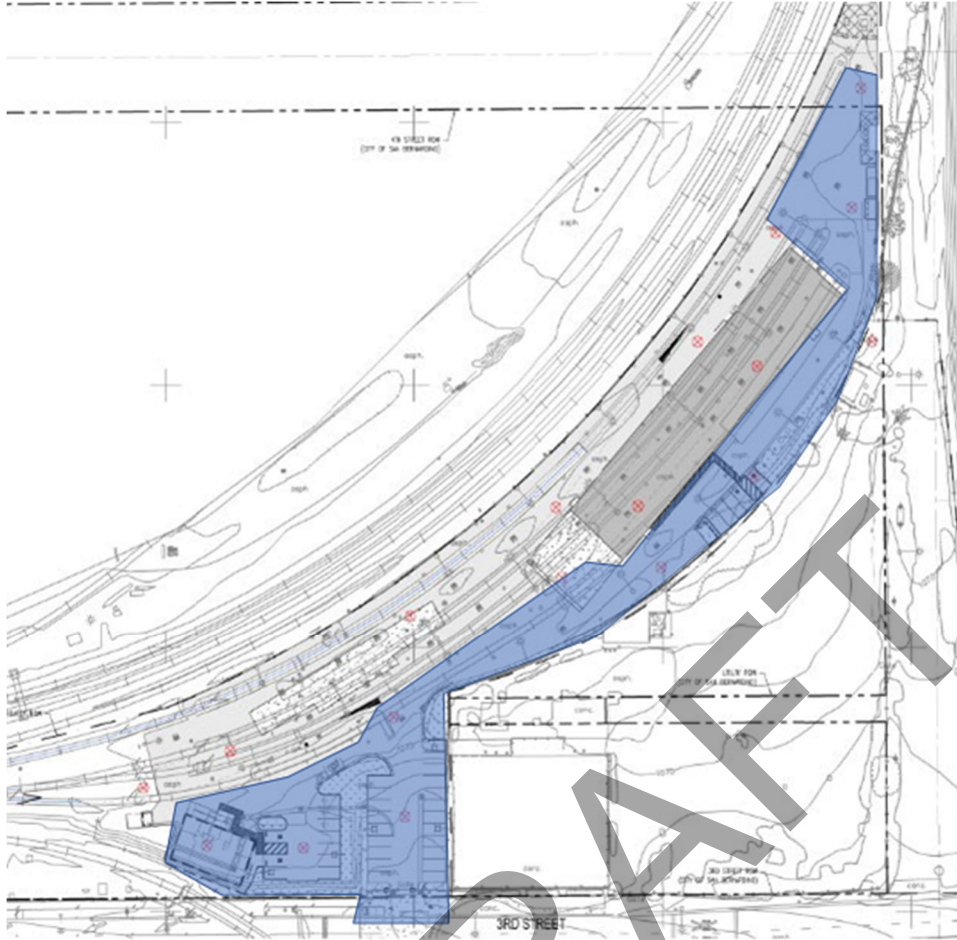


Figure 1 - AMF Landscape/Hardscape Contractor Maintenance

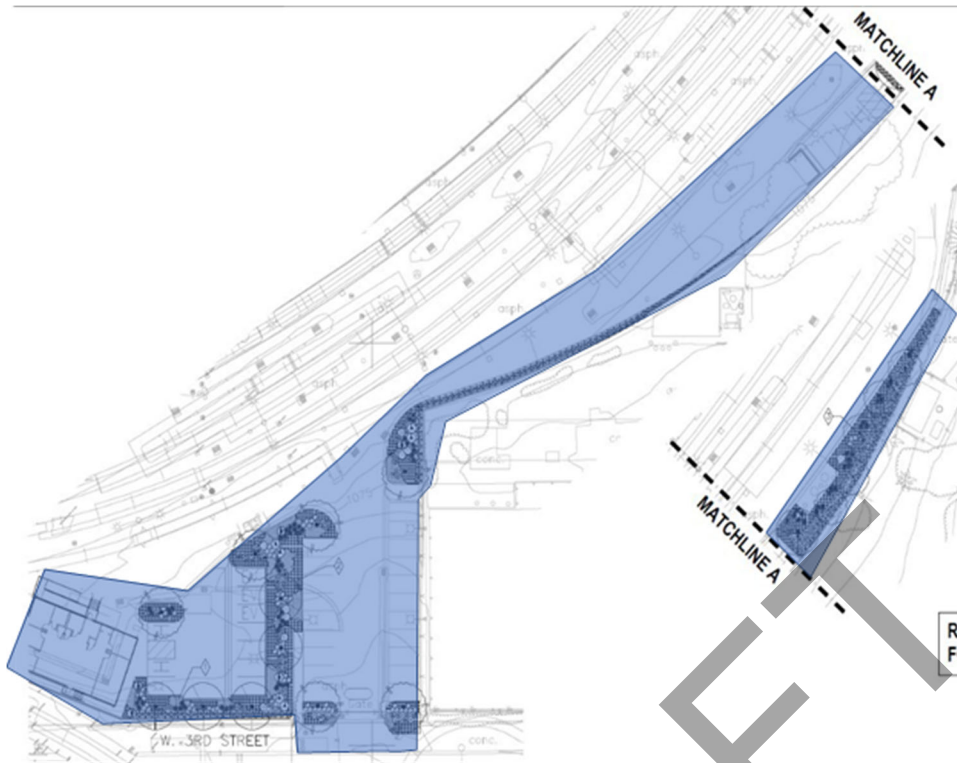


Figure 2 - AMF Landscape/Hardscape Contractor Maintenance #2

14.8 MAINTENANCE DATABASE

Contractor will utilize SCRRA-provided EAM software for maintenance, testing and capital planning, and will be required to train and become proficient on the system as outlined in Section 16 – Information Technology Systems.

14.9 FACILITY ON-CALL SERVICES

The following tasks are not included in the Base Services and shall be performed in accordance with the requirements defined in SECTION 17 ON - CALL WORK DIRECTIVE SERVICES.

- (1) Facility Capital and rehabilitation support
- (2) Overhaul of facility equipment and systems
- (3) Designated repairs of facility infrastructure, equipment and systems
- (4) Vandalism
- (5) Procure and install any additional equipment, hardware or software not included as base components within the facility
- (6) Procurement of trailers for facility purposes
- (7) Fencing and paving for facilities
- (8) Services to locate underground utilities within SCRRA facilities
- (9) Third - party services
- (10) Extraordinary landscape maintenance

SECTION 15. SCRRRA-FURNISHED NON-REVENUE RUBBER TIRE VEHICLES

SCRRRA will provide the following non-revenue rubber tire vehicles for Contractor's use:

CLIENT VEH#	VIN	Make Name	VIN Model	Status	Model Year	HYRAIL
SCRA0459	3TYRX5GN8PT085862	TOYOTA	TACOMA	Active	2023	NA
SCRA0460	3TYRX5GN0PT085788	TOYOTA	TACOMA	Active	2023	NA

SCRRRA will provide listed non-revenue rubber tire vehicles, including fuel, servicing, and repairs for the Contractor's exclusive use in supporting and performing the Services. The exact list of non-revenue rubber tire vehicles covered by this provision shall be coordinated between the Contractor and SCRRRA four (4) months in advance of each Fiscal Year in conjunction with the Annual Budget Process.

All Non-revenue rubber tire vehicles and equipment provided by SCRRRA shall be used exclusively to perform the Services associated with this contract.

SCRRRA must pre-approve all Contractor employees (including subcontractors) who drive vehicles owned, leased, or rented by SCRRRA.

All Contractor employees assigned an SCRRRA vehicle must be available to respond 24/7, including holidays, weekends and AWS days, 365-days a year. Off duty days or weekends must be prearranged with the driver's supervisor. Failure to answer an emergency call-out may result in suspension of vehicle assignment.

Only persons conducting business with SCRRRA shall ride in SCRRRA provided vehicles.

SCRRRA provided non-revenue rubber tire vehicles and equipment shall be maintained by the SCRRRA including fuel and lube in accordance with the SCRRRA Non-Revenue Fleet Driver's Handbook (Exhibit 38).

Contractor's use of SCRRRA provided Non-revenue rubber tire vehicles and equipment will be subject to compliance with the SCRRRA Non-Revenue Fleet Driver's Handbook.

SCRRRA provided Non-revenue rubber tire vehicles driven over 15,000 miles per year by the Contractor will be credited (deducted from the Contractor's progress payments) at the Internal Revenue Service (IRS) standard mileage rate for each mile over 15,000 miles.

Any Contractor vehicles or vehicle usage (own, rent, or lease) used for this contract in addition to the vehicles provided by SCRRRA shall be at the Contractor's cost; this will include fuel, Operations and Maintenance for the vehicles.

Contractor shall service and maintain the SCRRRA's provided vehicles in good working condition at all times.

SCRRRA provides fuel (fuel cards) and periodic maintenance for SCRRRA-owned vehicles. Drivers are responsible for taking assigned vehicles periodic maintenance to SCRRRA approved Maintenance providers specified in SCRRRA's Fleet Driver's Handbook.

All vehicles and equipment provided by SCRRRA shall be used to perform Services and if used for On-Call Work Directives, the use of SCRRRA provided equipment shall be charged to the On-Call Work Directive Project and credited back to the SCRRRA's Base Maintenance Services budget.

Contractor shall be subject to SCRRRA planned and/or unannounced inspection and audit of SCRRRA provided vehicles.

Exhibits applicable to this Section:

- Exhibit 38 Fleet Driver's Handbook

SECTION 16. INFORMATION TECHNOLOGY (IT) REQUIREMENTS

Included in its Base Services, the Contractor shall provide all equipment including servers, workstations, laptops, tablets, routers, switches, telephones, cell phones and wireless LAN (Local Area Network), Wi-Fi and all software to support the Contractor's internal systems used to provide Services in the Contract, except for the hardware and software provided by SCRRA for specified applications listed below. If requested by SCRRA, SCRRA-funded hardware and software procured or licensed by the Contractor and used on the Services shall be assigned to SCRRA and Contractor.

Examples of software and hardware operated thereon that the Contractor must furnish and maintain include but are not limited to the following: FRA hours of service tracking, financials and invoice generation including documentation and record keeping of all costs, payroll, any Contractor controlled SOP documents or requirements, training and testing records.

The Contractor shall furnish and maintain all local or remote IT related equipment and software utilizing Contractor's equipment or Contractor's software. Computer equipment installed within the AMF and interconnected with SCRRA's networks shall comply with SCRRA standards. Implemented hardware and software without prior SCRRA approval may be removed by SCRRA. The Contractor shall provide detailed design configurations and diagrams for all hardware, software (including business application software) and network infrastructure for SCRRA approval.

Computer equipment shall comply with SCRRA standards which may change from time to time. Implemented hardware and software without prior SCRRA approval may be removed by SCRRA. The Contractor shall provide detailed design configurations and diagrams for all hardware, software (including business application software) and network infrastructure for SCRRA approval.

The Contractor shall submit an IT Plan for SCRRA review and approval no later than 90 days after In-Service date (CDRL 39). The plan shall include a list and description of the systems, computer hardware, software, and communications equipment to be provided by the Contractor and procedures and methodologies that demonstrate how the Contractor will meet the requirements of the Scope of Service described herein. The IT Plan must describe the security policies for Contractor systems, computer hardware, software, networks, and devices that are used to meet the requirements of the Scope of Service.

16.1 IT EQUIPMENT UTILIZATION POLICY

The Contractor shall operate all SCRRA-provided IT Equipment (hardware and software) in accordance with Metrolink IT Policies and Procedures (Exhibit 33). The Metrolink IT Policies and Procedures prohibit removing updates and upgrades without SCRRA approval and prohibit removal of equipment from other than approved locations. As requested and provided by SCRRA, the Contractor is required to upgrade hardware, update software security patches and upgrade to a version that is supported by the hardware and software manufacturer. SCRRA-owned computer equipment shall not be used for any purpose other than in direct support of Service requirements.

16.2 DATA SECURITY AND OWNERSHIP

The Contractor shall comply with all SCRRA policies, which shall be provided to the Contractor, regarding data security and access to physical work facilities. SCRRA will own all operational data and reserves the right to request any operational data related to safety, security, or the operations and management of the train not stored in the SCRRA network. Upon completion of Services, the Contractor will be required to provide all operational data to SCRRA in an agreed-upon electronic format.

16.3 HARDWARE AND MOBILE DEVICES

16.3.A The Authority is responsible for furnishing and maintaining all computer hardware, mobile devices and related equipment required for its staff to perform the Services of this Agreement.

- 16.3.B The Contractor may request to provide its own devices, hardware, software and applications for Contractors use along with any costs, and SCRRA will review and if merited and budgeted will approve the request. If SCRRA prefers to take ownership of any Contractor provided and maintained software, hardware, devices and equipment, the terms, conditions and cost for assuming Ownership shall be negotiated.
- 16.3.C SCRRA may equip the Contractors Conductors with mobile devices and barcode scanning devices for inputting, recording, accessing, and transmitting information electronically. Fare collection/ inspection and train delay data software and devices (smartphones) will be provided by SCRRA. The model of mobile devices and barcode scanning devices furnished shall be determined by SCRRA.
- 16.3.D Contractor to use SCRRA provided software applications to monitor, test and troubleshoot train control issues. Delay Application – SCRRA utilizes a proprietary cell phone application for use by train crews to submit trip report data. The application, called the Delay App, operates on iOS and Android mobile operating systems.
- 16.3.E SCRRA utilizes a proprietary software system (Vector) a web-based system, available via public Internet, for tracking, monitoring, and managing accident, incident, and hazardous condition information for SCRRA rail system. Contractor will be required to enter all SCRRA requested data and assist SCRRA in maintaining Vector or an SCRRA approved alternative solution proposed by the Contractor. Contractor will be provided with user access to this system for purposes of entering accident and incident related data. SCRRA will provide and maintain the software license for the Vector Software.
- 16.3.F The Contractor shall equip its managers, field and facility supervisors, foremen, and train crews with tablet devices for inputting, recording, accessing, and transmitting information electronically including inspection and asset management data, photos, rule books, timetables, track charts, manuals, track and time information, GPS location data, end of limits warnings, Bluetooth - enabled interfaces with inspection tools and other technology applications and functions. The model of tablet devices furnished shall be submitted to SCRRA for approval to ensure compatibility with any SCRRA - furnished applications.

16.4 SCRRA-FURNISHED SOFTWARE OR SYSTEMS

- 16.4.A Configuration Management System (Currently IBM Rational)
SCRRA utilizes a proprietary software system (IBM Rational) for change and configuration management. The IBM Rational system is accessible via the public Internet. SCRRA will provide and maintain the Configuration Management System. Contractor will be provided with user access to this system for purposes of entering change requests and in support of Train Control and Network on - site Tier 1 responsibilities.
- 16.4.B Delay Application
Authority utilizes a proprietary cellphone application for use by train crews to submit trip report data. This application, called the Delay App, operates on iOS and Android mobile operating systems.
- 16.4.C N/A

16.4.D Vector Solutions (Vector EHS Management)

SCRRA utilizes a proprietary software system (Vector Solutions) a web-based system, available via public Internet, for tracking, monitoring, and managing accident, incident, and hazardous condition information for the SCRRA rail system. Contractor will be required to enter all efficiency testing, training records, other SCRRA requested data and assist SCRRA in maintaining Vector or an SCRRA-approved alternative solution proposed by the Contractor. Contractor will be provided with user access to this system for the purpose of entering efficiency testing data. SCRRA will provide and maintain the software license for the Vector Solutions software.

16.4.E Fueling Software

Contractor to utilize SCRRA-furnished software for fuel monitoring and dispensing.

16.4.F N/A

16.4.G Trapeze EAM System

SCRRA currently maintains asset data, inspection requirements, repository for defects and work orders, PM scheduling, work assignment, material request from SCRRA material management, on-time performance, capital/rehab planning, and fuel tracking utilizing a Trapeze-based software platform. The EAM system is used for maintenance management, tracking and documentation of daily defects, periodic maintenance, repairs, modifications, and capital program work, etc.

The Contractor shall use SCRRA's EAM system as the official repository of all Service Equipment and AMF maintenance, work order, PM scheduling, material request from SCRRA material management, work assignment, and inspection management and shall ensure data in the EAM system is accurate and up to date.

Within 30 days of issuance of each NTP 1, the Contractor will provide SCRRA with a list of all Contractor staff requiring access to SCRRA's EAM system; SCRRA will collect System Request Forms (SRFs) for such Contractor staff and submit to SCRRA's IT Department to create accounts. Contractor is responsible to logon and follow SCRRA IT protocols to maintain EAM access.

SCRRA will train Contractor's Key Personnel 90 days before ZEMU Maintenance Service Date on the use of the EAM system for facilities and Service Equipment maintenance tasks; Contractor will then train remaining Contractor staff by ZEMU Maintenance Service Date. (Facilities EAM BPA), Exhibit 48 (Rolling Stock EAM BPA) Exhibit 47 and (EAM Training) Exhibit 49.

All Service Equipment and facility maintenance shall be performed as outlined in SCRRA's EAM system and maintenance/inspection record shall be entered into the system as well. Any changes, additions or removal of Service Equipment or facility maintenance inspection tasks or intervals need to be submitted to SCRRA for review and approval; if approved, the Contractor shall be responsible to update SCRRA's EAM system to reflect changes in maintenance tasks and the appropriate staff shall be notified and trained on system changes prior to implementing in the EAM production environment.

SCRRA currently employs the Trapeze Enterprise Asset Management (EAM) System for its equipment and the Contractor will be required to utilize this system. The Contractor will be required to use any additional software provided by SCRRA.

16.5 CONTRACTOR FURNISHED SOFTWARE OR SYSTEMS**16.5.A Hours of Service Tracking System**

Contractor is responsible for tracking all staff hours subject to Hours of Service utilizing an FRA approved tracking system. SCRRA will have continuous access to system for review and audit. Contractor will provide Appendix B 219 reports to SCRRA quarterly. SCRRA currently utilizes Track HOS, application from Railroad Software Company and Contractor is encouraged to utilize this same application for the purposes of this section.

16.5.B Other Contractor Controlled Software

Contractor is responsible for providing its own software for its internal controlled functions including but not limited to payroll, employee record keeping, financial records, invoicing, testing, and training records, regulatory (FRA) and safety requirements.

16.6 BASE SERVICES

Unless explicitly described as an On-Call Service, the cost for performance of Services described in the provisions of this Section 16 shall be included in Base Services prices.

Exhibits applicable to this section:

- Exhibit 33 – Metrolink IT Policies and Procedures
- Exhibit 48 - Facilities EAM BPA
- Exhibit 47 - Rolling Stock EAM BPA
- Exhibit 49 - EAM Training

SECTION 17. ON-CALL SERVICES AND WORK DIRECTIVES**17.1 GENERAL**

17.1.A Upon request by SBCTA, the Contractor shall perform On-Call Services for tasks that are not included in Base Services. Generally, tasks that cannot be planned for in advance because they arise intermittently or from an urgent, unexpected need, will be authorized by SBCTA under an Work Directive. Work Directives may include unplanned or non-recurring maintenance services, support services for third-party capital projects, rehabilitation work, and/or actual procurement of materials and equipment. When On-Call Services are required, SBCTA shall issue a Work Directive to the Contractor that will identify the scope of work required and the basis for compensation. The process for SBCTA issuance of Work Directives and compensation for On-Call Services shall comply with the provisions of this Section 17 On- Call Services and Work Directive Services.

17.1.B SBCTA shall issue an On-Call Work Directive Request for Proposal to the Contractor, which may include plans, specifications, and estimates of various quantities of work to be performed or materials to be furnished either by SBCTA or Contractor. The Work Directive will identify the timeline for the work to be completed require the Contractor to prepare submittals and site-specific work plan (SSWP), indicating the Contractor's proposed method and schedule for performing the work in the Work Directive.

17.1.C The Contractor shall submit a proposal indicating the estimated number and type of labor hours, materials, equipment and a schedule for all resources, the Contractor's approach to performing the work, and a proposed cost. Upon receipt of the proposal SBCTA shall evaluate it and accept it or negotiate with the Contractor as necessary.

17.1.D In the event the parties are unable to agree upon the estimated costs of the On-Call Services, SBCTA may decide not to issue a Work Directive and may accomplish the work through any other method it deems necessary. Any work performed by the Contractor prior to receipt of a Work Directive shall be considered unauthorized work, and the Contractor shall not be entitled to compensation for the work.

17.2 ON-CALL SERVICES PERFORMED WITH BASE SERVICES RESOURCES

17.2.A On-Call Services related to maintenance support may be performed utilizing Base Services resources. Generally speaking, On-Call Services which are typically utilized for third-party, and capital support and rehabilitation/capital maintenance services shall not be performed utilizing labor, equipment or materials assigned to Base Services. Should the Contractor determine that labor, equipment and materials utilized in performing Base Services can be utilized for On-Call Services without adversely affecting the safety, quality, productivity, effectiveness, labor and equipment utilization or schedule for the performance of Base Services, then these resources can be proposed to perform On-Call Services. The Contractor's proposal shall detail these resources and associated costs for SBCTA approval. Upon completion of the On-Call work stipulated in a Work Directive, the Contractor shall be paid as per Section 2.1 of the Pricing Schedule, On-Call Services/Work Directives or as otherwise agreed by the Parties.

17.2.B Should the Contractor utilize staff designated during regular shift hours, or equipment or materials assigned to Base Services for On-call work without SBCTA's approval, then SBCTA may withhold all payments for that On-call work until the Contractor provides a detailed reconciliation of all personnel, equipment and materials for SBCTA's review. Based on SBCTA's approved reconciliation, all Base Services labor, equipment and material will be deducted from the amount stipulated in the On-Call Work Directive.

17.2.C Contractor is cautioned that labor performing "Public Works" type work under an On-Call Work Directive may be subject to prevailing wage rates as opposed to any rates established under Exhibit B-Pricing Schedule. Contractor must comply with all prevailing wage rate requirements and submit certified payrolls demonstrating compliance with the prevailing wage rate requirements.

17.3 PROGRESS OF WORK

17.3.A The Contractor shall submit to SBCTA within the time specified in the Work Directive a practicable progress schedule for the Contractor's work. If the Work Directive does not specify, the Contractor shall submit a progress schedule every two weeks after issuance of the Work Directive. The Contractor's progress schedules shall be prepared by using critical path method software. Schedules shall show the order in which the Contractor proposes to carry out the work, the dates on which the work tasks will start (including procurement of materials and equipment), and the anticipated dates for completing those work tasks.

17.3.B The Contractor shall perform its work to not cause delays to work performed on SBCTA's construction and third-party projects. The Contractor shall take immediate and appropriate steps should a potential delay arise.

17.3.C During the progress of each Additional Services project, the Contractor shall notify the designated SBCTA personnel when the cumulative incurred project costs under the on-call Work Directive within the next fifteen (15) days will exceed fifty percent (50%) of the authorized amount indicated in the Work Directive.

17.3.D The Contractor shall be granted an extension of time for any portion of the delay in completion of the work if the delay was not within the control of the Contractor (e.g., caused by force majeure strikes, labor disputes, freight embargoes and changes in scope) provided that the Contractor shall have first notified SBCTA in writing of the causes of delay within fifteen (15) days from the beginning of that delay.

- 17.3.E No extension of time shall be granted for any delay caused by a shortage of materials unless the Contractor furnishes to SBCTA satisfactory justification documenting delivery schedules from multiple procurement sources.

17.4 SUBSTITUTIONS FOR EQUIPMENT

The Contractor may request SBCTA approval to use new or improved equipment of a different size or type in place of the equipment specified in an On-Call Work Directive. Such proposed equipment must be capable of producing work equal to, or better than, that which can be produced by the equipment specified. SBCTA shall have the right to reject alternative equipment which is not producing work that is equal, in all respects, to the equipment specified. Upon rejection, the Contractor shall be required to use the equipment originally specified and shall remove or otherwise remedy, at the Contractor's expense, any defective or unsatisfactory work produced with the rejected alternative equipment.

17.5 CONTRACTOR-FURNISHED INFORMATION

Any manufacturers' warranties, guaranties, instruction sheets and parts lists that are furnished with certain articles or materials incorporated in the work shall be delivered to SBCTA before acceptance of the Work Directive. SBCTA's reports and records of inspections made, and tests performed, when available at the site of the work, may be examined by the Contractor.

17.6 SBCTA-FURNISHED MATERIALS

Once SBCTA-furnished materials, such as Capital Spares and special tools, are delivered by SBCTA for the Contractor's use, the Contractor shall be solely responsible for the materials, and shall pay all demurrage and storage charges. Notwithstanding the indemnity obligations of SBCTA set forth in the Contract, any SBCTA-furnished materials lost or damaged by the Contractor or its employees, including but not limited to equipment, facilities and materials shall be repaired or replaced by the Contractor at the Contractor's sole expense.

17.7 DEFECTIVE MATERIALS

If SBCTA determines that any materials do not conform to the requirements of the Work Directive, such materials shall be rejected whether in place or not. They shall be removed immediately from the site of the work, unless otherwise permitted by SBCTA. Rejected material that subsequently corrected must be reviewed and approved by SBCTA. Upon failure of the Contractor to comply promptly with any order, SBCTA shall cause the removal and replacement of the rejected material and deduct all costs from any monies due the Contractor.

17.8 CAPITAL AND REHABILITATION PLAN

Contractor shall coordinate with SBCTA and provide an annual Capital and Rehabilitation Plan (CDRL 45) which shall be submitted to SBCTA by September 30th of each calendar year.

The Capital and Rehabilitation Plan shall include at the following components:

- (1) Facilities and related infrastructure
- (2) Revenue equipment
- (3) Non-revenue equipment

17.9 FIELD AUTHORIZED ON-CALL WORK DIRECTIVES

- 17.9.A SBCTA and the Contractor acknowledge that the need may arise for On-Call Work Directive Services which require immediate attention to contain costs, protect property or allow for the ongoing safe and timely operation of trains but do not rise to the level of an emergency. In such cases, SBCTA may issue a written Field Authorized On-Call Work Directive. Such Work Directive will include a general description of the scope of the services, which is sufficiently

detailed to allow the Contractor to begin performing the On-Call Services. A Field Authorized On-Call Work Directive may not exceed \$25,000. SBCTA may, without the need for a formal contract amendment, notify the Contractor if the \$25,000 threshold set forth in this paragraph changes from time to time. Upon receipt and acceptance of a Field Authorized Work Directive, the Contractor must begin performing the On-Call Services within 24 hours. Within 5 days of the issuance of a Field Authorized Work Directive, SBCTA will begin the process to issue an On-Call Work Directive which shall result in an executed Work Directive within 14 days or less.

- 17.9.B Any Field Authorized Work Directive must be signed by SBCTA's authorized representative (SBCTA Project Manager or SCRRA's Contract Administrator) or the work will be considered as unauthorized and at the sole expense of Contractor.

17.10 EMERGENCY ON-CALL WORK DIRECTIVES

- 17.10.A SBCTA and the Contractor acknowledge that the need may arise for emergency work which is unanticipated and which must be performed without delay. SBCTA will provide the Contractor with notice, written or oral, of significant cost emergency work and the Contractor must promptly respond and perform the required work. Emergency Work Directive will be issued as soon as possible but typically after the emergency work is initiated. Any Emergency On-Call Work Directive estimated to exceed \$50,000 should be authorized in writing before the Contractor has exceeded \$50,000 in costs for the emergency work. The written authorization will be a Work Directive. SBCTA may, without the need for a formal contract amendment, notify the Contractor if the \$50,000 threshold set forth in this paragraph changes from time to time. As soon as practical after receipt and acceptance of an Emergency On-Call Work Directive, SBCTA will begin the process to issue an On-Call Work Directive.
- 17.10.B Any Emergency Work Directive must be signed by SBCTA's authorized representative or the work will be considered as unauthorized and at the sole expense of Contractor.

SECTION 18. REQUIRED DATA COLLECTION, REPORTS AND NOTIFICATIONS

In addition to data collection and reporting requirements identified in other Scope of Services Sections, FRA New Starts Deliverables and other reports and data required before or on Start Date, the Contractor shall perform data collection and submit the required reports and notifications to SBCTA according to the timeframe and frequencies specified below. The Contractor shall submit reports in formats mutually agreeable to the Contractor and SBCTA. Reports identified in this section shall be sent electronically to SBCTA departments and individuals designated by SBCTA.

18.1 ANNUALLY

- 18.1.A By Jan 15 for the previous year:
- (1) Annual facilities & maintenance audit of in-service and out of service assets and their condition, to include a review of inspections, maintenance, state of good repair and regulatory compliance.
 - (2) Quality Audit Summary Report (Section 9 Quality Program)
- 18.1.B By February 1, an annual report of Contractor's Drug and Alcohol 219 program.
- 18.1.C By July 15 for the previous Fiscal Year:

Report of inventory of all SBCTA or SCRRA - provided materials, materials purchased by the Contractor, and spare parts priced at Actual Costs paid by SBCTA or SCRRA at the time of purchase; fixed assets held by or under the control of the Contractor with values that exceed \$500; and complete description and explanation of required inventory adjustments more than \$5,000

18.1.D By August 30 of each year:

Forecasted Service Impact Deficient Condition Reports (DCRs) as described in Section 22, Information Technology Systems. Contractor shall submit the completed FSIDC Forms for Rolling Stock equipment and facilities in an approved format (CDRL 40). Completion and submittal of these numbered and tracked Forms informs SCRRA of asset conditions that must be programed for replacement, rehabilitation, or modernization or the asset condition will deteriorate and result in a future service impact.

18.1.E By Oct 10 of each year:

SGR Plan (CDRL 37) as detailed in Section 4.1.M of this SOW.

18.2 SEMI-ANNUAL (January 1 and July 1)

18.2.A 49 CFR 217 Program 6 months Review

18.2.B Training Report

18.3 QUARTERLY

By 7 Business Days after the end of each quarter:

18.3.A Training report, including specific programs, person-hours, and employee performance issues addressed (electronically, in a format capable of segregation).

18.3.B Report containing results of the Drug and Alcohol 219 program.

18.3.C Organizational Chart & Personnel Map

18.3.D LCM Program Updates

18.3.E Materials Usage Report including detail of all materials used in execution of the Work Directive, the source of the material, the date material was incorporated within the railroad system, the location where the materials were installed, and the contractor that installed the material.

18.3.F Equipment Report, including list of all equipment and vehicles and the hours worked and on standby for each (labor allocation & dwell time for material delays)

18.3.G Safety Performance Report

18.3.H On-Call Services Cost Tracking Report, including the following information for each Work Directive:

- (1) Description of every open Work Directive;
- (2) Costs incurred during the most recent billing period;
- (3) Total costs incurred to date;
- (4) Not-to-exceed maximum (if any); and
- (5) Estimated cost to complete.

18.4 MONTHLY REPORTS:

18.4.A Estimate of that month's invoice amount for accrual purposes. This accrual level information, in excel format is due to SBCTA two (2) calendar days before the end of the current month.

18.4.B By the 15th of the month:

- (1) Performance on efficiency testing, training, testing, certification, and monitoring status of all employees

- (2) A complete listing of all Contractor and subcontractor Full Time Equivalent personnel performing Base Service by position title and identification number. All other pertinent information including but not limited to vehicle assignment if applicable, shall be provided. Full time staff are those personnel whose primary responsibility is Base Services under this Contract including Extra Board and are not assigned other duties outside of Arrow Service. Personnel performing Services on a part time or intermittent basis shall not be included.
- (3) Monthly Invoice (CDRL 42) related to On-Call Services shall include a breakdown of hours worked by employee, date, and Work Directive, if applicable, in an agreed-upon format, i.e., attendance/ timekeeping reports and Key Personnel attributes, along with a detailed variance report for the previous month and year-to-date versus budget, including supporting documentation. Quality Program Plan (QPP) Review Report (see Section 9)

- 18.4.C Out of Stock Material List
- 18.4.D Inventory Data Account Report
- 18.4.E Fuel Dispensed Usage Report
- 18.4.F Fleet Availability, Performance, and Cleanliness Report
- (1) Include the vehicle(s) performance
 - (2) Include Mean Distance Between Failure ("MDBF") & Mean Distance Between Service Failure (MDBSF) calculations
- 18.4.G Submit Modification Periodic Progress reports of those units which have been modified
- 18.4.H Completed maintenance by equipment number, showing:
- (1) Wheels trued and changed during month
 - (2) Major components changed out during month
 - (3) Significant maintenance activity, including extraordinary material usage or component failure
- 18.4.I Anticipated maintenance for coming month by equipment number, showing:
- (1) Wheels to be trued and changed
 - (2) Major components to be changed out
- 18.4.J Preventive maintenance for next 12 months and 4-year Clean Oil Test and Stencil (COT&S) Program by equipment number, showing:
- (1) Wheels to be trued and changed
 - (2) Major components to be changed out
- 18.4.K Equipment history file by equipment number, compiling:
- (1) Past repairs over last 12 months
 - (2) Anticipated and preventive repairs for next month, next 12 months and 4-year COT&S Program
- 18.4.L Report of replacement of damaged or missing onboard signage for priority seating, wheelchair accessibility, bicycle and luggage stowage or any other signage providing information to PNAs.
- 18.4.M Report of the AMF facility maintenance performed for the previous months completed

maintenance on the facility and for the next months, maintenance that is scheduled.

- 18.4.N A statement describing the material usage by project control number, material ownership (Contractor, SBCTA or Third Party), and material class.
- 18.4.O Maintenance work performed during the past month and planned for the next month, including comparisons of planned production vs. actual.
- 18.4.P Report on the performance of the employee efficiency testing program including information on distribution and type of tests, as well as failures.
- 18.4.Q Employee Injury and Fatality Statistics Report, including Federal Employers' Liability Act (FELA) or worker's compensation claims filed/paid, the number of FRA reportable employee injuries per 200,000-person hours worked, organized by Sections in this Scope of Services, and trend analysis and recommendations for continuous improvement.
- 18.4.R Report of damage, by accident, vandalism, or whatever reason, to any property used in providing the Services where such damage exceeds \$500.
- 18.4.S A complete listing of all Contractor and subcontractor personnel performing On-Call Services by position title, number, and Work Directive. This listing shall include both Full Time Equivalent and personnel performing On-Call Services on a part time or intermittent basis.

18.5 WEEKLY

18.5.A By the following Monday:

- (1) A weekly report summarizing the Contractor's key performance metrics regarding minutes of delay, equipment availability, weekly facility inspection adherence, and status of open facilities tickets.
- (2) Equipment and Facilities Trouble Log

18.6 DAILY

18.6.A By next day at 7:00 a.m. reports of the following:

- (1) Delays under the Contractor's responsibility
- (2) Fleet status (including estimated repair/opening times, bad orders)
- (3) QMP MOC Mechanical Help Desk Report
 - o Unit History Report with QMP input
- (4) Special event activity
- (5) Contractor Employee injuries
- (6) Details of accidents, incidents, or unusual occurrences during the previous service day

18.7 WITHIN 10 DAYS (AD HOC REPORTS AND INFORMATION)

SBCTA shall have the right to obtain from the Contractor, within 10 days of a request, any information related to the services or the Service Property that the Contractor possesses and is legally permitted to provide to SBCTA; provided however, that if the Contractor reasonably requires additional time beyond (10) days, it shall notify SBCTA and shall provide the information within the stated time additional time.

18.8 UPON REQUEST

18.8.A By next day at 5:00 p.m.:

- (1) Copies of Contractor-maintained "Trouble Log" reports for maintained Service Equipment and facilities which document all known unusual occurrences on the Metrolink system, including results of Contractor follow-up and closeout
- (2) Accident/Incident reports status
- (3) Post-incident employee statements
- (4) Contractor's standard maintenance of equipment conditions, inspection, and test reports

18.9 NOTIFICATION REQUIRED WITHIN 24 HOURS

Notification within 24 hours, followed by complete record of all reports and correspondence within five days. At a minimum, all incidents listed below shall be reported to SBCTA, as soon as the Contractor becomes aware of them:

- (1) Damage which is not FRA - reportable
- (2) Theft or loss of SBCTA and SCRRRA property
- (3) Expulsion of a trespasser from AMF property
- (4) Earthquake action with no property damage or injury

18.10 REPORTS REQUIRED IMMEDIATELY

Those event reports specified below requiring "Immediate Notification" shall be furnished within two hours of incident.

With respect to activities at the AMF, Contractor shall provide Immediate Notification, followed by complete record of all reports and correspondence within 24 hours of any of the following:

- (1) Death
- (2) Injuries to employees, the public, passengers, trespassers, or any other person on Service Property
- (3) Assault
- (4) Occupational illness (includes inhalation, absorption, ingestion, direct contact, hearing loss, poisonous plants, sunstroke, bites from animals, insects or snakes)
- (5) Loss of consciousness
- (6) Alcohol and drug use
- (7) Property Damage (includes SBCTA or SCRRRA property or damage to property of others)
- (8) Fire
- (9) Explosion/detonation
- (10) Rupture
- (11) Any incident with possible environmental impacts, such as diesel fuel spills, illegal disposal of hazardous material on the Service Property, and spills from rail cars
- (12) Flooding/washout

- (13) Any accidents or incidents in connection with the Contractor or its subcontractors or SBCTA contractors, including incidents involving on - track equipment or off - track vehicles
 - (14) Earthquake with property damage or injury
 - (15) Bomb threats
 - (16) Violation of operating or safety rules
 - (17) Any "false clear" signals
- 18.10.A Immediate Notification (followed by complete record of all reports and correspondence within 48 hours)
- (1) FRA - reportable damage
 - (2) FRA, CPUC or OSHA visits and violations
 - (3) HAZARD OF ACCIDENT - A Hazard of Accident is an incident where no injuries, death or property damage occurs but where a human, mechanical, signal or other malfunction creates a condition that could result in an accident. Hazards of Accident shall be reported immediately, with copies to designated SCRRA personnel.

SECTION 19. ANNUAL BUDGET PROCESS

19.1 PREPARATION OF ANNUAL BUDGET

19.1.A Preparation of Preliminary Service Plan

Prior to September 1 of each year during the term of the Contract, SCRRA will prepare and submit to the Contractor a preliminary service plan (CDRL49), which shall include a detailed description of the quantities of Services SCRRA expects the Contractor to provide in the next Fiscal Year (FY) and will form the basis for an Approved Budget. It is recognized that said service plan will represent SCRRA staff recommendations which will be subject to subsequent review and approval by SCRRA before a definitive service plan for the next Fiscal Year can be relied upon by the Contractor.

19.1.B Preparation of Proposed Operating Budget

No later than September 30 of each year during the term of the Contract, the Contractor shall prepare and submit to SCRRA a proposed budget for provision of the Services described in the preliminary service plan for the next Fiscal Year. The proposed budget shall be based on the service plan provided by SCRRA under Section 19.2. and the FY adjusted Base Service price. The proposed budget submission shall:

- (1) Be consistent with the preliminary service plan;
- (2) Specify the number of personnel, both management and non-management, including a list of all positions whose time will be chargeable directly during the coming Fiscal Year;
- (3) Specify all elements of compensation;
- (4) Specify the assumptions used in developing the proposed budget; and
- (5) Identify and explain variances in the Contractor's proposed budget from the Base Service price, and variances in the Contractors proposed budget from the prior Fiscal Year, if applicable.

In addition to the Contractor's proposed operating budget, the Contractor shall submit by September 30, a list of the Contractor's recommendations for procurements, renovations and other maintenance work for equipment and facilities utilized in the provision of the Services which is beyond the scope of the routine maintenance covered by the Contract and estimates of costs associated with such projects. All projects are subject to SCRRA approval. Additionally, the forecasted cost of known On-Call Services projects and programs shall be estimated and submitted so that SCRRA can consider and include the contract capacity and budget authority for these projects and programs at the same time as the annual Base Services Plan and Budget.

SCRRA would seek authority for the Contractor to plan and begin the process for submitting the On-Call Work Directives with the expectation these will be approved when the Work Directive process has been completed. (CDRL 49)

19.1.C SCRRA Review of Proposed Operating Budget

By no later than October 31 of each year, SCRRA shall present to the Contractor comments on the proposed budget submission which shall specify the line items or supporting documentation, if any, to which SCRRA objects, and the basis for each objection.

19.1.D Operating Budget Negotiation

SCRRA and Contractor shall promptly negotiate with respect to any line items to which Authority objects and shall complete the negotiation process by no later than December 1 of each year. SCRRA shall submit the proposed budget to its Board and receive final approval by mid-June.

19.1.E Operations without a Budget

If SCRRA is unable to obtain an Approved Budget by the beginning of the next Fiscal Year under circumstances in which no change in the level of train service is directed and implemented, SCRRA shall make payments to the Contractor according to the agreed upon Base Price. Any cost incurred as a result of changes in the Service Plan, SCRRA to pay Contractor retroactively upon Board approval of the Fiscal Year budget.

19.1.F Budget Amendment for Unforeseen Events

Upon the occurrence of events that were not reasonably foreseeable at the time of approval of the Approved Budget, the parties shall agree upon amendments to the Approved Budget for that Fiscal Year to reflect those changes.

19.2 BASE SERVICES

The cost for performance of Services identified above shall be included in the Base Services price.

SECTION 20. METROLINK SERVICE PLAN

The Metrolink Service Plan (MSP) - Exhibit 16 - describes the level and type of train service, maintenance of equipment and facilities maintenance required as of the Service date, unless otherwise modified.

All the following are part of the Metrolink Service Plan:

20.1 REGULARLY SCHEDULED TRAIN SERVICE (weekday, weekend and holidays)

20.1.A The Metrolink Service Plan schedule is that shown in the Metrolink Public Timetable or as provided in the Annual Budgeting process. The latest timetable for the train services can be found online on the SCRRA website <https://www.metrolinktrains.com>.

20.1.B SCRRA operates a Sunday schedule on certain observed holidays including New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day and others, as a part of Regularly Scheduled Train Service.

20.1.C In addition to the weekday and weekend regularly scheduled trains included in the public timetable, numerous non-revenue or “deadhead” and switching short and sometimes longer non-revenue moves are required to position trainsets. Non-revenue switching moves include assuring train consist are properly equipped and set up in the right order and removal and replacement of equipment scheduled for maintenance.

20.1.D Planned Special Trains

- (1) Special Trains are trains operated for special events such as sporting events or holidays, with schedules that differ from routine operations. A list of the typical Special Trains currently scheduled is provided in Exhibit 16 (MSP). The quantity and schedule for Special Trains will be determined each year during the Annual Budget Process described in Section 19 this process may be updated quarterly. The MSP developed for a given year will include an allowance for unscheduled and scheduled Special Trains as part of the Base Services.

20.2 TRAINS THAT MAY NOT BE IN THE METROLINK SERVICE PLAN

20.2.A Additional Unscheduled Special Trains

- (1) In addition to the Special Train service – Scheduled identified above and in the MSP, the Contractor shall provide Special Trains, including special event service, charters, excursions and Operation Lifesaver/Rail Industry and off-line trips (with Host railroad pilot, where necessary, paid for by SCRRA), as directed by SCRRA.
- (2) Services included for each Special Train shall include train make-up and breakdown services.
- (3) Except for those Special Trains identified in the MSP, any additional Unscheduled Special Trains will require a revision to the Annual Budget or authorized by Work Directive. When SCRRA anticipates providing special train service, it shall submit to the Contractor a notice in writing to operate such service as many days in advance of the event as possible. The Contractor shall use all reasonable efforts to accommodate such request, and promptly upon receipt of written notice, shall inform SCRRA in writing, the estimated cost of providing such service and the manner of compensations.

20.2.B Additional Test Trains

- (1) Contractor shall assume Test Train services are operated for a minimum of an eight-hour shift. In general, SCRRA shall notify the Contractor in writing no less than 72-hours prior to the operation of Test Trains although there may be an occasional short notice requirement for work trains to respond to an emergency. Contractor shall provide any test trains requested with 36-hours or more notice.
- (2) Services included for test trains shall include all non-revenue or deadhead and associated train make-up and switching moves required to support the Test Train Service.

20.2.C Maintenance of Equipment

The maintenance of equipment service plan details departmental goals, service plans, rolling stock fleet descriptions, fleet sizes, equipment layover locations and specific maintenance tasks that the contractor is responsible to support.

20.2.D Facilities

The Service Plan will include the Facilities and support equipment that the Contractor is responsible to maintain. The Contractor is responsible to determine the staffing level and staffing schedule and their support equipment and maintenance intervals on SCRRA provided EAM system as well as staffing needed to response to call outs and repairs.

20.3 UPDATES TO THE METROLINK SERVICE PLAN

SCRRA anticipates one system-wide change of schedule per year, typically on July 1st. However, SCRRA may issue schedule changes in special circumstances such as a new station opening. SCRRA will consult the Contractor prior to implementing these additional schedule changes.

20.3.A Schedule and Consist Changes

The Contractor or SCRRA shall develop and provide, one month prior to an anticipated schedule change, any recommendations for running time revisions or other scheduling matters which improve operating performance. Should operating miles exceed 140,000 in a fiscal year, the Contractor shall submit its plan and cost changes to SCRRA addressing the schedule change and increased to base maintenance cost.

20.3.B Facility Changes

SCRRA shall provide the Contractor notice two months in advance of Facility maintenance changes that will impact Contractor responsibilities; including but not limited to installation of HVAC at existing facility, addition of janitorial/landscaping services at an existing facility, addition of new facility and removal of existing facility. The Contractor and SCRRA shall negotiate any cost impact of the proposed changes.

SECTION 21. RESPONSIBILITIES UPON TERMINATION OR COMPLETION OF CONTRACT

N/A

SECTION 22. LIST OF SCOPE OF WORK EXHIBITS

Exhibit Number	Exhibit Name	Relevant Sections
5	SCRRA Head End Video Recorder (HEVR) System Policy & Procedures	4. Contractor and SBCTA Responsibilities 5. Requirements and Standard Operating Procedures
7	Metrolink and Arrow Operational Supplemental Instructions	5. Requirements and Standard Operating Procedures
9	Metrolink System Safety Program Plan	5. Requirements and Standard Operating Procedures 7. Training 8. Safety
10	Qualifications of Key Management and Personnel	6. Personnel Requirements
11	Metrolink's Supplier's Code of Conduct	6. Personnel Requirements 7. Training
12	SCRRA Drug and Alcohol Policy	6. Personnel Requirements
13	Training Summary Requirements	7. Training
14	Metrolink Passenger Train Emergency Preparedness Plan	8. Safety
16	The Metrolink Service Plan (MSP)	20. Metrolink Service Plan

Exhibit Number	Exhibit Name	Relevant Sections
20	Metrolink Fuel Conservation Program	5. Requirements and Standard Operating Procedures 13. Maintenance of Service Equipment
23	PTC On-board inspection, Verification, and Certification Plan	13. Maintenance of Service Equipment
26	Utility Carts and Equipment Provided by the SCRRA	14. Facilities Usage and Maintenance
28	Facilities Maintenance & Management Plan	5. Requirements and Standard Operating Procedures
33	Metrolink IT Policies and Procedures	16. Information Technology (IT) Requirements
38	Fleet Driver's Handbook	15. SCRRA-Furnished Non-revenue Rubber Tire Vehicles
39	Stormwater Pollution Prevention Plans	14. Facilities Usage and Maintenance
42	SCRRA Travel Procedures for Contractors	5. Requirements and Standard Operating Procedures
46	Rolling Stock Condition Assessment	4. Contractor and SBCTA Responsibilities
47	Rolling Stock EAM BPA	4. Contractor and SBCTA Responsibilities 16. Information Technology (IT) Requirements
48	Facilities EAM BPA	4. Contractor and SBCTA Responsibilities 16. Information Technology (IT) Requirements
49	EAM Training	4. Contractor and SBCTA Responsibilities 16. Information Technology (IT) Requirements
51	FRA Regulation Matrix	5. Requirements and Standard Operating Procedures 7. Training
52	General Code of Operating Rules (GCOR)	5. Requirements and Standard Operating Procedures
53	FRA Tier 1 Passenger New Starts Deliverables	10. Mobilization
55	Work Directive Process	13. Maintenance of Service Equipment
56	Rolling Stock Maintenance and Management Plan	5. Requirements and Standard Operating Procedures
60	Metrolink Transit Asset Management Plan	5. Requirements and Standard Operating Procedures
61	Facilities Condition Assessment Procedure	14. Facilities Usage and Maintenance
62	Facilities Condition Assessment	4. Contractor and SBCTA Responsibilities 14. Facilities Usage and Maintenance
63	Rev1 Authority Special Tools and Test Equipment	13. Maintenance of Service Equipment
64	Facilities Personnel On-Track Protection Procedures	14. Facilities Usage and Maintenance
68	PTC Onboard Hardware under Warranty	23. Materials Procurement and Management
69	PTC Product Return Instructions	23. Materials Procurement and Management

SECTION 23. MATERIALS PROCUREMENT AND MANAGEMENT

23.1 MATERIALS MANAGEMENT

- 23.1.A As of the Materials Management Service Date, Contractor shall be responsible for managing materials as set forth below. Provision and management of consumables for service equipment and AMF are included in full service maintenance fee, respectively.
- 23.1.B The Contractor shall procure Consumables and manage SBCTA-owned inventory, be responsible for, and shall manage the planning, purchasing, Quality Control, storage, distribution, and control of all materials related to Service Equipment and AMF (assuming the associated NTPs and Service Dates have been met) required to perform the Services under the Contract.
- 23.1.C The Contractor shall use SCRRA's Enterprise Asset Management (EAM) system to track material management.
- 23.1.D The Contractor shall return parts and materials to vendors or manufacturers as needed for warranty service, repair or replacement, engine overhauls, and Capital projects.
- 23.1.E The Contractor shall also provide minor Consumables including, but not limited to, rags, cleaning fluids and facility maintenance materials. The Contractor shall purchase Consumables for use, including but not limited to, engine oil filter, air filters, fuel filters, hydrogen fuel filters, purge filters, process air filters, DI filters, anti-freeze, and bulk lubricants such as traction motor grease, suspension bearing oil, governor oil and traction motor brushes. Any Consumables shall be in accordance with the Service Equipment and facility OEM requirements/approval in order to not invalidate any warranty requirements.
- 23.1.F Contractor shall schedule services related to the maintenance. This will include tool calibration, parts washers, oil waste and other hazard waste removal.
- 23.1.G Contractor shall maintain Materials Safety Data Sheet (MSDS) information and update as needed.
- 23.1.H The Contractor shall be responsible for managing the application of wayside power to the Service Equipment. The Contractor shall ensure the wayside power for ZEMU vehicles maintains the onboard ESS (Energy Storage System) State of Charge (SOC) and temperatures to within OEM recommended levels, including when the vehicle is powered down.
- 23.1.I SBCTA may provide a 3-phase 480VAC isolated power supply located at certain locations at the AMF for charging the ZEMU traction battery ESS.

23.2 MATERIAL MANAGEMENT MOBILIZATION

Section 10 of this SOW shall dictate the period Contractor will have to complete Material Management mobilization. As part of mobilization and for record keeping purposes, the Contractor and SBCTA shall perform a joint audit of on-hand material, detailing the quantities and types of usable, on-hand material that Contractor is willing to purchase and take ownership of from SBCTA or SCRRA during Materials Management Mobilization. For purposes of this Section, the "value" of each item shall be the cost that SBCTA or SCRRA paid for each item.

23.3 STORAGE AND HANDLING

- 23.3.A The Contractor shall store SBCTA-owned and SCRRA-owned inventory at the AMF. Should additional storage space be required, this shall be at the Contractor's expense. The Contractor shall be responsible to manage and distribute the issued materials, as required, at the AMF to support inspection, testing, maintenance, troubleshooting and repair requirements.

- 23.3.B The Contractor shall be responsible for designating qualified Quality Control personnel to establish and implement plans and procedures necessary to ensure all materials procured and utilized under the Contract comply with quality processes, standards, and regulations. The Contractor shall maintain records of all inspections and tests performed on the materials, including records of any non-conforming materials. SBCTA shall have the right to conduct independent inspections and tests to verify compliance with quality requirements.
- 23.3.C The Contractor shall be responsible for shipping and handling of SCRRA PTC onboard hardware with SCRRA's PTC onboard hardware provider (Wabtec Global Services) for purchases and repairs; the Contractor shall follow the Return Material Authorization (RMA) process outlined by PTC onboard hardware provider outlined in Exhibit 69 (PTC Product Return Instructions) when shipping PTC hardware for servicing/repairs. PTC onboard hardware warranty is under SCRRA's name. Contractor shall reference Exhibit 69 (PTC Product Return Instructions) and Exhibit 68 (PTC Onboard Hardware under Warranty). The PTC Onboard Hardware under Warranty by PTC provider over time and will be updated by SCRRA in writing to Contractor.

23.4 INVENTORY CONTROL

- 23.4.A SBCTA and the Contractor shall develop jointly an Inventory Maintenance Plan (CDRL 51). The Plan shall detail the amount of Inventory required to support inspection, testing, maintenance, troubleshooting and repair requirements in accordance with the SEMP. The plan shall include a process and schedule for monthly review and metrics for measuring the effectiveness of the plan. The plan shall be jointly reviewed and updated annually (each, an Inventory Maintenance Plan Update) (CDRL 51), by July 1st, or more frequently if required.
- 23.4.B The Contractor shall ensure no material shortages occur and shall determine the minimum and maximum levels and reorder point of each item to be maintained in Inventory as part of the Inventory Maintenance Plan.
- 23.4.C Based on the SEMP, the Contractor shall designate each item of critical or unique material (the "critical material") with SBCTA's approval to determine necessary stocking levels in order to ensure continuous availability during seasonal demands and to support fluctuations in lead times that typically occur. Critical material must be available in sufficient quantities to support the operation of Arrow Services.
- 23.4.D For the Inventory Maintenance Plan, the Contractor shall determine minimum levels of necessary common-use material to be stocked to support troubleshooting and running repair of Service Equipment in order to avoid train delays or inoperative or unusable vehicles.

23.5 PROCUREMENT OF MATERIALS FOR ON-CALL SERVICES

This section only applies to On-Call Services:

- 23.5.A During Mobilization period, Contractor is responsible for providing documentation to support sole source procurements for OEM materials (OEM List) (CDRL 46), in accordance with SCRRA policies. Thereafter, Contractor shall have no further obligation to provide procurement documentation associated with OEM materials for the Service Equipment included in the original OEM List. Contractor will maintain additions or revisions to the OEM list, with the proper justification, contingent to approval by SCRRA.
- 23.5.B The Contractor shall follow SCRRA - approved Contractor Procurement SOP (CDRL 47), consistent with SCRRA's Procurement and Contracting Policies, which will be developed cooperatively between the parties following NTP 2, during Mobilization period. SCRRA's Procurement and Contracting Policies are available online at (<https://metrolinktrains.com/doing-business>).

23.5.C All contractual arrangements for purchase of materials must be in an 'arm's length' arrangement unless otherwise approved by SCRRA. Any approved non - arm's length transaction shall be at the verified actual original supplier cost without Contractor mark - up of any kind.

23.6 WARRANTIES

23.6.A The Contractor must deliver to SBCTA all manufacturers' warranties, guaranties, instruction sheets and parts lists that are procured by the Contractor. In connection with On-Call Services, Contractor must purchase a two - year warranty, if available, unless specifically designated otherwise in the Materials Management Plan. If extended warranties beyond two years are available, Contractor shall inform Authority and Authority may direct Contractor to procure the extended warranty.

23.7 NEW AND OVERHAUL SERVICE EQUIPMENT AND FACILITY SUPPORT

23.7.A The Contractor working with SBCTA shall integrate material requirements for any new and overhauled Service Equipment and the AMF. The Plan shall detail the amount of inventory required to perform Contract Services for the new and overhauled Service Equipment.

23.7.B The Contractor is responsible to include/add materials for new and overhaul vehicles and facilities in SCRRA-provided Asset Management System.

23.7.C The Contractor is responsible to identify and record in the EAM all material warranties, including extended warranties, if applicable, for all items procured.

23.8 CAPITAL FUNDED MATERIALS

23.8.A The Contractor shall cooperate with and support SBCTA identifying the need and purchasing all capital funded materials for Service Equipment improvements/enhancements in compliance with Section 23.5.

23.8.B Contractor and SBCTA shall perform a joint audit of the quantity and condition of all ZEMU capital spares prior to the ZEMU Maintenance Service Date. After the ZEMU Maintenance Service Date, Contractor will be responsible to store ZEMU Capital Spares parts in a secure storage area.

23.8.C It is expected that Contractor will use capital spares as needed for both Preventive Maintenance and Corrective Maintenance to support the ZEMU and DMU Services. During ZEMU Mobilization, SBCTA and Contractor will develop a process through which capital spares can be readily issued to Contractor for use with appropriate authorization from SBCTA.

23.8.D The Contractor may not, under any circumstances, "borrow" or scavenge parts from capital spares.

23.8.E The Contractor shall provide written justification proposing the use of a specific number of capital spares based on need.

23.8.F Option for ZEMU Capital Spares

The Contractor shall propose a ZEMU recommended capital spares list and pricing for purchase at the discretion of SBCTA. The spares list shall include recommended capital spares to support the ZEMU fleet, only for components unique to the ZEMU design, i.e., not common and interchangeable between DMU and ZEMU vehicles. Once purchased by SBCTA, the use provisions of Section 23.8 shall apply equally.

23.8.G Replacement of capital spares shall be handled as follows:

- (1) If the capital spare is being used as part of Preventive Maintenance, normal wear and tear, or damage to the Service Equipment that is outside the control of Contractor, Contractor shall notify SBCTA and SBCTA shall advise whether they either want to repair or replace the part at SBCTA's expense or not replace the part at all.
- (2) If the capital spare is being used for Corrective Maintenance due to the negligence or willful misconduct of Contractor, or the failure of Contractor to maintain the Service Equipment in accordance with the SEMP, Contractor must repair or replace the capital spare at its own cost.

23.9 FUEL MANAGEMENT

23.9.A Fuel Dispensing

Contractor is responsible to dispense fuel to Service Equipment. The Contractor has the ability to contact the Fuel Supplier to schedule non-scheduled trackside deliveries. Contractor is responsible to train and qualify Contractor staff on how to utilize fuel dispensing equipment. Contractor is responsible for developing a spill prevention plan.

23.9.B H2 Fuel Equipment maintenance

The H2 Fueling Equipment maintenance is SBCTA's responsibility, both operationally and financially.

23.9.C Diesel Fueling Equipment maintenance

Upon passage of the ZEMU Maintenance Service Date, the DMU Maintenance Service Date, the AMF Service Date and the Materials Management Service Date, the Diesel Fueling Equipment maintenance is the Contractor's responsibility

23.10 MATERIAL MANAGEMENT SYSTEM

The Contractor shall use SCRRA's Asset Management system to track material management.

23.11 MATERIAL MANAGEMENT DEMOBILIZATION:

Upon the termination or end of this Contract, the Contractor and SCRRA/SBCTA shall perform a joint audit of any on-hand Consumables as part of demobilization. SCRRA/SBCTA and Contractor shall agree on which Consumables SCRRA/SBCTA is willing to purchase and the value thereof. For purposes of this Section, the "value" of each item shall be the cost that Contractor paid for each item.

23.12 BASE SERVICES

23.12.A Unless explicitly described as an On-Call Service, the cost for performance of Materials Management Services described above shall be included in Base Services prices. These costs include, but are not limited to:

- (1) All labor/personnel costs related to the management, administration, field inventory, local delivery acceptance and unloading if applicable, local warehousing and site storage support and training.
- (2) All tools and equipment, electronic communications, software and hardware.

23.13 ON - CALL SERVICES AND PASS-THROUGH COSTS

23.13.A The materials purchased by the Contractor in accordance with this Section shall be paid by SBCTA or SCRRA. Contractor shall itemize all such purchases on each invoice and include documentation for material purchases, sales invoices, bills of lading, receiving documentation (location, date, person receiving and inspection notes) and inventory location.

23.13.B At a minimum, there will be an annual audit of the materials process and purchases. This audit will verify that the Contractor is purchasing material in accordance with Laws, Regulations, Authority Procurement Policies and Procedures and the actual material costs.

SECTION 24. CONTRACT DELIVERABLES REQUIREMENTS LIST (CDRL)

CDRL #	CDRL Name	Due	Authority Review or Approval	Reference Document(s)	Scope of Services Section
1	Mobilization Plan	Within 7 days after each NTP	Approval		4 Contractor and Authority Responsibilities 10 Mobilization
2	Incident Call- Out Response Plan	60 Day prior to In-Service date; 60 days for Authority to review and approve before performing any Base Services	Approval		4 Contractor and Authority Responsibilities
3	Key Personnel Plan (Qualifications, Resumes & Position Descriptions for Key Personnel)	First Submittal 14 days after NTP 1 and Updated Quarterly	Review		4 Contractor and Authority Responsibilities
4	Organizational Chart	First submittal 14 days after NTP 1 and Updated Quarterly	Review		6 Personnel Requirements 9 Quality Program 10 Mobilization
5	Contractor Collective Bargaining Agreements (CBA)	30 Days prior to in-service date then annually or upon change	Review		6 Personnel Requirements
6	Personnel "Heat" Map	30 Days prior to In-Service date, then updated Quarterly	Review		6 Personnel Requirements
7	Criminal Background Check Policy	90 days prior to In-Service date	Approval		6 Personnel Requirements
8	MetroLink Supplier's Code of Conduct Employee Acknowledgement of Receipt(s)	90 Days after NTP 1	Review		6 Personnel Requirements
9	Personal Protective Equipment (PPE) Plan	60 days prior to In-Service date	Approval		6 Personnel Requirements
10	Training and Certification Plan	90 days prior to In-Service date with 60 Days to review and approve before commencing training then annually or upon change	Approval		7 Training 4 Contractor and Authority Responsibilities
11	Corrective Action Plan	Within 30 days of receiving audit report	Approval	MetroLink SSPP	8 Safety
12	Internal Control Plan for Accident and Incident Reporting	90 days prior to In-Service date	Approval	Authority's Internal Control Plan	8 Safety
13	SMP/SMS Response Plan	90 Days prior to In-Service date	Approval	MetroLink SSPP	8 Safety
14	Quality Program Plan (QPP)	90 days after NTP 1	Approval		9 Quality Program
15	Audit Summary Report	90 days after In-Service date, then Submitted on an annual basis	Review		9 Quality Program
16	Employee Hiring Plan	30 days after NTP 1	Approval	Urban Mass Transportation Act	10 Mobilization
17	Service Equipment Maintenance Plan	90 days prior to In-Service date, then updated annually	Approval	Existing SCRRA Maintenance Management Plan	10 Mobilization
18	Maintenance Interval Procedure	90 days prior to In-Service date	Approval		10 Mobilization
19	Uniform Plan	90 days prior to In-Service date	Approval		6 Personnel Requirements
20	Train Operations Staffing Plan	60 days prior to In-Service date, then reviewed periodically	Approval		10 Mobilization

CDRL #	CDRL Name	Due	Authority Review or Approval	Reference Document(s)	Scope of Services Section
24	Crew and Consist Cycle Sheets	90 days prior to In-Service date; 14 days after notification of schedule change	Approval		11 Train Operations and Crewing
22	Service Disruption Recovery Plan	90 Days prior to In-Service date and 60 days to review and approve before performing any service impacting train operations	Approval		11 Train Operations and Crewing
23	Contractor Job Scripts	60 days prior to commencement of service, and updates 60 days after notification of schedule change	Approval	Crew Runs	11 Train Operations and Crewing
24	Crew Management System (Crew Calling Plan)	60 days prior to commencement of service, and updates 30 days after notification of schedule change	Approval		11 Train Operations and Crewing
25	Contractor's Service Plan	60 days prior to commencement of service, and updates 30 days after notification of schedule change	Approval	Crew Runs	11 Operations and Crewing
26	Contractor Standard Operating Procedures (SOP's)	45 days prior to In-Service date, then updated as required, not less than annually	Approval	Create List of SOP's	04 Contractor Responsibilities & 11 Train Operations and Crewing
27	Fare Enforcement Procedure	90 Days prior to In-Service date, then updated annually	Approval	Metrolink & Arrow Operational and Supplemental Instructions	11 Train Operations and Crewing
28	FRA Part 240/242 Plan	90 days prior to In-Service date	Approval		11 Train Operations and Crewing
29	Cleaning Chemicals and Processes List)	90 days after NTP 1	Review		13 Maintenance of Revenue Equipment 10 Mobilization
30	Service Equipment Maintenance Program Plan and Schedule (SEMP)	90 days prior to In-Service date, it shall have all its components	Review		13 Maintenance of Revenue Equipment 10 Mobilization
31	Configuration Management Change Control Program	90 days of NTP 1	Approval	Maintenance Management Systems	13 Maintenance of Revenue Equipment
32	Weekly Maintenance Production Plan	60 days after In-Service date, then updated weekly no later than 3pm on Friday	Approval	Maintenance Management Systems	13 Maintenance of Revenue Equipment
33	Corrective Maintenance Incident Report (template)	60 days after In-Service	Approval		13 Maintenance of Revenue Equipment
34	Inventory Data Account Report	90 days after 1st inventory reconciliation (during Mobilization); then in monthly reporting	Review		13 Maintenance of Revenue Equipment
35	Cleaning Intervals Procedures	90 Days After NTP 1	Approval		13 Maintenance of Revenue Equipment
36	Facility Maintenance Work Plan Schedule	90 Days After NTP 3	Approval		14 Facility Usage and Maintenance 4 Contractor and Authority Responsibilities
37	State of Good Repair (SGR) Plan	6 months of NTP 3 (October 10 of each year)	Submittal		14 Facility Usage and Maintenance 13 Maintenance of Revenue Equipment 18 Required Data Collection, Reports and Notifications
38	Technology Enhancement Plan	90 after NTP and 60 days to review	Approval		16 Information Technology Systems
39	IT Plan	90 days after In-Service date and 60 days to review	Approval		16 Information Technology Systems 10 Mobilization
40	Deficient Condition Report	90 days after In-Service date	Approval		18 Required Data Collection, Reports and Notifications
41	Agreement with Derailment Contractor	60 days prior to In-Service date	Approval		Operations and Maintenance

CDRL #	CDRL Name	Due	Authority Review or Approval	Reference Document(s)	Scope of Services Section
42	Monthly Invoice in Electronic Form	30 days prior to In-Service date, then improve and refine 6 months after Service date	Approval		18 Required Data Collection, Reports and Notifications
43	Contractor's Customer Service Plan	60 days prior to In-Service date	Approval		12 Customer Service
44	Office Space	10 Days after NTP 1	Review		10 Mobilization
45	Capital and Rehabilitation Plan	Annually, after Mobilization by December 31 st	Review		17 On-Call Services and Work Directives
46	OEM List	Mobilization	Approval		23 Materials Management
47	Contractor Procurement SOP	Mobilization	Approval		23 Materials Management 14 Facility Usage and Maintenance
48	Train Movement within the AMF	Mobilization	Approval		13 Maintenance of Revenue Equipment
49	Preliminary Service Plan	September 1 of each year	Approval		19 Annual Budget Process
50	Derailment SOP	Mobilization	Approval		13 Maintenance of Revenue Equipment
51	Inventory Maintenance Plan	Annually (by July 1 st)	Approval		23 Materials Management

CDRLs that have a strikethrough are not required.

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Attachment B
PRICING SCHEDULE
(NOT INCLUDED)

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Attachment: 24-1003105 SBCTA MU Maintenance Contract with Stadler_Rev 8-1-24_FINAL [Revision 1] (10842 : Award of Sole Source

Attachment C

LIQUIDATED DAMAGES

In accordance with Article 5 of the Agreement, SBCTA may impose liquidated damages for the performance failures set forth in this Attachment C. These liquidated damages are SBCTA's exclusive remedy for Contractor failures. Further, the imposition of liquidated damages does not impact the parties' indemnity obligations.

Notwithstanding anything to the contrary, Contractor will only be held liable for the damages or liquidated damages when SBCTA demonstrates that the underlying event (giving rise to such damages) directly results from Contractor's improper maintenance of the vehicles (workmanship) and/or the lack of timely notice by Contractor about the needed material to perform the Contract.

Furthermore, it is specifically understood that, when considering/calculating the fleet availability, performance, reliability, cleanliness and on-time performance, Liquidated Damages will only be considered for issues that are directly resulting from Contractor's improper maintenance of the vehicles (workmanship) and/or the lack of timely notice by Contractor about the needed material to perform the Contract. With the exception of A.3, SBCTA will not assess Liquidated Damages related to the ZEMU until six months after the associated Maintenance Service Date. SBCTA will not assess Liquidated Damages related to the DMUs until three months after the associated Maintenance Service Date.

SBCTA shall be damaged if Contractor fails to perform the Services adequately or in a timely manner. For certain performance failures, actual damages to SBCTA may be difficult or impractical to determine. Accordingly, Contractor agrees to pay SBCTA Liquidated Damages as set forth in this Attachment C and as otherwise provided in this Contract. Such Liquidated Damages are intended to reasonably compensate SBCTA for harm or injury caused by Contractor and not susceptible to quantification and shall not be deemed to be a penalty. Liquidated Damages for any month will be limited, for all causes, to a maximum of ten (10) percent of the total invoice value for the month in which the damages occurred.

A. Train Performance

A.1 Contractor agrees to pay SBCTA Liquidated Damages as follows:

A.1.1 DMU Reliability: \$800 for each DMU that arrives at its final destination or arrives at the terminal/turn station more than six (6) minutes later than the time stated in Metrolink's public timetable, if the primary cause of the delay is directly attributable to a vehicle-related failure, a negligent act or omission of Contractor, a Contractor employee or Subcontractor.

A.1.2 DMU Reliability: \$7,700 for each DMU that arrives at its final destination or arrives at the terminal/turn station more than twenty-one (21) minutes later than the time stated in Metrolink's public timetable, if the primary cause of the delay is directly attributable to a vehicle-related failure, a negligent act or omission of Contractor, a Contractor employee or Subcontractor.

A.1.3 ZEMU Reliability: \$800 for each ZEMU that arrives at its final destination or arrives at the terminal/turn station more than six (6) minutes later than the time stated in Metrolink's public timetable, if the primary cause of the delay is directly attributable to a vehicle-related failure, a negligent act or omission of Contractor, a Contractor employee or Subcontractor.

Notwithstanding the foregoing, Liquidated Damages shall not be imposed if the delay is primarily caused by any of the following circumstances:

(1) a design defect in the ZEMU Propulsion System (including the power converter C750; DC/DC C400; E-Box; energy storage system; battery thermal management system; fuel cell system; brake resistors) or New Development Items (hydrogen storage and fuel cell cooling system; vehicle control unit software); and/or

(2) a failure of the Propulsion System and/or New Development Items, as defined above, that is not related to preventative maintenance of those components.

After the ZEMU completes two and half years in Revenue Service, the parties shall jointly evaluate and analyze the reliability data and ultimately agree upon ZEMU Reliability criteria that shall relate to the ZEMU Propulsion System and New Development Items and may result in Liquidated Damages for the remainder of the Contract.

A.1.4 ZEMU Reliability: \$7,700 for each ZEMU that arrives at its final destination or arrives at the terminal/turn station more than twenty-one (21) minutes later than the time stated in Metrolink's public timetable, if the primary cause of the delay is directly attributable to a vehicle-related failure, a negligent act or omission of Contractor, a Contractor employee or Subcontractor.

Notwithstanding the foregoing, Liquidated Damages shall not be imposed if the delay is primarily caused by any of the following circumstances:

(1) a design defect in the ZEMU Propulsion System (including the power converter C750; DC/DC C400; E-Box; energy storage system; battery thermal management system; fuel cell system; brake resistors) or New Development Items (hydrogen storage and fuel cell cooling system; vehicle control unit software); and/or

(2) a failure of the Propulsion System and/or New Development Items, as defined above, that is not related to preventative maintenance of those components.

A.1.5 MU Availability: \$7,700 for each MU Service annulled or terminated, if the primary cause of the delay is directly attributable to an MU-related failure, or a negligent act or omission of Contractor, a Contractor employee or Subcontractor. MU Services annulled or terminated will be considered 20 minutes late for the purpose of this Liquidated Damage calculation. This \$7,700 amount will increase by \$1,000 every three years for the life of this Contract. Each MU Service may be achieved by using any combination of the three (3) DMUs and the ZEMU.

A.1.5.1 The Liquidated Damages set forth in A.1.5 are based on the assumption that two (2) MUs per day are required to complete daily service (no more than 36 hours scheduled Service hours altogether per the approved Service Plan). In the event that SBCTA/SCRRA increases the Service hours beyond 36 hours scheduled Service hours beyond the approved service plan, LD will not be assessed for MU availability.

A.2 Liquidated Damages for Train Performance will be based upon the difference between actual and scheduled departure times of the train, minus any other delays to that trip identified by SCRRA's Director of Equipment or his or her designee, at the train's station. To the extent possible, delay times will be determined by replays of SCRRA's Wabtec dispatch system or by utilizing other train arrival monitoring system as SCRRA may adopt in the future.

A.3 The Contractor agrees to pay SBCTA Liquidated Damages as follows for each Service Failure:

Failure Type	Definition	Liquidated Damage
Vacant Positions	In the event any required role or key personnel position is vacant for more than 90 calendar days, liquidated damages may be assessed for each week until position is filled. For purposes of this section “vacant” shall only refer to resignations or terminations and does not refer to leaves of absence or temporary replacements.	\$5,000 per week
HVAC System Failures	Failure to maintain temperatures within the OEM HVAC Equipment design values.	\$3,300
Door Failure	Failure of a door to operate as designed	\$800
Lighting System Failure	Failure of 10% or greater of the lights in the interior of the vehicle to remain illuminated for the duration of the trip	\$800
Communication System Failure	Failure of the Public Address System, Intercom, Signage or Vehicle Radio enroute	\$800
Ride Quality Failure	Failure of the truck and suspension system to provide the designed ride quality as a result of a Service Equipment defect.	\$1,600
Cleanliness Failure	When the Total Score reported on Metrolink Daily Coach Cleaning Scorecard is less than 66 points. Total Scores shall be measured prior to any passenger Service.	\$800
On-Time Performance Measures	Failure to meet performance measures set forth in Section 8.1 of Exhibit 28 (SCRRA Facilities Maintenance and Management Plan Facilities Plan) Such liquidated damages shall only be associated with Inspections and Testing defined in Section 5 of Exhibit 28 as applied only to the AMF.	\$2,500 per occurrence.

Failure Type	Definition	Liquidated Damage
Major Equipment Availability	In the event facilities personnel fail to provide an initial response (but not necessarily resolve the issue) in accordance with the requirements set forth in Section 14.7 of the Scope of Work, liquidated damages may be assessed.	\$500 per occurrence per day Liquidated damages in this category will not exceed \$5,000 per month.
Efficiency Testing	If Contractor fails to adhere to its FRA Part 217 Efficiency Testing Program during any month, liquidated damages may be assessed. Failures to adhere to FRA Part 217 that result from vacations, unforeseen absences or leaves of absence shall not result in liquidated damages.	\$5,000 per month.
De-certifiable Rule 246 Violations	For each FRA Rule 246 de-certifiable violation, liquidated damages may be assessed.	\$5,000 per violation plus any costs associated with the applicable FRA civil penalties Liquidated damages in this category will not exceed \$25,000 per month, exclusive of FRA civil penalty.

Such amounts will increase annually, consistent with the agreed upon price adjustment clause in Attachment B for the life of this Contract.

There shall be no stacking of liquidated damages for a single event enumerated in A.1-A.4, and highest amount shall be used. For example, if a Door Failure results in a delay of over 21 minutes, CONTRACTOR cannot be charged both \$7,700 under A.1.2 and \$800 under A.4, and shall be charged \$7,700 since it is the higher amount.

B. Quality Control Reporting

B.1 Contractor's monthly QAP report is a required deliverable under this Contract. Each month, Contractor shall be assessed Liquidated Damages for late or incomplete reports because the failure to timely provide complete reports will be detrimental to SBCTA, and the injury to SBCTA will be difficult to quantify.

B.2 The Liquidated Damages assessed shall be \$800 per occurrence.

C. Service Equipment Quarterly Service Hours

C.1 DMU Service Hours: Contractor shall take reasonable measures to attempt to balance the number of service hours/mileage for each of the three (3) DMUs on an annual basis; however, there shall be no Liquidated Damages for failing to achieve this goal.

C.2 ZEMU Service Hours: Six (6) months after the ZEMU enters the Revenue Service, Contractor agrees to pay SBCTA Liquidated Damages for failing to meet the required quarterly service hours for the ZEMU as follows:

C.2.1 Failure to meet 295 quarterly service hours (15% of the expected MU service hours): \$5,000

C.2.2 Failure to meet 197 quarterly service hours (10% of the expected MU service hours): \$15,000

C.3 Twenty-four months after the ZEMU enters the Revenue Service, Contractor agrees to pay SBCTA Liquidated Damages of \$5,000 for failing to meet 393 quarterly service hours (20% of the expected MU service hours)

C.4 With respect to C.2 and C.3 and only during the warranty period, if the Contractor can demonstrate that the failure to meet the service hours is attributable to the Propulsion System design or Fleet Defect, these repair hours shall be deducted from the required service hours. The Contractor shall provide a report of the total hours expended on repairs. Fleet Defect is defined as cumulative failures of ten percent (10%) of the same components in the same or similar application, with a minimum of three (3) failures of the same component.

Liquidated Damages Cap

SBCTA will not impose Liquidated Damages of more than 10% of the annual base value of the Contract. In addition, the cumulative maximum Liquidated Damages assessed for any single calendar day shall be limited to a maximum of \$12,700 and the maximum for any single calendar month shall be \$77,000. Such amounts will increase annually, consistent with the agreed upon price adjustment clause in Attachment B for the life of this Contract.

Attachment D

ADDITIONAL CLAUSES

ENERGY CONSERVATION

The Contractor agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Federal Energy Policy and Conservation Act, 42 U.S.C. §§ 6321 et seq. The Contractor agrees to include the requirements of this Clause in all subcontracts issued pursuant to this Agreement.

RECYCLED PRODUCTS

The Contractor agrees to provide a preference for those products and services that conserve natural resources, protect the environment, and are energy efficient by complying with and facilitating compliance with Section 6002 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6962, and

U.S. Environmental Protection Agency (U.S. EPA), “Comprehensive Procurement Guideline for Products Containing Recovered Materials,” 40 C.F.R. part 247. The Contractor agrees to include the requirements of this Clause in all subcontracts issued pursuant to this Agreement where the value of an EPA designated item exceeds \$10,000.

ACCESS TO RECORDS AND REPORTS

Contractor shall provide all authorized representatives of SBCTA and the State Auditor access to any books, documents, papers and records of the Contractor which are directly pertinent to this Agreement for the purposes of making audits, copies, examinations, excerpts and transcriptions. Contractor also agrees to maintain all books, records, accounts and reports required under this Agreement for a period of not less than four years after the date of termination or expiration of this Contract, except in the event of an audit, litigation or settlement of claims arising from the performance of this Contract, in which case Contractor agrees to maintain the same until SBCTA, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. The Contractor agrees to include the requirements of this Clause in all subcontracts issued pursuant to this Agreement.

SAFE OPERATION OF MOTOR VEHICLES

The Contractor is encouraged to adopt and promote on-the-job seat belt use policies and programs for its employees and other personnel that operate company-owned vehicles, company-rented vehicles, or personally operated vehicles. The terms “company-owned” and “company-leased” refer to vehicles owned or leased either by the Contractor or SBCTA. The Contractor agrees to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while using an electronic device supplied by an employer, and driving a vehicle the driver owns or rents, a vehicle Contractor owns, leases, or rents, or a privately-owned vehicle when on official business in connection with the work performed under this agreement. The Contractor agrees to include the requirements of this Clause in all subcontracts issued pursuant to this Agreement.

WORKPLACE DRUG AND ALCOHOL TESTING PROGRAMS.

The Contractor agrees to establish and implement a drug and alcohol testing program that complies with 49 CFR Part 219. The Contractor’s specific responsibilities include the following:

1. Submit to the FRA a drug and alcohol testing program as required under 49 CFR Part 219 as soon as possible after contract award.

2. Obtain the FRA's approval of the drug and alcohol testing program. Submit a copy of the approved drug and alcohol testing program and a copy of the FRA's letter of approval to SCRRA during the Mobilization period. Contractor will not be entitled to commence rail operation services until a copy of FRA's letter of approval is received by SCRRA.
3. Produce any documentation necessary to establish its compliance with Part 219, including but not limited to an annual report of Contractor's drug and alcohol testing program, which shall be submitted to SBCTA by January 31 (for the previous year) for inclusion in to SCRRA's annual report to the FRA.
4. Permit any authorized representative of the United States DOT, the FRA, the State Oversight Agency of the State of California, SBCTA or to SCRRA to inspect Contractor's facilities and records associated with the implementation of the drug and alcohol testing program as required under 49 CFR Part 219, and to review the Contractor's testing process.

Contractor is solely responsible for ensuring that its employees, subcontractors, consultants and agents comply with 49 CFR Part 219 throughout the term of the Agreement. Moreover, Contractor is solely responsible for any delays caused as a result of Contractor's failure to comply with 49 CFR Part 219, including but not limited to any order to suspend work from the FRA.

The requirements of this section apply to all "covered work" and "covered service" under 49 CFR Part 219. The Contractor is solely responsible for determining whether it is performing "covered work" or "covered service" under 49 CFR Part 219, taking into account all amendments to the law.

Contractor will be required to cause its prospective safety-sensitive employees who may be assigned to perform safety-sensitive duties for SBCTA or SCRRA to undergo pre-employment drug testing and make drug test result inquiries of prior DOT-regulated employers. Safety sensitive employees shall also be subject to post-accident testing, reasonable suspicion testing, and random testing, and other tests as required by 49 CFR Part 219.

The Contractor must notify SCRRA's Project Manager/Contract Administrator immediately of any violation of the regulations or failure to test.

Any employee of the Contractor found to have violated the drug and alcohol regulations is subject to removal from duties under the Agreement, depending on the facts and circumstances of the situation.

If the Contractor utilizes their own pre-established program or a third party administrator's, Contractor must fully cooperate with SCRRA in such monitoring efforts, provide any requested documents or information, and comply with any corrective action that SCRRA requires of Contractor. Contractor agrees that all records produced and maintained in the performance of the program are subject to review by the Contractor upon request. Further, Contractor may be required to submit quarterly compliance reports to SCRRA.

Contractor agrees to submit within thirty (30) days of award of the contract (1) verification that its safety-sensitive employees are included as part of a random testing pool; (2) a copy of Contractor's substance abuse policy; and (3) the name of its third party administrator, if applicable. Failure to submit such documents within the prescribed time period, or failure to submit any other documentation relevant to the substance abuse testing requirements as required by to SCRRA, may result in the Agreement being terminated for default.

Contractor will include the requirements of this Clause in all subcontracts for "covered work" and "covered service" under 49 CFR Part 219 as well as subcontracts for the performance of safety-sensitive functions issued pursuant to this Agreement.

CLEAN WATER AND AIR REQUIREMENTS

The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., and the Clean Air Act, as amended, 42 U.S.C. 7401 et seq. The Contractor agrees to report each violation to SBCTA and understands and agrees that to SBCTA will, in turn, report each violation as required to assure notification to the appropriate EPA regional office. The Contractor also agrees to include the requirements of this Clause in each subcontract exceeding \$150,000.

FEDERAL TAX LIABILITY AND RECENT FELONY CONVICTIONS.

The Contractor affirmatively represents and certifies that it and its officers, directors, principals, and agents:

1. Do not have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and
2. Have not been convicted of any felony criminal violation under any Federal law within the preceding 24 months.

The Contractor agrees to include the requirements of this Clause in all subcontracts issued pursuant to this Agreement.

DRAFT

General Contract Information

Contract No: 24-1003106 Amendment No.: _____
 Contract Class: Payable Department: Transit
 Vendor No.: 02003 Vendor Name: Southern California Regional Rail Authority
 Description: Assignment and Assumption Agreement
 List Any Related Contract Nos.: _____

Dollar Amount					
Original Contract	\$	-	Original Contingency	\$	-
Prior Amendments	\$	-	Prior Amendments	\$	-
Prior Contingency Released	\$	-	Prior Contingency Released (-)	\$	-
Current Amendment	\$	-	Current Amendment	\$	-
Total/Revised Contract Value	\$	-	Total Contingency Value	\$	-
Total Dollar Authority (Contract Value and Contingency)				\$	-

Contract Authorization

Board of Directors Date: 09/04/2024 Board Item # 10842

Contract Management (Internal Purposes Only)

Zero Dollar Contracts Local Sole Source? No No Budget Adjustment N/A
Construction and Maintenance Agreement

Accounts Payable

Estimated Start Date: 09/04/2024 Expiration Date: 06/30/2030 Revised Expiration Date: _____
 NHS: N/A QMP/QAP: N/A Prevailing Wage: N/A

								Total Contract Funding:	Total Contingency:
								\$	\$
Fund	Prog	Task	Sub-Task	Object	Revenue	PA Level	Revenue Code Name	-	-
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Joy Buenafior Project Manager (Print Name) Victor Lopez Task Manager (Print Name)

Additional Notes: Funding for the maintenance contract will be approved as part of the yearly Arrow Budget process.

Attachment: 24-1003106 - CSS [Revision 1] (10842 : Award of Sole Source Maintenance Agreement-Stadler/Assignment and Assumption

**ASSIGNMENT AND ASSUMPTION AGREEMENT CONTRACT NO. 24-1003106
(SCRRRA REFERENCE MU213-25)
BY AND BETWEEN
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
AND
SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FOR THE MAINTENANCE OF ARROW VEHICLES AND THE ARROW
MAINTENANCE FACILITY**

This Assignment and Assumption Agreement Contract No. 24-1003106 (AGREEMENT) is by and between the SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY (SBCTA) and SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY (SCRRA). SBCTA and SCRRA are each a Party, and collectively Parties to this AGREEMENT.

RECITALS:

- A. On November 13, 2019, SBCTA and Stadler US, Inc. (Stadler) entered into Contract No. 20-1002310 for the procurement of Zero Emission Multiple Unit (ZEMU) Rail Vehicles (the Delivery Contract);
- B. The Delivery Contract identifies as SBCTA's agent the Operator that operates and fuels the ZEMU and to whom SBCTA may assign the ZEMU as well as SBCTA's rights and obligations under the Delivery Contract;
- C. SBCTA and SCRRA have entered into Memorandum of Understanding No. 20-1002367 by which SCRRA has responsibility for operating and maintaining the Arrow service on which the ZEMU will operate, and hence SCRRA is the Operator as defined in the Delivery Contract;
- D. SBCTA and SCRRA have entered into Cooperative Agreement No. 22-1002687 for the Zero Emission Multiple Unit (ZEMU) Initiative, which defines the scope of SCRRA's and SBCTA's involvement during implementation of the ZEMU Initiative, including modifications to the AMF and development and deployment of ZEMU vehicle;
- E. SBCTA and Stadler have entered into an Agreement 24-1003105 for Maintenance of Arrow Vehicles and the Arrow Maintenance Facility, effective as of September X, 2024 (Underlying Agreement); Stadler consented to the Assignment of the Underlying Agreement under Section 44;
- F. The term "Services" as used in this AGREEMENT shall have the meaning as set forth in the Underlying Agreement;
- G. The Underlying Agreement specifies that Parties may enter into an Assignment and Assumption Agreement by which SBCTA will assign, and SCRRA will assume, all of SBCTA's obligations under this Contract;

- H. SBCTA desires to transfer and assign its rights, duties, and obligations under the Underlying Agreement to SCRRA, and SCRRA has agreed to accept and assume all the rights, duties, and obligations under the Maintenance Agreement from SBCTA; and
- I. This AGREEMENT serves to memorialize the assignment by SBCTA and assumption by SCRRA of the rights and obligations under the Underlying Agreement.

NOW THEREFORE, THE PARTIES HEREBY AGREE:

1. The Recitals set forth above are true and correct and are incorporated into and made a part of this AGREEMENT as if fully set forth herein.
2. The Underlying Agreement is attached hereto and is incorporated herein by reference.
3. As of the Effective Date, as defined in Section 7 below, SBCTA hereby assigns to SCRRA all of its rights, duties and obligations under the Underlying Agreement.
4. As of the Effective Date, SCRRA hereby accepts the assignment of the Underlying Agreement, and assumes all of SBCTA’s rights, duties and obligations in the Underlying Agreement.
5. SCRRA and SBCTA acknowledge and agree that no federal funds shall be used to fund any Services provided in the Underlying Agreement.
6. The SBCTA Project Manager shall be replaced by a SCRRA Contract Manager with respect to the Underlying Agreement.
7. SBCTA agrees that for purposes of the Delivery Contract, SCRRA is its Operator and agent, covered under the Delivery Contract’s indemnity provisions.
8. This AGREEMENT shall be effective upon full execution by the Parties (Effective Date).
9. This AGREEMENT shall be governed and construed in accordance with the laws of the State of California. Venue shall be in San Bernardino County.
10. This AGREEMENT may be executed in one or more counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same agreement.
11. This AGREEMENT constitutes the entire agreement between the Parties with respect to the matters discussed in this AGREEMENT and supersedes all prior agreements and understandings between the Parties with respect thereto. However, this agreement shall not be interpreted to supersede the agreements referenced in the Recitals, above.
12. Except as set forth herein, all provisions of the Underlying Agreement shall remain in full force and effect.

-----SIGNATURES ARE ON THE FOLLOWING PAGE-----

IN WITNESS WHEREOF, the Parties hereto have executed this Contract below.

**SOUTHERN CALIFORNIA REGIONAL
RAIL AUTHORITY**

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

By: _____
Darren M. Kettle
Chief Executive Officer

By: _____
Raymond W. Wolfe
Executive Director

Date: _____

Date: _____

APPROVED AS TO FORM

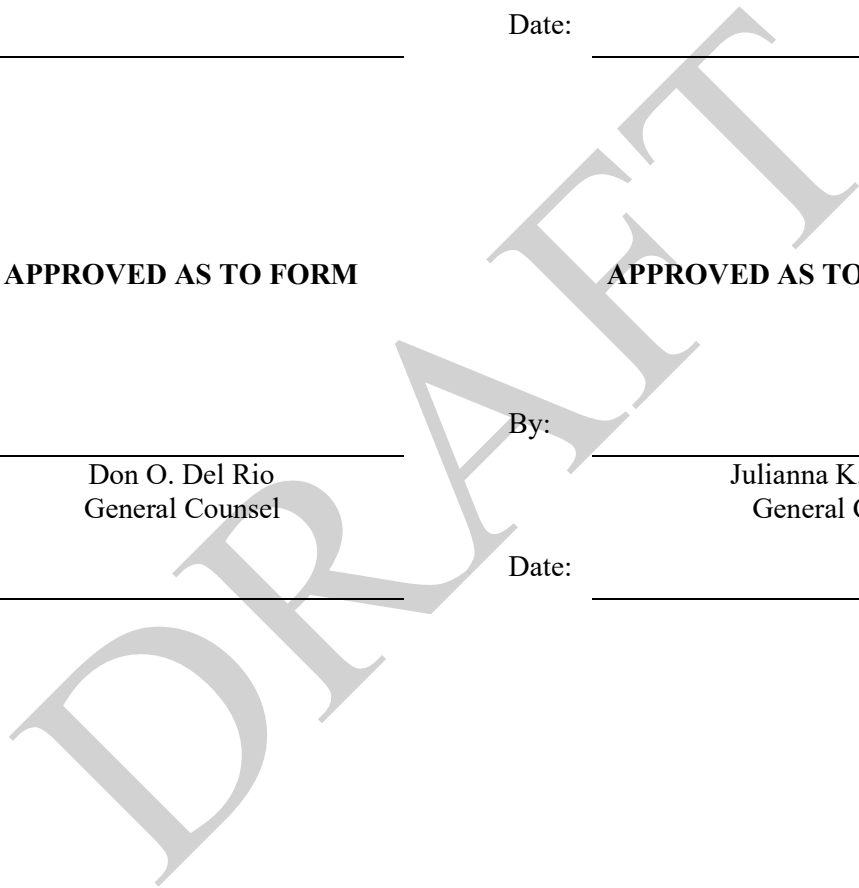
APPROVED AS TO FORM

By: _____
Don O. Del Rio
General Counsel

By: _____
Julianna K. Tillquist
General Counsel

Date: _____

Date: _____



Attachment: 24-1003106 Assignment and Assumption (10842 : Award of Sole Source Maintenance Agreement-Stadler/Assignment and

Minute Action

AGENDA ITEM: 30

Date: *September 4, 2024*

Subject:

Inland Regional Energy Network 2023 Annual Report Update

Recommendation:

Receive an update on the San Bernardino Council of Governments 2023 Inland Regional Energy Network Annual Report.

Background:

On January 9, 2019, the San Bernardino Council of Governments (SBCOG) Board of Directors authorized staff to pursue development of a Regional Energy Network (REN) to provide energy efficiency programs in the Inland Empire related to Codes & Standards (C&S), Public Sector, and Workforce Education & Training (WE&T) as outlined in the Inland Regional Energy Network (I-REN) business plan. SBCOG staff worked in coordination with the Coachella Valley Association of Governments (CVAG) and Western Riverside Council of Governments (WRCOG) to submit the I-REN application and business plan to the California Public Utilities Commission (CPUC). In October 2021, the CPUC issued a proposed decision to approve the business plan for I-REN. This proposed decision would provide \$65 million combined over five years through 2027. In November 2021, the CPUC approved the I-REN application and business plan with WRCOG as the administrative lead agency for this program. I-REN initiatives are guided by the I-REN Executive Committee, which is comprised of a board of elected officials from Riverside and San Bernardino counties.

The purpose of this report is to highlight the I-REN accomplishments that were filed in the 2023 annual report with the CPUC for both Riverside and San Bernardino counties. On April 16, 2024, the I-REN 2023 annual report was presented to the I-REN Executive Committee members for the following three I-REN sectors: C&S, Public Sector, and WE&T.

With the launch of program activities in 2023, I-REN also heightened its focus on data collection and program performance tracking. Findings from past evaluations and REN best practices figured prominently in this process. In early 2023, I-REN undertook a process to define its unique value metrics (UVMs) in alignment with its strategic framework. Program teams selected key performance indicators and developed methodologies for tracking program data. I-REN participated in an Evaluability Assessment as part of the CPUC's evaluation of RENs, receiving high marks from evaluators for its UVMs and preparedness to successfully track program data. In late 2023, I-REN joined the other Public Administrators (PAs) and stakeholders in beginning to examine and clarify segment indicators and common metrics.

Looking ahead to 2024, I-REN will continue to build on these early achievements and refine program offerings based on stakeholder engagement, to ensure that equity and market support remain at the heart of I-REN operations as its reach and impact expands.

Entity: COG, San Bernardino Council of Governments

Key Achievements in 2023 and plans for 2024

I-REN Organizational Strategic Plan: In 2023, I-REN developed a five-year Organizational Strategic Plan to ensure effective use of CPUC funding, identify clear priorities, and align activities across member agencies. The I-REN Strategic Plan will be used by I-REN's staff and Executive Committee, and will serve as a public-facing document to share the direction and focus of I-REN with cities, tribes, and other partners in the region.

The I-REN Organizational Strategic Plan was approved by the I-REN Executive Committee in January 2024.

Orientations, Website, and Branding: I-REN staff completed orientations throughout Riverside and San Bernardino counties. More than 133 public agency staff members participated from 41 jurisdictions. In addition, there has been participation from 16 other agencies including the CPUC, chambers of commerce, community college districts, K-12 unified school districts, and water districts.

In 2023, I-REN marketing efforts were dedicated to building a solid foundation. I-REN's marketing team successfully crafted an I-REN brand direction and identity, including key assets that are specifically designed to enhance I-REN's visibility. I-REN marketing assets represent the essence of the I-REN brand and ensure consistency and professionalism in all communications.

Public Sector: As I-REN ramped up in 2023, Public Sector programs focused on introducing member agencies to their services. I-REN conducted orientations throughout the region and individual onboarding meetings with public agencies. I-REN began strategic energy planning efforts, conducted facility audits, and helped to identify new energy projects and benchmark energy performance at public sector facilities.

The programs also focused on creating tools, templates, and other program elements, including designing an incentive structure based on member agency feedback and developing an Energy Resilience Roadmap to help agencies plan for their energy future. In 2024, the programs will expand their reach by onboarding new member agencies and expanding on energy planning and project development efforts that started in 2023. The Public Sector team also plans to begin providing distributed energy resource (DER) audits to identify resilience opportunities in 2024.

Table 1: Public Sector 2023 Achievements and 2024 Plans for Riverside and San Bernardino counties

Program	2023 Achievements	2024 Plans
Technical Assistance and Strategic Energy Planning Program	28 onboarding meetings with public agencies. 25 facilities benchmarked. 2 site visits performed. 2 audits in progress. 37 utility data requests initiated. 4 Building Upgrade Concierge (BUC) portfolios created.	Engage all member agencies in the region - Deliver first Initial Measure List with Energy Efficiency (EE) opportunities. 11 agencies to receive Energy Resilience Roadmap reports. Begin DER audits.

Board of Directors Agenda Item

September 4, 2024

Page 3

Public Buildings Normalized Metered Energy Consumption (NMEC) Program – Cash for Kilowatts	Gathered member agency feedback. Integrated feedback in program design. Developed tiered incentive structure to encourage projects at critical emergency operation and cooling centers.	Project development and incentives. Build robust project pipeline. Obtain utility data and track with BUC tool. Use BUC tool to provide reports and supporting data for evaluation. Project development and incentives. Build robust project pipeline. Obtain utility data and track with BUC tool. Use BUC tool to provide reports and supporting data for evaluation.
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Codes & Standards (C&S): In 2023, efforts focused on familiarizing the I-REN brand, fostering relationships, garnering interest in developed offerings, and developing a base audience to continue reengaging as C&S activities grow. Broadly, strategies included leveraging I-REN’s connections with public and private stakeholders, distributing materials and messaging to partner entities and permit counters, and developing a website landing page as a one-stop shop for C&S resources.

I-REN C&S programs delivered trainings, awarded continuing education unit certificates, performed outreach to agencies and building professionals, and conducted a market assessment study. With initial data collected through 2023 activities, I-REN can better pinpoint prospects for involvement within census tracts characterized by elevated levels of low-income households, limited educational achievements, and significant unemployment rates. In the region, more than 140 census tracts offer potential for community engagement, and more than 400 contacts are strategically positioned to support I-REN outreach efforts to disadvantaged and hard-to-reach (HTR) areas.

Table 2: Codes & Standards Sector 2023 Achievements and 2024 Plans for Riverside and San Bernardino counties

Program	2023 Achievements	2024 Plans
C&S Training and Education Program	77 public and private sector building professionals surveyed. 13 trainings held. 64 net individual attendees. 37 jurisdictions and 9 private sector building entities attended trainings. 99% satisfaction rating from participants.	12 trainings. 2 C&S Forums. Increase number of participants, jurisdictions and private entities served through trainings. Offer a new training in Spanish
C&S Technical Support Program	Identified key areas for greater support needed by jurisdictions. Supported Reach Code activities in Palm Springs. Launch of “Ask an Energy Code Question” on I-REN website.	Continue outreach to promote support services. Follow up with survey respondents to provide targeted support. Offer additional training around Senate Bill 379 compliance.

Workforce Education & Training: In 2023, I-REN launched the I-REN Energy Fellowship in partnership with CivicWell’s CivicSpark Program and placed 11 college graduates and job seekers at I-REN member agencies to support implementation of energy initiatives. Through this Program, the 11-month Energy Fellows will help implement EE and climate action plan activities within local jurisdictions. In many cases, the Energy Fellows are either supporting HTR or disadvantaged communities within the I-REN service territory and come from or reside in those communities themselves.

In 2023, I-REN explored bringing on a subject matter expert to conduct an energy-focused workforce assessment within the I-REN territory. This workforce assessment, to be completed in 2024, will identify energy workforce resources and their jurisdictional scopes that currently exist within Riverside and San Bernardino counties as well as a gap analysis of the resources and provide recommendations on the design, development, and deployment of future I-REN WE&T programs.

Table 3: Workforce Education & Training Sector 2023 Achievements and 2024 Plans for Riverside and San Bernardino counties

Program	2023 Achievements	2024 Plans
WE&T Training & Education Program	Established partnerships with regional organizations: Science and Technology Education Partnership Conference, Inland Empire/Desert Regional Consortium (IEDRC). Participated in regional workforce events. Solicited proposals for workforce assessment provider.	Conduct workforce assessment to guide I-REN staff on recommendations for future training programs related to energy job pathways.
WE&T Workforce Development Program	11 I-REN Energy Fellows placed at member agencies. 17 job fairs attended. 200 plus job seeker leads collected. 50 potential partners identified. 20 community partner meetings.	Energy Fellow activities: planned networking events and learning resource opportunities. March 2024 Energy & Infrastructure Showcase in partnership with IEDRC. California Climate and Energy Collaborative Forum.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2024/2025.

Reviewed By:

This item has not received prior policy committee or technical advisory committee review. This item is going directly to the board to provide the opportunity for all board members to collectively receive the I-REN program updates.

Responsible Staff:

Cheryl Chesnut, Energy Program Manager

Approved
Board of Directors
Date: September 4, 2024
Witnessed By:



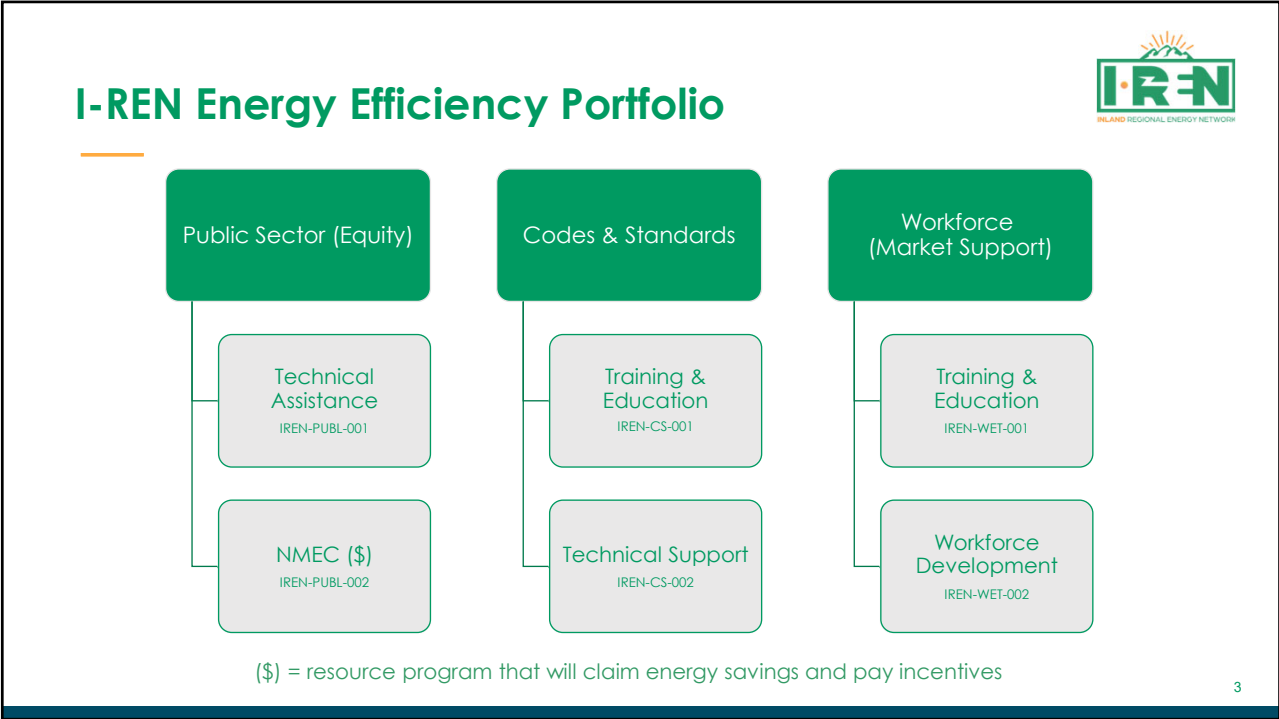
1

Who We Are

We are a network of partners, including the Coachella Valley Association of Governments, the San Bernardino Council of Governments, and the Western Riverside Council of Governments, formed to serve the cities and communities of our region.

2

Attachment: IREN 2023 Update PPT PDF (10782 : I-REN 2023 Annual Report Update)



3



4

Attachment: IREN 2023 Update PPT PDF (10782 : I-REN 2023 Annual Report Update)

Public Sector Highlights

- 01 28 onboarding meetings held with local and regional agencies
- 02 25 facilities confirmed in compliance with Assembly Bill 802 (building energy benchmarking program)
- 03 34 utility energy datasets received, 2 site visits performed, and 2 audits in progress



27,263
Square miles

11%
of California's population

3
COGs

2
Counties

52
Cities

13
Tribal nations

215
Special districts



5

Codes & Standards Highlights

- 01 13 trainings held and 81 CEU certificates awarded
- 02 37 jurisdictions represented among training attendees
- 03 99% satisfaction rating from attendees



77
building professionals in both the public and private sector were surveyed.

“ I attended your online training and found your program very useful. Please send me additional information for my jurisdiction to consider adopting and using the program. ”

- Building Official, City of Coachella,



6

Workforce Education & Training Highlights

01

17 job fairs attended and contacts made with 200 interested job seekers

02

11 I-REN Energy Fellows deployed with local agencies

03

Partnerships with Science and Technology Education Partnership Conference and Inland Empire/Desert Regional Consortium



7

Other 2023 Achievements

Region-wide Orientations

- 16 orientations hosted across Riverside and San Bernardino Counties

Website & Branding

- Consistent messaging, branding, and engagement in print and online

Organizational Strategic Plan

- Guide for effectively delivering equitable near-term impacts

CPUC Evaluability Assessment

- Valuable insights gained regarding program data tracking and unique value metrics

8

Initiatives for 2024

01

\$10 million in incentive funding available for public sector buildings

02

Upcoming workshop at end of September will focus on this topic

03

Jurisdictions should incorporate their opportunities in your FY25/26 budgets (If not already included in current budget)



Get cash for every kilowatt with I-REN!

Looking to save money at your facility while becoming more energy-efficient? Look no further than I-REN's Cash for Kilowatts incentives for public agencies!

Here's how it works: for every kilowatt-hour of energy your energy efficiency project saves, we'll give you up to \$2.00 in incentives to offset your project costs. Projects with more energy savings and projects at critical facilities will get our best available incentive rates. The more energy you save, the more money you can earn! That's real cash back for making smart energy choices.

Why Cash for Kilowatts?

I-REN is committed to helping public agencies with energy efficiency upgrades. We're here to make energy easy for public agency staff—all at no cost.

Financial Boost Cash for Kilowatts helps ease the financial burden of energy projects. Every dollar saved means resources you can reinvest in your community.	Focus on Critical Facilities Emergency, cooling, and resilience centers keep us safe and comfortable. We believe they're so important, we offer double the incentives for these facilities!	All About Results Whether it's HVAC, lighting, controls, or another type of energy efficiency project, you'll likely be eligible for incentives.

How does Cash for Kilowatts help you save?

Cash for Kilowatts incentives can bring energy efficiency projects that might otherwise be too costly within your agency's financial reach. You'll save on project costs through our incentives, save on labor costs through our technical assistance and no-cost audits, and you'll save for years to come with reduced energy bills!

Email info@iren.gov to get started on your Cash for Kilowatts project!



I-REN's public sector programs are available to public agencies in San Bernardino and Riverside counties served by Southern California Edison (SCE) or Southern California Gas Company (SCG).

Minute Action

AGENDA ITEM: 31

Date: *September 4, 2024*

Subject:

Resolution No. 25-009 Honoring Joseph Tavaglione

Recommendation:

That the Board, acting as the San Bernardino County Transportation Authority:

Adopt Resolution No. 25-009, honoring Joseph Tavaglione, his life and the tremendous contributions he made to bettering transportation in San Bernardino County and throughout the State of California.

Background:

On August 1, 2024, longtime California Transportation Commission (CTC) member Joseph Tavaglione passed away at the age of 101. Commissioner Tavaglione was the longest serving member in CTC history, serving more than 21 years from October 2002 to July 1, 2024. Mr. Tavaglione was appointed by Governor Gray Davis and reappointed by Governors Arnold Schwarzenegger, Jerry Brown, and Gavin Newsom. He also had the honor of serving as Chair of the CTC.

Mr. Tavaglione moved to the City of Riverside in 1927 when he was three years old. He, with his brother Louis Tavaglione, started a family business in 1960, Tavaglione Construction and Development, Inc. His successful career in construction and development spanned 60 years and helped communities and businesses throughout the United States grow and prosper. A dedicated community member, Mr. Tavaglione was active in many organizations serving the community and local businesses including The Valley Group of the Inland Empire, Riverside Humane Society and the Foundation Boards of Trustees for University of California Riverside and La Sierra University.

In addition to his work on the CTC, Mr. Tavaglione also served as past chair of the California Contractors' State License Board and past President of the National Association of State Contractors Licensing Agencies, as well as serving on the Riverside Board of Public Utilities and City of Riverside Planning Commission.

Commissioner Tavaglione was a staunch advocate for the Inland Empire on the CTC, helping to direct billions of dollars in funding to the region. He championed countless projects throughout San Bernardino and Riverside Counties that bolstered the region's population growth, grew the region's economy, and supported mobility and access to opportunity for the region's residents. Joseph Tavaglione was a dedicated public servant whose work forever changed the face of the Inland Empire region. It is a fitting tribute that the San Bernardino County Transportation Authority Board of Directors recognize his life and contributions to San Bernardino County with a resolution honoring him.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2024/2025.

Reviewed By:

This item has not received prior policy committee or technical advisory committee review. This item is being presented directly to the Board to acknowledge the recent passing of Joseph Tavaglione. SBCTA General Counsel has reviewed this item and the draft resolution.

Entity: San Bernardino County Transportation Authority

Board of Directors Agenda Item
September 4, 2024
Page 2

Responsible Staff:
Raymond Wolfe, Executive Director

Approved
Board of Directors
Date: September 4, 2024
Witnessed By:

RESOLUTION NO. 25-009

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY IN HONOR OF JOSEPH TAVAGLIONE, HIS LIFE AND THE TREMENDOUS CONTRIBUTIONS HE MADE TO BETTERING TRANSPORTATION IN SAN BERNARDINO COUNTY AND THROUGHOUT THE STATE OF CALIFORNIA.

WHEREAS, Joseph Tavaglione was born on July 14, 1923; and

WHEREAS, Joseph Tavaglione was three years of age when his family moved to the City of Riverside in 1927; and

WHEREAS, Joseph Tavaglione started his family business, Tavaglione Construction and Development, Inc., in 1960 in the City of Riverside with his brother, Louis Tavaglione; and

WHEREAS, Joseph Tavaglione then had a successful career as a local residential developer, and throughout his career of more than 60 years, his firm built thousands of residential and commercial units throughout the United States; and

WHEREAS, Joseph Tavaglione was the longest serving member in the history of the California Transportation Commission (CTC); and

WHEREAS, Joseph Tavaglione was appointed to the CTC in October of 2002 by Governor Gray Davis; and

WHEREAS, Joseph Tavaglione was reappointed to the CTC by Governor Arnold Schwarzenegger in 2005 and 2009, Governor Jerry Brown in 2013 and 2017, and Governor Gavin Newsom in 2021; and

WHEREAS, Joseph Tavaglione was honored to serve as chair of the CTC; and

WHEREAS, Joseph Tavaglione resigned from his seat on the CTC on July 1, 2024, after more than 21 years of distinguished service; and

WHEREAS, Joseph Tavaglione was a past chair of the California Contractors' State License Board, where he served two terms; and

WHEREAS, Joseph Tavaglione previously served as the President of the National Association of State Contractors Licensing Agencies; and

WHEREAS, Joseph Tavaglione served two terms on the City of Riverside's Board of Public Utilities and as a member of the City of Riverside's Planning Commission; and

WHEREAS, Joseph Tavaglione served as the President of The Valley Group of the Inland Empire; and

WHEREAS, Joseph Tavaglione was a member of the Foundation Board of Trustees for both the University of California, Riverside, and La Sierra University; and

WHEREAS, Joseph Tavaglione was proud to celebrate his 100th birthday on July 14, 2023; and

WHEREAS, Joseph Tavaglione passed away peacefully at 101 years of age on August 1, 2024, surrounded by his family; and

WHEREAS, Joseph Tavaglione will always be remembered for his decades of active participation in the community until his passing; and

WHEREAS, Joseph Tavaglione lived an illustrious life of commitment and love for his family and community, which included directing billions of dollars, as a commissioner on the CTC, to the Inland Empire for countless transportation improvements that bolstered the region's population growth, grew the region's economy, and supported mobility and access to opportunity for the region's residents; and

WHEREAS, Joseph Tavaglione's immeasurable impact on countless transportation projects throughout the state included significant projects within San Bernardino County, including the Colton Crossing grade separation, Tippecanoe Interchange, widening of Interstate 215 across the Counties of San Bernardino and Riverside, the Interstate 15 Express Lanes Project, and numerous other projects; and

WHEREAS, Joseph Tavaglione was known for his mission to "put people to work" and untiring efforts to create good paying jobs in the Inland Empire and throughout the state and extended not only to his direction of vital state funding to needed transportation projects, but also to his penchant for bringing people together to solve seemingly unsolvable project delivery and policy challenges, with his personal involvement ensuring integrity and transparency throughout the process; and

WHEREAS, Joseph Tavaglione will be most remembered as a loving father, uncle, mentor, and friend to many.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Bernardino County Transportation Authority to honor and celebrate the life of Joseph Tavaglione and express its deep appreciation for the tremendous contributions he made to bettering transportation within San Bernardino County and throughout the State of California.

PASSED AND ADOPTED at a meeting of the San Bernardino County Transportation Authority held on September 4, 2024.

Ray Marquez, Board President
San Bernardino County Transportation Authority

ATTEST:

Marleana Roman, Clerk of the Board
San Bernardino County Transportation Authority

DRAFT

Attachment: RES 25-009 (10847 : Resolution No. 25-009 Honoring Joseph Tavaglione)

ADDITIONAL INFORMATION

BOARD OF DIRECTORS ATTENDANCE RECORD – 2024

Name	Jan	Feb	March	April	May	June	July	Aug DARK	Sept	Oct	Nov	Dec
Paul Cook Board of Supervisors	X	X	X	X		X	X					
Jesse Armendarez Board of Supervisors	X	X	X	X		X	X					
Dawn Rowe Board of Supervisors	X	X	X	X	X	X	X					
Curt Hagman Board of Supervisors		X	X	X	X	X	X					
Joe Baca, Jr. Board of Supervisors	X	X	X	X	X	X	X					
Daniel Ramos City of Adelanto	X	X	X	X	X	X	X					
Art Bishop Town of Apple Valley	X	X	X	X	X	X	X					
Carmen Hernandez City of Barstow	*	X	X	X		X	X					
Rick Herrick City of Big Bear Lake		X	*	X	X	X	X					
Eunice Ulloa City of Chino	X	X	X	X	X	X	X					
Ray Marquez City of Chino Hills	X	X	X	X	X	X	X					
Frank Navarro City of Colton	X	X	X	X		X	X					
Acquanetta Warren City of Fontana	X	X	X	X		X	X					
Sylvia Robles City of Grand Terrace	X	X	*									
Bill Hussey City of Grand Terrace				X	X	X	X					
Rebekah Swanson City of Hesperia	X	X	X		X	X						

Communication: Attendance (Additional Information)

X = member attended meeting. * = alternate member attended meeting. Empty box = did not attend meeting. Crossed out box = not a Board Member at the time. Shaded box=no meeting

BOARD OF DIRECTORS ATTENDANCE RECORD – 2024

Name	Jan	Feb	March	April	May	June	July	Aug DARK	Sept	Oct	Nov	Dec
Larry McCallon City of Highland	X	*	X	X	X	X	X					
Bhavin Jindal City of Loma Linda	X	X	X	X	X	X	X		X	X	X	X
Ron Dailey City of Loma Linda	X	X	X	X	*	X	X					
John Dutrey City of Montclair	X	X	X	X	X	X	X					
Janet Jernigan City of Needles		X	X	X		X	X					
Alan Wapner City of Ontario	X		X	X	X	X						
L. Dennis Michael City of Rancho Cucamonga	X	X	X	X	X	X	X					
Paul Barich City of Redlands						*	X					
Deborah Robertson City of Rialto				X			*					
Helen Tran City of San Bernardino		*	X	X		X	X					
Joel Klink City of Twentynine Palms	X		X	X	X		X					
Rudy Zuniga City of Upland	*	X	X	X	X	*	*					
Debra Jones City of Victorville	X	X	X	X	X	X	X					
Bobby Duncan City of Yucaipa	X	X	X	X	X	X						
Rick Denison Town of Yucca Valley	X	X	X	X	X	X	X					
Catalino Pining Ex-Official Member	X	X	Rebecca Guirado	X	X	X	Kurt Heidelberg					

Communication: Attendance (Additional Information)

X = member attended meeting. * = alternate member attended meeting. Empty box = did not attend meeting. Crossed out box = not a Board Member at the time. Shaded box=no meeting

Acronym List

This list provides information on acronyms commonly used by transportation planning professionals. This information is provided in an effort to assist Board Members and partners as they participate in deliberations at Board meetings. While a complete list of all acronyms which may arise at any given time is not possible, this list attempts to provide the most commonly-used terms. Staff makes every effort to minimize use of acronyms to ensure good communication and understanding of complex transportation processes.

AB	Assembly Bill
ACE	Alameda Corridor East
ACT	Association for Commuter Transportation
ADA	Americans with Disabilities Act
ADT	Average Daily Traffic
APTA	American Public Transportation Association
AQMP	Air Quality Management Plan
ARRA	American Recovery and Reinvestment Act
ATMIS	Advanced Transportation Management Information Systems
BAT	Barstow Area Transit
CALACT	California Association for Coordination Transportation
CALCOG	California Association of Councils of Governments
CALSAFE	California Committee for Service Authorities for Freeway Emergencies
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CMAQ	Congestion Mitigation and Air Quality
CMIA	Corridor Mobility Improvement Account
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COG	Council of Governments
CPUC	California Public Utilities Commission
CSAC	California State Association of Counties
CTA	California Transit Association
CTC	California Transportation Commission
CTC	County Transportation Commission
CTP	Comprehensive Transportation Plan
DBE	Disadvantaged Business Enterprise
DEMO	Federal Demonstration Funds
DOT	Department of Transportation
EA	Environmental Assessment
E&D	Elderly and Disabled
E&H	Elderly and Handicapped
EIR	Environmental Impact Report (California)
EIS	Environmental Impact Statement (Federal)
EPA	Environmental Protection Agency
FHWA	Federal Highway Administration
FSP	Freeway Service Patrol
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
FTIP	Federal Transportation Improvement Program
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
HOV	High-Occupancy Vehicle
ICTC	Interstate Clean Transportation Corridor
IEEP	Inland Empire Economic Partnership
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991
IIP/ITIP	Interregional Transportation Improvement Program
ITS	Intelligent Transportation Systems
IVDA	Inland Valley Development Agency
JARC	Job Access Reverse Commute
LACMTA	Los Angeles County Metropolitan Transportation Authority
LNG	Liquefied Natural Gas
LTF	Local Transportation Funds

Acronym List

MAGLEV	Magnetic Levitation
MARTA	Mountain Area Regional Transportation Authority
MBTA	Morongo Basin Transit Authority
MDAB	Mojave Desert Air Basin
MDAQMD	Mojave Desert Air Quality Management District
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
MSRC	Mobile Source Air Pollution Reduction Review Committee
NAT	Needles Area Transit
NEPA	National Environmental Policy Act
OA	Obligation Authority
OCTA	Orange County Transportation Authority
PA&ED	Project Approval and Environmental Document
PASTACC	Public and Specialized Transportation Advisory and Coordinating Council
PDT	Project Development Team
PNRS	Projects of National and Regional Significance
PPM	Planning, Programming and Monitoring Funds
PSE	Plans, Specifications and Estimates
PSR	Project Study Report
PTA	Public Transportation Account
PTC	Positive Train Control
PTMISEA	Public Transportation Modernization, Improvement and Service Enhancement Account
RCTC	Riverside County Transportation Commission
RDA	Redevelopment Agency
RFP	Request for Proposal
RIP	Regional Improvement Program
RSTIS	Regionally Significant Transportation Investment Study
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agencies
SB	Senate Bill
SAFE	Service Authority for Freeway Emergencies
SAFETEA-LU	Safe Accountable Flexible Efficient Transportation Equity Act – A Legacy for Users
SCAB	South Coast Air Basin
SCAG	Southern California Association of Governments
SCAQMD	South Coast Air Quality Management District
SCRRA	Southern California Regional Rail Authority
SHA	State Highway Account
SHOPP	State Highway Operations and Protection Program
SOV	Single-Occupant Vehicle
S RTP	Short Range Transit Plan
STAF	State Transit Assistance Funds
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
TAC	Technical Advisory Committee
TCIF	Trade Corridor Improvement Fund
TCM	Transportation Control Measure
TCRP	Traffic Congestion Relief Program
TDA	Transportation Development Act
TEA	Transportation Enhancement Activities
TEA-21	Transportation Equity Act for the 21 st Century
TMC	Transportation Management Center
TMEE	Traffic Management and Environmental Enhancement
TSM	Transportation Systems Management
TSSDRA	Transit System Safety, Security and Disaster Response Account
USFWS	United States Fish and Wildlife Service
VCTC	Ventura County Transportation Commission
VVTA	Victor Valley Transit Authority
WRCOG	Western Riverside Council of Governments

AGENCY REPORTS



REPORT: Mobile Source Air Pollution Reduction Review Committee

FROM: Larry McCallon, SBCTA Representative to the MSRC

SYNOPSIS: The Mobile Source Air Pollution Reduction Review Committee held a hybrid meeting on Thursday, June 20, 2024. The following is a summary of the meeting.

Contract Modification Requests

The MSRC considered four contract modification requests and took the following actions:

1. City of San Fernando, Contract #ML16075 to install a Class I bikeway, approval of four-month term extension;
2. City of San Dimas, Contract #ML18148 to implement bicycle detection measures, approval of three-month term extension;
3. City of Rancho Cucamonga, Contract #ML18051 to procure six light-duty ZEV's and install EV charging infrastructure, approval of two-year term extension, and
4. Southern California Association of Governments, Contract #MS21005 to implement Last Mile Freight Program, approval of modified scope and reallocation of funding between projects.

FYs 24-27 Work Program Development Update

Staff provided an update on the schedule for FYs 24-27 Work Program development and the MSRC-TAC's progress to date. The MSRC was invited to share ideas for Work Program Development Subcommittees and comment on MSRC-TAC recommended Subcommittees. The consensus was for staff to move forward with Work Program development.

Contracts Administrator's Report

The MSRC AB 2766 Contracts Administrator's report provides a written status report on all open contracts from FY 2011-12 to the present. The Contracts Administrator's Report for April 25, 2024 through May 29, 2024.

COMMITTEE MEMBERSHIP

**San Bernardino County Transportation Authority (SBCTA)
Representatives on SCAG Committees**

APPOINTING/ELECTING AUTHORITY	REGIONAL COUNCIL (12:15 p.m.)	POLICY COMMITTEES (Regional Council Members Serve on One Each) (Subregional Appointments) (County Commissions Appoint One to TC) (10:00 a.m.)		
		Community, Economic, and Human Development	Energy and Environment	Transportation
District 6 (Grand Terrace, Colton, Loma Linda, Redlands, Yucaipa) District 7 (San Bernardino, Highland) District 8 (Rialto, Fontana) District 9 (Rancho Cucamonga, Upland, Montclair) District 10 (Chino, Chino Hills, Ontario) District 11 (Barstow, Big Bear, Needles, Twentynine Palms, Yucca Valley) District 65 (Adelanto, Apple Valley, Hesperia, Victorville) San Bernardino County † Community of Concern Appointee	F. Navarro D. Alexander A. Warren L. Michael R. Marquez R. Denison L. Becerra C. Hagman G. Reyes	A. Warren G. Reyes	D. Alexander R. Denison	F. Navarro L. Michael R. Marquez L. Becerra C. Hagman
†† San Bernardino County Transportation Authority Appointee	A. Wapner			A. Wapner
SBCTA Subregional Appointees* *One appointee to each policy committee for a total of three appointees per subregion, plus one additional appointee for every SCAG District over three in the subregion. SBCTA has a total of seven subregional appointees to the policy committees. Terms of appointment expire December 31 of odd-numbered years.		Bill Hussey Bobby Duncan Helen Tran	Carmen Hernandez Daniel Ramos Art Bishop	John Dutrey

Communication: Representatives on SCAG Committees (Committee Membership)

Rules of Appointment

1) SBCTA policy stipulates that all SBCTA appointees be SBCTA Board Members. 2) SCAG President appoints Regional Council members to Standing and Policy Committees.

Terms of Appointment

Terms of appointment are two years, commencing on adjournment of the annual General Assembly in May of each year. Even-numbered District representatives' terms expire in even-numbered years; odd-numbered District representatives expire in odd-numbered years. † Community of Concern appointee, appointed by the County Regional Council representative for a two-year term. †† SBCTA Regional Council Representative serves a two-year term from the date of appointment.

Stipend Summary

SCAG Regional Council members receive a \$150 stipend for attendance and travel to SCAG sponsored meetings. Regional Council members may also receive reimbursement for public transit expenses or a mileage reimbursement. Parking is validated at SCAG's downtown Los Angeles office for RC members. RC members are eligible to receive up to six (6) per diem stipends per month. Both RC members and Subregional Appointees, if eligible, may receive reimbursement (\$150 + taxes) for lodging (please review SCAG rules before making expenditure). Subregional Appointees shall receive a \$150 stipend for up to four Policy or Task Force meetings per month.

Meeting Information

The regular meetings of SCAG Regional Council and Policy Committees are on the 1st Thursday of each month at the SCAG offices located at 900 Wilshire Blvd., Ste. 700, Los Angeles. Generally, the Policy Committee meetings start at 10 AM and Regional Council meetings start at 12:15 PM.

Policy Committees

Community, Economic, and Human Development: Provides policy recommendations to the Regional Council on subjects of housing, land use, resource, economic, community development, infrastructure, employment, and regional disaster preparedness issues. Reviews and recommends to the Planning Committee revisions to the Housing, Economy, Growth Management, Human Resources, and Finance Chapters of the Regional Comprehensive Plan and Guide.

Energy and Environment: Acts as the policy advisory committee to the Regional Council on environmental issues, including air and water, hazardous, solid waste management, natural resources conservation, and energy conservation. Reviews the Environmental Impact Report of the Regional Comprehensive Plan and Guide. Provides recommendations to the Planning Committee on state and federal legislative proposals and administrative guidelines affecting environmental quality, resource conservation.

Transportation: Acts as the policy advisory committee to the Regional Council on all regional matters pertaining to the movement of goods and people on land, water, and air. Reviews and recommends to the Regional Council all major utility development plans. Addresses the location, size, or capacity, timing, and impact of facilities.

SBCTA/SBCOG Appointments to External Agencies

The San Bernardino County Transportation Authority (SBCTA) and San Bernardino Council of Governments (SBCOG) work closely with not only the County and cities within the County of San Bernardino, but with a number of regional governments that relate to the multiple counties within the Southern California region. Members of the SBCTA Board of Directors frequently take active roles in representing the interests of San Bernardino County on these regional bodies. This participation provides assurance that the unique needs and characteristics of San Bernardino County are taken into consideration as policies are developed which impact this County and its individual local government units. Active participation in regional organizations further promotes the interests of San Bernardino County and secures its appropriate role in the Southern California region.

The following table lists some of the regional bodies upon which SBCTA and SBCOG representatives serve.

Committee	Appointee	Appointing Authority	Purpose	Term
California Association of Councils of Governments	Alan Wapner, Ontario	President	CALCOG facilitates communication and information sharing among its members. Most members of CALCOG are Councils of Governments (COGs), while some are transportation commissions and others are the large Metropolitan Planning Organizations like SCAG and SANDAG. CALCOG is governed by a Board of Directors comprised of a representative from each member's Board of Directors.	12/31/24
Gold Line Phase II Joint Powers Authority	John Dutrey, Montclair, Primary Ray Marquez, Chino Hills, Alternate	Board of Directors	The Gold Line Phase II Construction Authority is a Joint Powers Authority (JPA) formed by 14 cities along the corridor and SBCTA. The JPA serves as a forum for the review, consideration, study, development and recommendation of policies and plans for the extension of the Gold Line from Pasadena to Montclair. Members receive \$150 payment from Gold Line Authority for participation.	12/31/25 12/31/24
Inland Empire Economic Partnership (IEEP)	Dennis Michael, Rancho Cucamonga	President	The IEEP is a partnership that includes business, government and academic leaders to develop and carry out initiatives to benefit the region.	
Inland Regional Energy Network (I-REN) Program Executive Committee	Curt Hagman, County Supervisor Deborah Robertson, Rialto Art Bishop, Apple Valley	President	The I-REN Executive Committee consists of three representative votes from SANBAG, WRCOG, and CVAG. The committee will meet quarterly and make executive decisions regarding the overall program. Stipends for the Executive Committee are not an allowable expense under the CPUC rules.	12/31/24 12/31/24 12/31/24
Metro Gold Line Foothill Extension Construction Authority	Alan Wapner, Ontario, Primary John Dutrey, Montclair, Alternate	President	The Authority is responsible for the development of a light rail project from the City of Los Angeles into San Bernardino County. The Authority board meets on the second and fourth Wednesday of the month at 12:00 p.m. at the Authority's office in Monrovia. Members receive \$150 for each day spent on Authority business, not to exceed \$600 per month.	12/31/24 12/31/24
Mobile Source Air Pollution Reduction Review Committee	Larry McCallon, Highland, Primary John Dutrey, Montclair, Alternate	Board of Directors	Develops and implements work programs which reduce mobile source emissions, funded by AB2766 (portion of the \$4 motor vehicle registration fee). County Commissions, SCAQMD, and ARB have one appointment with alternates. In April 2005, SBCTA authorized a stipend of \$100 per day. The MSRC meets on the third Thursday of the month at 2:00 p.m. at South Coast Air Quality Management District in Diamond Bar.	12/31/24 12/31/24

Communication: Appointments to External Agencies (Committee Membership)

SBCTA/SBCOG Appointments to External Agencies

Committee	Appointee	Appointing Authority	Purpose	Term
One Water One Watershed (OWOW) Steering Committee of the Santa Ana Watershed Project Authority	Deborah Robertson, Rialto	Board of Directors	<p>Responsible for developing the integrated Regional Water Management Plan for the Santa Ana River.</p> <p>The term of the appointment is for four years for a city representative from San Bernardino County.</p> <p>Officers leaving elected office after appointment are still eligible to serve. Beginning January 2016, the OWOW meets on the 4th Thursday of every other month at 11:00 a.m. at the Santa Ana Watershed Project Authority (SAWPA). Members of the Steering Committee do not receive a stipend.</p>	12/31/26
SCAG Policy Committees	See associated table.	The Board has authorized the President to make appointments to SCAG Policy Committees.	SBCTA also has authority to appoint up to seven appointees to the three SCAG Policy Committees: i.e., Community Economic and Human Development, Energy and Environment, and Transportation. SCAG pays appointees to policy committees a stipend of \$120 per meeting.	See associated table – Representatives on SCAG Committees
Southern California Regional Rail Authority	Alan Wapner, Ontario, Primary Larry McCallon, Highland, Primary Ray Marquez, Chino Hills, Alternate John Dutrey, Montclair, Alternate	Board of Directors (Recommendation made by the Transit Committee)	<p>SCRRA serves as the governing body for Metrolink, the regional commuter rail system serving the five Southern California Counties.</p> <p>Members receive payment of \$100 per day from SCRRA for participation.</p>	Indefinite
SR 91 Advisory Committee	Ray Marquez, Chino Hills, Ex-Officio Member	Board of Directors	<p>The Committee reviews issues and makes recommendations to OCTA regarding the transportation facilities acquired, including tolls imposed, operations, maintenance, use of toll revenues, and improvements in the area of SR 91 between I-15 and SR 55, including the identification and siting of alternate highways.</p> <p>SBCTA has not authorized payment of stipend for participation.</p>	12/31/24
The Sam and Alfreda L. Maloof Foundation for Arts and Crafts	Deborah Robertson, Rialto	Board of Directors	A non-profit corporation that participates in the preparation of the Conservation Plan and oversees the activities and assets of the Foundation. A payment of stipend for participation has not been authorized.	12/31/24

Communication: Appointments to External Agencies (Committee Membership)

San Bernardino County Transportation Authority (SBCTA) Policy Committee Membership

COMMITTEE	PURPOSE	MEMBERSHIP	TERMS
<p>General Policy Committee Membership consists of the following: SBCTA President, Vice President, and Immediate Past President 4 East Valley (3 City, 1 County)* 4 West Valley (3 City, 1 County) 4 Mt/Desert (3 City, 1 County)</p> <p>City members shall be SBCTA Board Members elected by caucus of city SBCTA Board Members within the subarea.</p> <p>Policy Committee and Board Study Session Chairs are members of this policy committee.</p> <p>All City members serving as Board officers, Committee chairs, or Board Study Session Chair, are counted toward their subareas City membership. Supervisors collectively select their representatives.</p> <p>The SBCTA Vice President shall serve as Chair of the General Policy Committee.</p>	<p>Makes recommendations to Board of Directors and:</p> <ol style="list-style-type: none"> (1) Provides general policy oversight which spans the multiple program responsibilities of the organization and maintains the comprehensive organization integrity; (2) Provides policy direction with respect to administrative issues, policies, budget, finance, audit, and personnel issues for the organization; (3) Serves as policy review committee for any program area that lacks active policy committee oversight. <p>The General Policy Committee is authorized to approve Contracts in excess of \$100,000, Contract Task Orders in excess of \$500,000, and amendments exceeding the Executive Director's authority in the event of significant time constraints, extenuating circumstances, or emergencies when approval is required, with notification to the Board. Notification shall be made at the next regularly scheduled meeting of the Board following such approval.</p> <p>(Brown Act)</p>	<p><u>West Valley</u> Ray Marquez, Chino Hills (Vice Chair/President) John Dutrey, Montclair (TC Chair) Alan Wapner, Ontario Jesse Armendarez, Supervisor</p> <p><u>East Valley</u> Frank Navarro, Colton Larry McCallon, Highland Helen Tran, San Bernardino (MVSS Chair) Joe Baca, Jr., Supervisor</p> <p><u>Mountain/Desert</u> Art Bishop, Apple Valley Debra Jones, Victorville Rick Denison, Yucca Valley (Chair/Vice President) Dawn Rowe, Supervisor (Past President)</p> <p>Should the chairs of each Committee and the Officers all be from the East Valley, West Valley or Mountain/Desert, additional members may be added to maintain geographical balance. Additional Board Members may be appointed annually at the discretion of the Board President.</p>	<p>6/30/2025</p> <p>6/30/2025</p> <p>6/30/2025</p> <p>6/30/2025</p> <p>6/30/2025</p> <p>6/30/2025</p> <p>6/30/2025</p> <p>6/30/2025</p> <p>6/30/2025</p> <p>6/30/2025</p> <p>6/30/2025</p> <p>6/30/2025</p>
<p>Transit Committee Membership consists of 12 SBCTA Board Members: 10 Valley-members, two being Southern California Regional Rail Authority (SCRRA) primary (*) and two being SCRRA alternate (**) members, and 2 Mountain/Desert Board Members.</p> <p>SCRRA members and alternates serve concurrent with their term on the SCRRA Board of Directors as appointed by the SBCTA Board.</p> <p>Other members are appointed by the SBCTA President for 2-year terms.</p>	<p>Provides policy guidance and recommendations to the SBCTA Board of Directors and Southern California Regional Rail Authority (SCRRA) delegates with respect to commuter rail and transit service.</p> <p>* SCRRA Primary Member ** SCRRA Alternate Member</p> <p>(Brown Act)</p>	<p>John Dutrey, Montclair** (Chair) Joe Baca, Jr., Supervisor (Vice Chair) Eunice Ulloa, Chino Ray Marquez, Chino Hills** Frank Navarro, Colton Acquanetta Warren, Fontana Larry McCallon, Highland* Alan Wapner, Ontario* L. Dennis Michael, Rancho Cucamonga Bobby Duncan, Yucaipa Rick Denison, Yucca Valley Dawn Rowe, Supervisor</p>	<p>Indeterminate (6/30/2024)</p> <p>12/31/2024 (6/30/2025)</p> <p>12/31/2024</p> <p>Indeterminate</p> <p>12/31/2025</p> <p>12/31/2025</p> <p>Indeterminate</p> <p>Indeterminate</p> <p>12/31/2025</p> <p>12/31/2025</p> <p>12/31/2024</p> <p>12/31/2024</p>

Communication: Committee Membership (Committee Membership)

San Bernardino County Transportation Authority (SBCTA) Policy Committee Membership

COMMITTEE	PURPOSE	MEMBERSHIP	TERMS
<p>Mountain/Desert Committee Membership consists of 11 SBCTA Board Members from each Mountain/Desert jurisdiction and County Supervisors representing the First, and Third Districts.</p>	<p>Provides ongoing policy level oversight related to the full array of SBCTA responsibilities as they pertain specifically to the Mountain/Desert subregion.</p> <p>The Committee also meets as the Mountain/Desert Measure I Committee as it carries out responsibilities for Measure I Mountain/Desert Expenditure Plan.</p> <p>(Brown Act)</p>	<p>Debra Jones, Victorville (Chair) Rebekah Swanson, Hesperia (Vice Chair) Daniel Ramos, Adelanto Art Bishop, Apple Valley Carmen Hernandez, Barstow Rick Herrick, Big Bear Lake Janet Jernigan, Needles Joel Klink, Twentynine Palms Rick Denison, Yucca Valley Paul Cook, Supervisor Dawn Rowe, Supervisor</p>	<p>Indeterminate (6/30/20 Indeterminate (6/30/20 Indeterminate Indeterminate Indeterminate Indeterminate Indeterminate Indeterminate Indeterminate Indeterminate</p>
<p>Legislative Policy Committee Membership consists of the following: President, Vice-President, Immediate Past President and four Board members appointed by the Board President.</p> <ul style="list-style-type: none"> - 1 East Valley member - 1 West Valley member - 1 Mountain/Desert member - 1 County member <p>Members shall serve for the duration of the State and Federal two-year legislative session in which they were appointed, with terms expiring December 31 of even-numbered years. The SBCTA Board President shall serve as Chair of the Legislative Policy Committee.</p>	<p>Provide guidance and recommendations to the Board of Directors regarding issues and actions relating to the executive, legislative or judicial branches of the State and Federal government, or any other local governing body.</p> <p>Review and provide input on drafting of State and Federal legislative platform, which will serve as guiding principles to support or oppose State and Federal legislation and regulations.</p> <p>(Brown Act)</p>	<p>Ray Marquez, Chino Hills (President) Rick Denison, Yucca Valley (Vice President) Dawn Rowe, Supervisor (Past President) Larry McCallon, Highland Alan Wapner, Ontario Paul Cook, Supervisor Art Bishop, Apple Valley</p>	<p>Indeterminate Indeterminate Indeterminate 12/31/2024 12/31/2024 12/31/2024 12/31/2024</p>

Communication: Committee Membership (Committee Membership)

<u>Policy Committee Meeting Times</u>	General Policy Committee	Second Wednesday, 9:00 a.m., SBCTA Office
	Legislative Policy Committee	Second Wednesday, 9:30 a.m., SBCTA Office
	Transit Committee	Second Thursday, 9:00 a.m., SBCTA Office
	Mountain/Desert Committee	Third Friday, 9:30 a.m., Victorville, CA

Board of Directors Study Sessions for Metro Valley Issues

STUDY SESSION	PURPOSE	MEMBERSHIP	TERMS
<p>Board of Directors Study Sessions for Metro Valley Issues Refer to SBCTA Policy 10007.</p>	<p>To review, discuss, and make recommendations for actions to be taken at regular meetings of the Board on issues relating to Measure I Projects in the Valley.</p> <p>(Brown Act)</p>	<p>Board of Directors Helen Tran, San Bernardino (Chair) Jesse Armendarez, Supervisor (Vice Chair)</p>	<p>6/30/2025 6/30/2025</p>

Meeting Time: Second Thursday, 9:30 a.m., SBCTA Office

Public and Specialized Transportation Advisory and Coordinating Council (PASTACC)

COMMITTEE	PURPOSE	MEMBERSHIP	TERMS
<p>Public and Specialized Transportation Advisory and Coordinating Council (PASTACC)</p> <p>Membership consists of 11 members appointed by the SBCTA Executive Director.</p> <p>5 representing Public Transit Providers</p> <p>1 representing County Dept. of Public Works</p> <p>2 representing the Consolidated Transportation Services Agency - Omnitrans and VVTA also represent CTSA for the Valley and High Desert respectively.</p> <p>5 At Large Members representing Social Service Providers</p>	<p>Subject to the Transportation Development Act (TDA) Section 99238 – establishes PASTACC’s statutory responsibilities;</p> <p>(1) Review and make recommendations on annual Unmet Transit Needs hearing findings</p> <p>(2) Score and make recommendations for Federal Transit Administration Section 5310 Capital Grant Program applications</p> <p>(3) Assist SBCTA in developing public outreach approach on updating the Coordinated Public Transit/Human Services Transportation Plan</p> <p>(4) Review call for projects for Federal Transit Administration Section 5310 grant applications</p> <p>(5) Monitor and make recommendations on Federal regulatory processes as they relate to transit and specialized transit</p> <p>(6) Monitor and disseminate information in reference to State level law and recommendations as they relate to transit and specialized transit</p> <p>(7) Receive annual reports on funded specialized programs funded through FTA Section 5310 and Measure I</p> <p>(8) Identify regional or county level areas of unmet needs</p> <p>(9) Address special grant or funding opportunities</p> <p>(10) Address any special issues of PASTACC voting and non-voting members</p> <p>(Brown Act)</p>	<p>Standing Membership –</p> <p>Morongo Basin Transit Authority</p> <p>Mountain Transit</p> <p>City of Needles Transit Services</p> <p>Omnitrans</p> <p>Victor Valley Transit Authority</p> <p>County of San Bernardino Dept. of Public Works</p> <p>At Large Membership –</p> <p>San Bernardino Dept. of Aging and Adult Services</p> <p>Foothill Aids</p> <p>Anthesis</p> <p>Reach Out Morongo Basin</p> <p>Loma Linda University Health</p>	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p> <p>5/31/2027</p> <p>9/30/2026</p> <p>9/30/2026</p> <p>6/30/2025</p> <p>8/31/2027</p>

Communication: Committee Membership (Committee Membership)

Meeting Dates and Time: Bi monthly, beginning in January, 2nd Tuesday of the month, 10:00 a.m., (Location rotates: SBCTA Office, VVTA, MBTA)

Independent Taxpayer Oversight Committee (ITOC) Review of Measure I Expenditure Plan

COMMITTEE	PURPOSE	MEMBERSHIP	TERMS
<p>Independent Taxpayer Oversight Committee (ITOC) Review of Measure I Expenditure Plan</p> <p>The ITOC shall provide citizen review to ensure that all Measure I funds are spent by the San Bernardino County Transportation Authority (hereby referred to as the Authority) in accordance with provision of the Expenditure Plan and Ordinance No. 04-01. The ordinance specifies that each member of the ITOC have certain credentials or experience as follows:</p> <ul style="list-style-type: none"> A. One member who is a professional in the field of municipal audit, finance and/or budgeting with a minimum of five years in a relevant and senior decision-making position in the public or private sector. B. One member who is a licensed civil engineer or trained transportation planner with at least five years of demonstrated experience in the fields of transportation and/or urban design in government and/or the private sector. No member shall be a recipient or sub-recipient of Measure “I” funding. C. One member who is a current or retired manager of a major publicly financed development or construction project, who by training and experience would understand the complexity, costs and implementation issues in building large scale transportation improvements. D. One member who is current or retired manager of a major privately financed development or construction project, who by training and experience would understand the complexity, costs and implementation issues in building large scale transportation improvements. E. One public member, who possesses the knowledge and skills which will be helpful to the work of the ITOC. <p>In addition to the appointed members, the SBCTA President and Executive Director will serve as ex-officio members.</p>	<p>The ITOC shall review the annual audits of the Authority; report findings based on the audits to the Authority; and recommend any additional audits for consideration which the ITOC believes may improve the financial operation and integrity of program implementation.</p> <p>The Authority shall hold a publicly noticed meeting, which may or may not be included on the agenda of a regularly scheduled Board meeting, with the participation of the ITOC to consider the findings and recommendations of the audits.</p> <p>(Brown Act)</p>	<p>Cole Jackson (A) Gerry Newcombe (B) Alex Artiaga (C) Chad Logan (D) Patrick Morris (E) Ray Marquez, Ex-Officio Ray Wolfe, Ex-Officio</p>	<p>10/31/2024 12/31/2024 06/30/2028 06/30/2028 03/01/2025</p>

Communication: Committee Membership (Committee Membership)

SBCTA Ad Hoc Committees

The Brown Act does not apply to ad hoc or temporary advisory committees composed of less than a majority of the Board or a standing policy committee. The President of the Board of Directors may designate ad hoc committees to study specific projects or matters for a set time frame subject to the concurrence of the Board of Directors, and shall make appointments to the ad hoc committees. When the subject matter of the ad hoc committee is of relevance to the geographical region of the County as a whole, geographical representation should be considered and if there is lack of interested members to ensure geographical balance the Board President may seek out participation from specific members.

COMMITTEE	PURPOSE	MEMBERSHIP
<p>Council of Governments Ad Hoc Committee</p> <p>On May 1, 2024, the Board approved the establishment of this ad hoc committee composed of Board members appointed by the Board President.</p>	<p>To provide guidance on the reviewing and updating the Bylaws and policies relating to SBCOG. This ad hoc has a term ending June 30, 2025.</p>	<p>Rick Herrick, Big Bear Lake Rebekah Swanson, Hesperia Larry McCallon, Highland John Dutrey, Montclair L. Dennis Michael, Rancho Cucamonga Helen Tran, San Bernardino Rick Denison, Yucca Valley Joe Baca Jr., Supervisor</p>

<p>Housing Trust Ad Hoc Committee On January 4, 2023, the Board approved the establishment of this ad hoc committee composed of Board members appointed by the Board President, for a term ending December 31, 2023. On December 6, 2023, the Board approved a 6-month extension of this ad hoc, for a new term ending June 30, 2024. On February 7, 2024, the Board approved a 6-month extension of this ad hoc, for a new term ending December 31, 2024.</p>	<p>To take a broad look into the housing trust and how it interacts with the Council of Governments. This ad hoc has a term ending December 31, 2024.</p>	<p>Eunice Ulloa, Chino Deborah Robertson, Rialto Alan Wapner, Ontario L. Dennis Michael, Rancho Cucamonga Daniel Ramos, Adelanto Rick Denison, Yucca Valley Curt Hagman, Supervisor</p>
<p>Transportation Investment Plan Ad Hoc Committee On June 29, 2022 the Board approved the establishment of this ad hoc committee composed of Board members appointed by the Board President. At the Board Workshop on November 30, 2023, the Board approved a 1-year extension of this ad hoc, for a new term ending December 31, 2024</p>	<p>To look at future Measure options and make recommendations relating to any future local measure. This ad hoc has a term end date of December 31, 2024.</p>	<p>Art Bishop, Apple Valley Larry McCallon, Highland Alan Wapner, Ontario L. Dennis Michael, Rancho Cucamonga Joel Klink, Twentynine Palms Debra Jones, Victorville Bobby Duncan, Yucaipa Jesse Armendarez, Supervisor</p>

SBCTA Technical Advisory Committees

COMMITTEE	PURPOSE	MEETING SCHEDULE
<p>Transportation Technical Advisory Committee (TTAC) Committee membership consists of a primary staff representative of each SBCTA member agency designated by the City Manager or County Administrative Officer.</p>	<p>SBCTA’s Transportation Technical Advisory Committee was formed by SBCTA management to provide input to SBCTA staff on technical transportation-related matters and formulation of transportation-related policy recommendations to the SBCTA Board of Directors. The TTAC is not a Brown Act committee.</p>	<p>Generally meets on the first Monday of each month at 1:30 PM, at SBCTA.</p>
<p>City/County Manager’s Technical Advisory Committee (CCM TAC) The committee is composed of up to two representatives of the County Administrator’s Office and the city manager or administrator from each city and town in the County.</p>	<p>SBCTA’s City/County Manager’s Technical Advisory Committee was established in the Joint Powers Authority that established San Bernardino Associated Governments (SANBAG). The primary role of the committee is to provide a forum for the chief executives of SANBAG’s member agencies to become informed about and discuss issues facing SANBAG/SBCTA. It also provides a forum for the discussion of items of mutual concern and a way to cooperate regionally in addressing those concerns. The CCM TAC is a Brown Act Committee.</p>	<p>Meets bimonthly on the first Thursday of the month at 10:00 AM, at SBCTA.</p>
<p>Planning and Development Technical Forum (PDTF) Committee membership consists of a primary staff representative of each SBCTA member agency designated by the City Manager or County Chief Executive Officer.</p>	<p>The SBCTA Planning and Development Technical Forum was formed by SBCTA management to provide an opportunity for interaction among planning and development representatives of member agencies on planning issues of multijurisdictional importance. The PDTF is not a Brown Act Committee.</p>	<p>Meets the 4th Wednesday of each month at 2:00 p.m. at the Santa Fe Depot (in the SCAG Office).</p>

Communication: Committee Membership (Committee Membership)

Project Development Teams	<p>Project Development Teams (PDTs) are assembled for all major project development activities by SBCTA staff.</p> <p>Teams are generally composed of technical representatives from SBCTA, member jurisdictions appropriate to the project, Caltrans, and other major stakeholder entities that have significant involvement in the project.</p> <p>PDTs make recommendations related to approaches to project development, evaluation of alternatives, and technical solutions.</p> <p>PDTs meet on a regular basis throughout the project phase to review progress and to provide technical input required for project development.</p> <p>The PDTs are not Brown Act Committees.</p>	Varies with the PDT.
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MISSION STATEMENT

Our mission is to improve the quality of life and mobility in San Bernardino County. Safety is the cornerstone of all we do.

We achieve this by:

- Making all transportation modes as efficient, economical, and environmentally responsible as possible.
- Envisioning the future, embracing emerging technology, and innovating to ensure our transportation options are successful and sustainable.
- Promoting collaboration among all levels of government.
- Optimizing our impact in regional, state, and federal policy and funding decisions.
- Using all revenue sources in the most responsible and transparent way.

Approved December 4, 2019