



**BOARD OF DIRECTORS  
MEETING AGENDA  
April 15, 2020 – 1:30 PM**

**IN ACCORDANCE WITH GOVERNOR’S EXECUTIVE ORDERS N-25-20 AND N-29-20 THE SMART BOARD OF DIRECTORS MEETING WILL BE [HELD VIRTUALLY](#)**

**MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON**

**PUBLIC COMMENT PRIOR TO MEETING:**

If you wish to make a comment you are strongly encouraged to please submit your comment by 5:00 p.m. on Tuesday, April 14, 2020 at

<https://www.surveymonkey.com/r/SMARTBoardComments>

**PUBLIC COMMENT DURING THE MEETING:**

The SMART Board Chair will open the floor for public comment during the Public Comment periods on the agenda. Please check and test your computer settings so that your audio speaker and microphones are functioning. Speakers are asked to limit their comments to two (2) minutes. The amount of time allocated for comments during the meeting may vary at the Chairperson’s discretion depending on the number of speakers and length of the agenda.

1. Call to Order
2. Approval of the February 19, 2020 Board Minutes
3. Board Member Announcements
4. General Manager’s Report
5. Public Comment on Non-Agenda Items
6. Consent
  - a. Approval of Monthly Financial Reports
  - b. Accept Monthly Ridership Reports
  - c. Approve a Resolution for the Designation of SMART Authorized Agents and Other Required Documents for State Low Carbon and Transit Operating Program Funds

- d. Approve a Resolution Authorizing the Filing of an Application for Federal Transit Administration Formula Program Funding for Preventive Maintenance
  - e. Review and Accept SMART's Fiscal Year 2018-19 Single Audit
  - f. Accept General Counsel Litigation Report
- 7. Approve a Resolution to Acknowledge and Ratify a Declaration of Local Health Emergency and Proclamation of Local and State Emergency in the Sonoma-Marin Rail Transit District area due to COVID-19
  - 8. Reporting on Measure I
  - 9. Fiscal Year 2020-21 Budget Discussion and Establishing Minimum Reserve Policy
  - 10. Approve a Resolution Authorizing the General Manager to execute Change Orders 030 and 054 to Contract No. CV-DB-16-001 with Stacy Whitbeck/Herzog, JV for an amount of \$339,442 for the Larkspur Extension Project
  - 11. Next Regular Meeting of the Board of Directors, May 6, 2020 – 1:30pm
  - 12. Adjournment

---

DISABLED ACCOMODATIONS:

Upon request, SMART will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, service or alternative format requested at least two (2) days before the meeting. Requests should be emailed to Leticia Rosas-Mendoza, Clerk of the Board at [lrosas-mendoza@sonomamarintrain.org](mailto:lrosas-mendoza@sonomamarintrain.org) or submitted by phone at (707) 794-3072. Requests made by mail SMART's, 5401 Old Redwood Highway, Suite 200, Petaluma, CA 94954 must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.



**BOARD OF DIRECTORS  
REGULAR MEETING MINUTES**

**February 19, 2020- 1:30 PM**

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

1. Call to Order

Chair Lucan called the meeting to order at 1:30pm. Directors Arnold, Connolly, Fudge, Garbarino, Hillmer, Naujokas, Pahre, Rabbitt and Zane were present. Directors Philips and Rogers were absent.

2. Approval of the February 5, 2020 Board Minutes

**MOTION:** Director Garbarino moved approval of the February 5, 2020 Board Minutes as presented. Director Rabbitt second. The motion carried 10-0 (Directors Philips and Rogers were absent).

Chair Lucan stated that the agenda will be on the following order: Board Member Announcements, General Manager's Report and Public Comment on Non-Agenda Items.

3. Board Members Announcements

Director Hillmer requested that today's meeting be adjourned in Memory of Linda Phillips.

Director Garbarino state that she is very happy to report that her entire family was on the train from San Rafael to Petaluma on Friday, February 14<sup>th</sup> to celebrate her father's birthday.

4. General Manager's Report

General Manager Mansourian reported that since opening day in August 2017, SMART has carried 1,790,000 passengers, 174,000 bicycles, and over 6,600 wheelchairs.

He announced that the US Secretary of Transportation has a Grant Program opportunity with a \$1 billion budget for national infrastructure projects. The award can be between \$5 to \$25 million for the following eligible projects; highway, transit and rail including freight.

General Manager Mansourian introduced Programming and Grants Manager, Joanne Parker, who provided Ridership update. On board counts are as follows:

- Average Weekday: December 2018 – December 2019 (9% increase)
- Average Weekday: January 2020 – January 2019 (24% increase)
- Average Weekday (February 1-15): 2019 vs. 2020 (29% increase)
- Average Weekend/Holiday (February 1-15): 2019 - 2020 (86% increase)
- Bikes (February 1-15): 2019 -2020 (97% increase)
- Wheelchairs February 1-15): 2019 -2020 (97% increase)

Director Fudge asked for clarification on the average weekend/holiday for February 1-15. Ms. Parker responded that in 2019 there were 651 passengers and in 2020 there were 1,210 passengers which is an 86% increase.

#### 5. Public Comment on Non-Agenda Items

Eris Weaver stated she was sorry she missed last Board meeting when Mr. Gamlen provided a bicycle/pathway update. Chair Lucan responded that the presentations are available on SMART's website.

Duane Bellinger provide a copy of the March 16, 2005 Joint Development Goals, Policies and Procedures to the newest Board Members. He read a few bullets from the document.

Wayne Seaden stated that most people he talked to don't know why Measure I needs to pass at this time. He suggested that information needs to be provided to the public.

General Manager Mansourian stated that the document Mr. Bellinger provided was prior to SMART Tax Measure approval in 2008.

Chief Financial Officer, Erin McGrath stated that SMART's Strategic Plan is updated every five years. During the 2019 update process at the public meetings it was discussed that the current sales tax measure would expire in nine years (2029) and was recommended that the best financial plan for the District involves an early renewal of the sales tax in 2020. The Board considered two options at that time: 1) cut service and expenses; and/or 2) restructure the existing debt. The Board determined that restructuring the existing debt payment of \$18 million to \$6 million per years, with the difference in savings in the amount of \$12million would be the best financial plan for the SMART. It was determined to place Measure on the ballot in March 2020, during the Presidential Elections which has a better voter turnout.

Director Hillmer stated that he did not count on an organized misinformation campaign. Ms. McGrath responded that it has been very challenging.

6. Consent
  - a. Approval of Monthly Financial Reports

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

**MOTION:** Director Naujokas moved approval of the Consent Agenda as presented. Director Arnold second. The motion carried 10-0 (Directors Phillips and Rogers absent).

7. Budget Planning for Fiscal Year 2020-21

Chief Financial Officer, Erin McGrath, provided an update on the Preliminary Budget Process, Fiscal Year 2020-21. Highlights include:

- Budget Processing Timing
- Two Budget Paths
  - Scenario 1: Approval of the Sales Tax Extension (Measure I Approved)
    - ✧ Review current level of service and staffing
    - ✧ Review fare structure and revenue
    - ✧ Discussion of pattern ridership
    - ✧ Outline capital projects strategies (completion of Windsor Extension, progress/needs for new pathway projects, Petaluma second station, Grant strategy and opportunities for future expansion to Healdsburg, Cloverdale and pathway extensions)
  - Scenario 2: No Sales Tax Extension (Measure I Defeated)
    - ✧ Doing nothing is not an option
    - ✧ Construction bond debt reduction of \$12m annually not available
    - ✧ Strategic Plan and Board Presentation outlines the need for reduction of expenses of \$9m to avoid using reserves
- Strategic Plan Projections
- Budget Composition
- Capital Budget
  - Fiscal Year 2020 current budget of \$51m
  - Almost entirely grant funded, one time in nature
- Administration and Operations
- Scenario 1: Extension Approved – Next Steps
  - Identify budget policy choices available using Expenditure Plan 2020
  - Provide for Ongoing Operations, Maintenance and Financing of Current operations
  - Prioritize Safety, Education and Community Outreach
  - Capital projects and rolling stock
  - Ability to reduce debt payment allows the budget process to focus on maintaining service and planning for Windsor, new pathways the next 2 years
- Scenario 2: Extension Defeated – Next Steps
  - Budget will need the process of addressing the future \$9 million shortfall
- Process and Options

- Identify SMART's "discretionary" budget
- Review changes that could be made to discretionary expenses and revenue
- Administration Expenses Fiscal Year 2019-20
  - \$29 Million (Debt Service, Salaries and Benefits, Services and Supplies)
- Operations Expenses Fiscal Year 2019-20
  - \$31 Million (Services and Supplies, Operations Equipment, Salaries and Benefits)
- Budgeted Revenue
  - Sales Tax (Restricted)
  - Fare Revenue (Discretionary)
  - Other Revenues \$7 million
- Reserves
  - Status Quo (Do Nothing)
  - Budget Process will include a discussion about establishing a policy for minimum reserve
  - Develop Board Policy about how much to tap into reserves in the coming years
- Next Steps
  - Conduct public workshops in April/May to identify policy choices for the next two fiscal years with a long-term sustainability goal
  - Specific policy discussion will depend on the outcome of the March election
  - Continue to work toward the future as we have always done

### Comments

Director Rabbitt asked for clarification on the type of debt SMART has, does the organization have a list of assets with value that can potentially be sold. Ms. McGrath responded that SMART has debt is considered Serial Debt (one package), due to tax reform the debt can't be refinanced until 2022. Mr. Mansourian responded that SMART's biggest assets are the vehicles (DMU's) and three large properties (Petaluma and Santa Rosa which are in a sale agreement and Healdsburg). When we present the budget, we will discuss the Assets component. It is very important to have a stable organization and will continue to be. There is a lot of money at the Federal and State level and we have a good record obtaining grants.

Director Connolly stated that in looking at the both scenarios, if Measure I fail, does SMART have a timing of any significant adjustments and scale that will need to be made. Will SMART be making service cuts? Ms. McGrath responded that based on the Operations budget, you can't ignore service cuts because the layoff of one employee impacts various departments. We are in the process of evaluating every aspect of the budget and passenger service. Mr. Mansourian responded that capital projects will be impacted, there will be projects that your Board needs to approve and staff continues to work on two financial paths.

Director Hillmer asked if there are opportunities for revenue enhancement. Ms. McGrath responded that fare revenue is small and very tricky to address if you eliminate discounts.

Director Fudge stated that SMART has staff positions that are very much intertwine and can't be eliminated without impacting SMART passenger service. Eliminating a bus service is

different since it only impacts that one driver and specific route. Mr. Mansourian responded it's the entire organization including safety and security, payroll, lawyers, customer service and etc. Staff is reviewing and evaluating every single aspect to come up with the best resolution for the District.

Duane Bellinger stated that he was informed that SMART could build stations along its own right-of-way. There is interest in building a coffee shop at the Corona property.

Dani Sheehan stated that the race is not lost for Measure I, there is time to step out and support Measure I campaign.

Doug Kerr stated that the message has not been informed as the need for Measure I. He suggested that SMART release the message of the importance of Measure I approval.

Steve Birdlebough stated that SMART has rail cars that will last 30 years, tracks that will last 50 years and a bond measure that only has nine years. SMART has a staff that is behind the scenes that have made a huge investment.

Director Hillmer stated that he is very grateful for the all the public comments that were addressed today and the importance of the Measure I.

Director Naujokas stated that the agency cannot promote and use public fund to promote Measure I, however clarifying the misinformation that is being presented could be provided. Mr. Lyons responded that staff can address the misinformation with facts.

Director Rabbitt clarified his question regarding assets, stating that sometimes assets on the freight side are more of a liability and he asked if they are of any value in order to pay debt. There was very interesting article on The New York Times on Sunday, about "How did Americans Lose its Faith in Everything". In regards with Measure I, Director Rabbitt added, this Measure will give SMART the ability to refinance debt and place it in a better place.

Director Hillmer stated that he does not want to lose the message that has been presented by the public today? He suggested simplify the message to the public.

Director Zane suggested simplifying the message would be good. Public transportation is for everyone, which helps citizens get to their jobs.

Director Arnold asked if SMART had any survey figures available. Mr. Mansourian responded that Metropolitan Transportation Commission conducted an onboard survey with various questions. Northbound commute has increased and many corporations and major employers are starting to make decisions make on the backbone of transportation. At the last meeting Director Phillips mentioned that Bio Marin is expanding to San Rafael to be near a public transportation site for their Sonoma and Marin County employees. Director Arnold strongly believes that SMART has provided a service for single occupancy commute drivers.

Director Garbarino stated the increase in ridership numbers is phenomenal. Unfortunately, there are a lot of cranky people out there that are angry at life. This service is what the next generation needs.

Chair Lucan thanked staff for the presentations and stated that the numbers that were presented today are the same numbers that were presented last year when the Board made a unanimous decision to place the Measure on the March 2020 Ballot. The decision was determined that it would place the agency better financial position. We don't want to come back and make difficult decision.

Chair Lucan adjourned the Board to closed session at 2:40 pm on the following:

8. Closed Session - Conference with General Manager regarding security of public services and public facilities pursuant to California Government Code Section 54957
9. Report Out of Closed Session

Chair Lucan reported out of closed session at 3:20 PM on the following:

Closed Session - Conference with General Manager regarding security of public services and public facilities pursuant to California Government Code Section 54957

*Report Out:* Direction given to staff

10. Next Regular Meeting of the Board of Directors, March 4, 2020 – 1:30pm – 5401 Old Redwood Highway, 1<sup>st</sup> Floor, Petaluma, CA 94954
11. Adjournment – Meeting adjourned in Memory of Lynda Phillips at 3:22pm.

Respectfully submitted,

Leticia Rosas-Mendoza  
Clerk of the Board

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





April 15, 2020

**Eric Lucan, Chair**  
Transportation Authority of Marin

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

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

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

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

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

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**Gary Phillips**  
Transportation Authority of Marin

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

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

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

**SUBJECT:** Monthly Finance Reports

Dear Board Members:

**RECOMMENDATION:** Information Item

**SUMMARY:**

We are presenting the monthly finance reports for activity through the month of March. The budget report shows transactions for the first nine months of the fiscal year. Fare and parking revenues are \$2,980,156. Sales tax, which lags at least two months behind other revenues, are \$24,852,336. Bond fund investments through March totaled \$18,589,343 while other cash and investments equaled \$45,296,239. Expenditures are on target to be at or below authorized budgeted amounts.

We have provided a detailed discussion of the financial impact of the shelter-in-place order in Agenda Item 9.

Very truly yours,

/s/  
Erin McGrath  
Chief Financial Officer

Attachment(s): 1) Monthly Finance Report  
2) Contract Summary Report

# Sonoma-Marín Area Rail Transit District

## Monthly Finance Reports

Through March 2020

	FY 2019-20		Actual	Remaining Budget
	Approved Budget			
Revenues				
Administration				
Sales/Use Taxes	\$	27,973,136	\$ 17,540,599	\$ 10,432,537
Interest Earnings		295,000	623,779	-
Rent - Real Estate		265,755	261,417	4,338
Advertising Revenue		221,750	268,023	-
Miscellaneous Revenue		50,000	99,511	-
Administration Subtotal		28,805,641	18,793,329	10,436,875
Operations				
Fund Balance		9,505,068	9,505,068	-
Sales/Use Tax		11,292,866	7,311,737	3,981,129
Fare & Parking Revenue		4,187,000	2,980,156	1,206,844
State Grants		7,404,794	3,582,738	3,822,056
Other Charges		40,000	218,011	
Operations Subtotal		32,429,728	23,597,710	9,010,029
Capital				
Fund Balance		29,069,587	29,069,587	-
Federal Funds		4,650,000	1,490,281	3,159,719
State Grants		14,010,000	7,850,601	6,159,399
Other Governments/Misc		4,528,192	3,507,771	1,020,421
Measure M		200,625	-	200,625
MTC		-	192,015	-
Miscellaneous Revenue		-	300,000	-
Capital Subtotal	\$	52,458,404	\$ 42,410,256	\$ 10,540,164
Revenue Total	\$	113,693,773	\$ 84,801,295	\$ 33,809,125
Expenditures				
Administration				
Salaries & Benefits	\$	5,146,304	\$ 3,281,563	\$ 1,864,741
Services & Supplies		6,835,130	3,322,295	3,512,835
Debt Service/Other Charges		16,847,600	7,412,600	9,435,000
Machinery & Equipment		95,000	45,942	49,058
Administration Subtotal		28,924,034	14,062,400	14,861,634
Operations				
Salaries & Benefits		16,146,984	10,097,229	6,049,755
Services & Supplies		11,781,730	5,049,183	6,732,548
Buildings & Capital Improvements		4,501,014	1,650,929	2,850,085
Operations Subtotal		32,429,728	16,797,341	15,632,387
Capital				
Salaries & Benefits		1,732,501	916,901	815,600
Services & Supplies		1,320,500	202,911	1,117,589
Other Charges		843,163	316,686	526,477
Land		11,000	11,000	-
Machinery & Equipment		15,295,495	10,717,486	4,578,009
Infrastructure		33,255,744	11,635,141	21,620,604
Capital Subtotal	\$	52,458,404	\$ 23,800,125	\$ 28,658,279
Expenditure Total	\$	113,812,166	\$ 54,659,866	\$ 59,152,300

Investment Report	
	Amount
<b>Bond Reserve Fund</b>	
Sonoma County Treasury Pool	\$ 17,072,500
<b>Interest Fund</b>	
Sonoma County Treasury Pool	584,612
<b>Principal Fund</b>	
Sonoma County Treasury Pool	932,231
<b>Project Fund</b>	-
<b>SMART Operating Accounts</b>	
Bank of Marin	18,813,643
Sonoma County Treasury Pool	26,482,596
<b>Total</b>	<b>\$ 63,885,582</b>

Capitol Project Report			
	Budget	Actual	Remaining
<b>Additional Railcar Purchase</b>			
Revenues	\$ 11,000,000	\$ 8,250,000	\$ 2,750,000
Expenditures	\$ 11,000,000	\$ 8,250,000	\$ 2,750,000
<b>San Rafael to Larkspur Extension</b>			
Revenues	\$ 55,435,059	\$ 52,550,404	\$ 2,884,655
Expenditures	\$ 55,435,059	\$ 52,896,155	\$ 2,538,904
<b>Windsor Extension</b>			
Revenues	\$ 65,000,000	\$ 1,159,036	\$ 63,840,964
Expenditures	\$ 65,000,000	\$ 2,540,460	\$ 62,459,540
<b>Petaluma Payran to Southpoint Pathway</b>			
Revenues	\$ 3,261,098	\$ 1,622,070	\$ 1,639,028
Expenditures	\$ 3,261,098	\$ 2,556,566	\$ 704,532



## Contract Summary

Active Contracts as of March 31, 2020

Contractor	Scope	Fiscal Year 19/20 Projected	Fiscal Year 19/20 Actuals-To-Date
A.J. Janitorial Service	Janitorial Services for all Stations, Roblar, ROC, and Fulton	\$104,000	\$63,965
Air Technology West	Maintenance and On-Call Repair for Air Compressors	\$6,000	\$4,165
Alcohol & Drug Testing Services, LLC	DOT Drug and Alcohol Testing	\$39,000	\$7,462
Alliant Insurance Services	Insurance Brokerage & Risk Management Services	\$80,000	\$0
Alstrom Transportation	DMU Collision-Damaged Repair Work and Overhauls	\$202,543	\$106,527
American Rail Consultants, Inc.	Railroad Bridge Engineering, Inspection, & Design	\$48,672	\$11,307
Aramark Uniform Services	Employee Uniform Provider and Cleaning Service	\$31,724	\$21,541
Asbury Environmental Services (AES)	Recycling & Disposal Service for Used Oil, Fuel Filters, Rags, and Related Equipment	\$10,000	\$2,195
Barbier Security Group	Security Patrol Services along Right-of-Way	\$200,000	\$118,560
Barnes & Company, LLC	Safety Outreach Services	\$25,000	\$19,838
Beacon Economics	Sales Tax Revenue Forecast Consulting Services	\$10,000	\$19,000
Becoming Independent	Emergency Bus Bridge Services	\$25,538	\$9,588
Bettin Investigations	Background Investigations	\$8,863	\$5,074
Biddle Consulting Group, Inc.	Federal Equal Employment Opportunity Plan Creation and Completion	\$7,500	\$5,000
Big Cat Advertising	Digital Advertisement Services	\$18,000	\$13,500
Biggs Cardosa Associates, Inc.	Engineering Design and Construction Support for Payran to Southpoint Multi-Use Pathway	\$43,954	\$10,550
Bradford D. Andersen dba Andersen Window Tinting	Installation of High Heat Rejecting Tint on DMU Windows	\$4,150	\$4,150
Bright Star Security, Inc.	Security Patrol Services at SMART's Cal Park Tunnel	\$6,100	\$508
Burke, Williams & Sorensen, LLP	Litigation Support Services	\$163,513	\$2,306
CALOPPS - City of Foster City	HR Recruitment Services	\$3,500	\$3,500
Certified Employment Group	Temporary Staffing Services	\$42,329	\$18,255
Cinquini & Passarino, Inc.	Right-of-Way Land Surveying and Related Services	\$60,000	\$31,002
Corey, Canapary & Galanis	NTD Compliant Passenger Counting Services	\$33,603	\$25,202
DeAngelo Brothers, LLC (DBI Services)	Vegetation Control Services	\$37,651	\$37,651
Delta Wheel Truing Solutions	Modifications to the Wheel Truing Machine	\$34,911	\$0
Doug Williams	Fire and Life Safety Consultant	\$8,000	\$6,605
Dr. Lance O'Connor	Occupational Health Screening Services	\$3,600	\$340
Dr. Mark Clementi	Pre-Employment Psychological Evaluations	\$25,000	\$17,244
eLock Technologies, LLC	Station Bike Lockers and Maintenance Services	\$54,576	\$39,334
Empire Cleaners	Uniform Dry-Cleaning, Laundering, and Related Services	\$40,000	\$17,587
Emtec Consulting Services, LLC	Oracle Accounting System Support Services	\$50,000	\$7,823
ePath Learning, Inc.	Cloud-Based Training / Learning Management Software	\$6,180	\$6,180
ePath Learning, Inc.	Business Training Library	\$10,005	\$0
Everbridge, Inc.	Nixle Computer Software (Cloud-based)	\$11,800	\$11,800
George Hills Company, Inc.	Third Party Claims Administration Services	\$10,000	\$3,791
GHD, Inc.	SWPP Compliance, AutoCAD Management, Traffic and Hydraulic Analysis	\$56,719	\$22,545
Ghiotti Bros, Inc.	Enhanced Pedestrian Safety Improvements	\$577,604	\$538,158
Golden Gate Bridge, Highway and Transportation District	Customer Service Support Services	\$335,580	\$165,176
Golden Gate Bridge, Highway and Transportation District	Weekend Bus Service between San Rafael Transit Center and Larkspur Ferry	\$68,664	\$19,803
GP Crane & Hoist Services	Cal/OSHA Crane Inspection Services	\$15,000	\$450
Granicus, Inc.	Media Streaming & Internet Broadcasting Services	\$10,348	\$6,898
Granite Construction Company	Non-Motorized Pathway, Payran to Southpoint	\$2,000,003	\$2,001,853
Hanford A.R.C.	Implementation and Monitoring Las Gallinas Creek Riparian Enhancement Plan	\$15,230	\$6,728
Hanson Bridgett LLP	Legal Services	\$170,000	\$114,265
Hogan Lovells LLP	Legal Services - Freight and Passenger Rail Sector	\$100,000	\$23,256
Holland Company	Track Geometry and Measurement Services	\$24,000	\$24,000
Hulcher Services, Inc.	On-Call Derailment Services	\$72,000	\$0

Contractor	Scope	Fiscal Year 19/20 Projected	Fiscal Year 19/20 To-Date	Actuals
Industrial Railways Company	Ballast Car Operations	\$70,884		\$70,884
Innovation Business Solutions	Payroll Processing Solutions	\$35,400		\$16,041
Intellectra, Inc.	Internet/Cellular Tower Maintenance Services	\$40,000		\$22,180
Intelligent Technology Solutions, Inc.	Maximo MMS Implementation and Support Services	\$176,000		\$144,835
Leete Generators	Generator Maintenance	\$1,432		\$1,195
LM Disability Consulting	Disability Access Consulting	\$12,000		\$2,513
LTK Engineering Services	Vehicle and Systems Design and Construction Management Services	\$178,507		\$125,632
Managed Health Network	Employee Assistance Program (EAP) Services	\$2,338		\$1,922
Masabi LLC	SMART Mobile Ticketing Pilot Project	\$57,600		\$35,000
MaxAccel	Compliance Management Software Design/Implementation/Asset Management	\$14,000		\$8,940
Maze & Associates	Financial Audit Services	\$46,664		\$42,040
MGrodner, LLC	Project Management Services	\$94,000		\$20,525
Mike Brown Electric Co.	On-Call Electrical Maintenance	\$19,895		\$4,011
Militus, Inc.	Cybersecurity Monitoring and Assessment	\$40,000		\$40,000
Militus, Inc.	Cybersecurity Assessment Services	\$40,000		\$40,000
Modern Railway Systems, Inc.	Design and Construction of Systems Improvements for the Windsor Extension Project	\$4,400,000		\$0
Netspeed Solutions, Inc.	SMART Phone System Maintenance	\$16,050		\$8,732
Netspeed Solutions, Inc.	Emergency Telephone Gateway Upgrade for Porto Suello Tunnel	\$5,272		\$5,272
Netwoven Inc.	SharePoint Maintenance, Support, Implementation, and Related Services	\$48,000		\$34,480
Nextdoor Inc.	Use of Nextdoor Platform for Community Notifications	\$7,600		\$0
North Bay SAP Services	Substance Abuse Professional Services	\$3,800		\$0
Northwestern Pacific Railroad Company, Inc.	Provision and Operation of Ballast Car	\$36,000		\$25,760
Occupational Health Centers of CA	Pre-Employment Evaluation Services	\$25,000		\$13,045
Pamco Machine Works, Inc.	Railroad Wheel Pressing Services	\$378,000		\$164,490
Parodi Investigative Solutions	Pre-Employment Background Investigation Services	\$20,000		\$10,150
PFM Financial Advisors, LLC	Financial Advisory Services	\$100,000		\$67,196
Pivotal Vision, LLC	Security Software Licensing	\$2,200		\$2,200
Platinum Advisors, LLC	State Legislative Advocacy Services	\$60,000		\$60,000
Portola Systems, Inc.	Uninterrupted Power Supply Battery Backup at SMART Stations	\$63,700		\$0
Portola Systems, Inc.	SMART Station Network Configuration Services	\$202,541		\$170,984
Precision Wireless	Tech Support and Maintenance for Land Mobile Radio	\$25,000		\$3,434
Premier Fall Protection, Inc.	Inspection and Certification Services for SMART's Fall Protection Equipment	\$8,000		\$2,784
Rail Enterprises	Ballast Car Transportation and Logistics Coordination	\$35,000		\$28,914
RailPros, Inc.	Professional Engineering Services for Larkspur Extension	\$250,000		\$179,706
Reyff Electric Company	Installation of Circuits to Wall-Mounted EV Chargers	\$4,320		\$4,320
Santa Rosa Fire Equipment Service, Inc.	SMART Fire Equipment Maintenance	\$7,029		\$0
ServPro of Lake Mendocino and Sonoma County	Biohazard Clean-Up and Hazmat Services	\$206,795		\$166,775
Sonoma County Fleet Operation Division	Non-Revenue Fleet Maintenance Services	\$75,000		\$20,260
Sonoma County Probation Department	Right-of-Way Vegetation Control, Brush and Debris Removal, and Homeless Camp Clean-up	\$30,000		\$5,100
Sonoma County Transit	Bus Service Route 56 (North Stations)	\$192,109		\$122,463
Sperry Rail Service	Rail Flaw Detection Services	\$13,500		\$0
SPTJ Consulting	Network Infrastructure, Security, Migration and Setup Services	\$365,580		\$133,853
Stacy and Witbeck, Inc.	Design/Build Construction of Civil, Track & Structures of Windsor Extension	\$8,300,000		\$1,909,417
Stacy and Witbeck, Inc.	Railroad Track Maintenance, Alignment, and Restoration	\$220,000		\$210,210
Stacy and Witbeck/Herzog, JV	Design/Build Construction of Civil, Track & Structures Improvements of Larkspur Extension	\$8,599,958		\$7,944,417
Stantec Consulting Services, Inc.	Environmental Permit Management and Construction Compliance Monitoring	\$92,277		\$6,116
Stericycle, Inc.	Medical Waste Pick-Up and Disposal Services	\$1,918		\$0

Contractor	Scope	Fiscal Year 19/20 Projected	Fiscal Year 19/20 To-Date	Actuals
Sue Evans	Real Estate Support Services	\$17,849		\$13,412
Sumitomo Corporation	Manufacture & Delivery of Rail Vehicles	\$14,567,201	\$10,317,197	
Summit Signal, Inc.	Emergency Call-Out Services for Track and Signals	\$10,000		\$0
Survival CPR & First Aid, LLC	First Aid and CPR Training, AED Compliance Program	\$5,090		\$5,090
Swiftly, Inc.	AVL Mobile Application and Website Interface	\$8,925		\$8,400
Terris, Barnes & Walters	Ballot Measure Communication Consulting	\$15,053		\$15,053
The GBS Group	Internet Connectivity (Wi-Fi) for SMART Trains	\$500,690		\$399,521
Triliant, LLC	Online Training Program	\$2,467		\$2,467
Transportation Certification Services, Inc.	Onsite Inspection and Training Services	\$8,000		\$4,145
Trillum Solutions, Inc.	Transit Feed Mapping Software	\$1,000		\$1,000
United Mechanical Incorporated	HVAC Maintenance Services at SMART Facilities	\$20,700		\$12,966
United Mechanical Incorporated	Bridge Tender House HVAC Install Project	\$8,749		\$8,749
Utah Transit Authority	DMU Wheel Truing Services	\$28,413		\$28,413
Van Scoyoc Associates	Federal Lobbying Services	\$60,000		\$30,000
VenTek Transit Inc.	Clipper Vending Machine Operations and Maintenance Services	\$313,557		\$171,887
VenTek Transit Inc.	Clipper Card Vending Machine Contract Assigned to SMART	\$341,724		\$264,586
WBE	Existing CCTV System On-Call Maintenance	\$50,000		\$8,216
West Coast Arborists, Inc.	Tree Trimming, Removal, and Related Services	\$50,000		\$0
WRA Environmental Consultants	Environmental Permitting, Management, & Support Services	\$137,216		\$110,738
	<b>Totals</b>	<b>\$45,680,863</b>		<b>\$26,843,318</b>

Actuals-To-Date includes invoices that have been approved as of March 31, 2020, but may not have been processed in SMART's Financial System



April 15, 2020

**Eric Lucan, Chair**  
Transportation Authority of Marin

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

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

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

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

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

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**Gary Phillips**  
Transportation Authority of Marin

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

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

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

**SUBJECT:** Monthly Ridership Report – February and March 2020

Dear Board Members:

**RECOMMENDATIONS:** Information Item

**SUMMARY:**

We are presenting the monthly ridership report for activity for the month of February 2020 and March 2020. This report shows trends in ridership for SMART by tracking Totals, Average Weekday riders, and Average Weekend/Holiday riders via the two methods we employ to track riders on a daily basis: Onboard Counts and Clipper + Mobile App paid fares. The report details bicycles and wheelchairs counted as well.

As discussed in prior presentations to Your Board, both methods of counting are necessary to track progress. Onboard Counts capture all riders, including the riders who are riding during the Free Fare Days or Free Fare Programs offered by Your Board, riders with passes who neglect to tag on or off, as well as categories of riders such as children under five years old. Therefore Clipper + Mobile App paid fare reports do not capture all riders.

This and future reports will compare the most recent month to the same month during the prior year, to capture as many similar characteristics, such as school in session, as possible, enabling the tracking of trends over time. The report also shows progress so far in the Fiscal Year compared to the same time in the last Fiscal Year, to enable tracking of riders relative to budget expectations.

Due to the cancellation of all March 2020 SMART Board meetings, this board report covers both February and March 2020 summaries. SMART's rider data for February 2020 was posted on the SMART Ridership web site (<http://sonomamarintrain.org/RidershipReports>) and SMART's March 2020 data will be posted once validated.

The March 2020 report covers the dramatic decline of riders due to the coronavirus pandemic. In response to the pandemic, SMART annulled service on weekends starting March 21 and reduced weekday services, first from 38 to 34 trips, then to 32 trips and, starting April 6, reduced weekday service to 16 trips.

**FISCAL IMPACT:** None

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

Very truly yours,

/s/  
Joanne Parker  
Programming and Grants Manager

Attachment(s): 1) February 2020 Monthly Ridership Report  
2) March 2020 Monthly Ridership Report



## FEBRUARY 2020 REPORT

February 2020 ridership was substantially up over February 2019. The deployment of the new schedule in January 2020, the two new stations at Larkspur and Downtown Novato, and two incentive fare programs (Weekender and Sail & Rail), as well as favorable weather conditions relative to last year, could all be contributing to the increases. For the first eight months of Fiscal Year 2020, SMART's ridership is up 8% overall, though fare payments through the Clipper and SMART App systems are down 3%, due to a variety of Free Fare days and programs offered in Fiscal Year 2020. Weekend/Holiday ridership is up overall from Fiscal Year 2019, though the offering of the Weekender pass has contributed to a 10% decrease in fare collection on Weekends/Holidays.

MONTHLY TOTALS YEAR-OVER-YEAR	February 2019	February 2020	% Change
Total Ridership (Onboard Counts)	51,130	71,676	+40%
Total Paid Ridership (Clipper + App Only)	46,326	61,149	+32%
Average Weekday Ridership (Onboard Counts)	2,297	2,981	+30%
Average Weekday Paid Ridership (Clipper + App Only)	2,116	2,617	+24%
Average Weekend/Holiday Ridership (Onboard Counts)	832	1,339	+61%
Average Weekend/Holiday Paid Ridership (Clipper + App Only)	681	980	+44%
Total Bikes Onboard	3,598	7,656	+113%
Total Wheelchairs Onboard	122	275	+125%

FISCAL YEAR-TO-DATE	First 8 months FY19	First 8 months FY20	% Change*
Total Ridership (Onboard Counts)	478,764	515,214	+8%
Total Paid Ridership (Clipper + App Only)	431,346	418,893	-3%
Average Weekday Ridership (Onboard Counts)	2,430	2,641	+9%
Average Weekday Paid Ridership (Clipper + App Only)	2,244	2,218	-1%
Average Weekend/Holiday Ridership (Onboard Counts)	982	1,002	+2%
Average Weekend/Holiday Paid Ridership (Clipper + App Only)	757	684	-10%
Total Bikes Onboard	45,731	56,132	+23%
Total Wheelchairs Onboard	1,710	1,893	+11%

*\*NOTE: Free fare days and free fare programs offered in Fiscal Year 2020 result in lower Clipper + App numbers than Fiscal Year 2019.*

## MARCH 2020 REPORT

March 2020 ridership saw a decrease over March 2019. The first week in March saw the beginning of community spread of the coronavirus within the Bay Area. By the third week in March a series of phased Stay at Home orders began, first with individual counties ordering non-essential workers to stay at home, followed by the State of California issuing a stay at home order. The dramatic impact to public transit ridership was felt around the entire Bay Area, including at SMART where average weekday ridership dropped 91% (2,925 boardings the week of March 2-6 to 252 boardings the week of March 30 – April 3).

SMART modified services in March 2020 due to the coronavirus pandemic, with weekend service annulled starting March 21/22 and weekday service reduced first by 4 trips then 6, starting March 23<sup>rd</sup>.

For the first nine months of Fiscal Year 2020 (July 1 – March 31), SMART's total ridership is up 2% overall, though fare payments through the Clipper and SMART App systems are down 7%, due to a variety of Free Fare days and programs offered in Fiscal Year 2020. Weekend/Holiday ridership is up overall from Fiscal Year 2019, though the offering of the Weekender pass and Veteran/Military Free Veterans-Memorial weekends have contributed to a 10% decrease in fare collection on Weekends/Holidays in FY 2020.

MONTHLY TOTALS YEAR-OVER-YEAR	March 2019	March 2020	% Change
Total Ridership (Onboard Counts)	58,091	33,624	-42%
Total Paid Ridership (Clipper + App Only)	52,697	29,066	-45%
Average Weekday Ridership (Onboard Counts)	2,353	1,385	-41%
Average Weekday Paid Ridership (Clipper + App Only)	2,148	1,198	-44%
Average Weekend/Holiday Ridership (Onboard Counts)	867	632	-27%
Average Weekend/Holiday Paid Ridership (Clipper + App Only)	758	541	-29%
Total Bikes Onboard	4,654	4,451	-4%
Total Wheelchairs Onboard	182	169	-7%

FISCAL YEAR-TO-DATE	First 9 months FY19	First 9 months FY20	% Change*
Total Ridership (Onboard Counts)	536,855	548,838	+2%
Total Paid Ridership (Clipper + App Only)	484,043	447,954	-7%
Average Weekday Ridership (Onboard Counts)	2,421	2,495	+3%
Average Weekday Paid Ridership (Clipper + App Only)	2,233	2,099	-6%
Average Weekend/Holiday Ridership (Onboard Counts)	968	1,000	+3%
Average Weekend/Holiday Paid Ridership (Clipper + App Only)	758	675	-11%
Total Bikes Onboard	50,525	60,583	+20%
Total Wheelchairs Onboard	1,892	2,062	+9%

\*NOTE: Free fare days and free fare programs offered in Fiscal Year 2020 result in lower Clipper + App numbers than Fiscal Year 2019.



April 15, 2020

**Eric Lucan, Chair**  
Transportation Authority of Marin

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

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

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

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

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

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**Gary Phillips**  
Transportation Authority of Marin

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

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

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

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

Dear Board Members:

**RECOMMENDATIONS:**

Approve Resolution Number 2020-06 authorizing the General Manager and Chief Financial Officer as the Authorizing Agents and authorizing the execution of the project (SMART Commuter Rail Operations) to be funded with Low Carbon Transit Operations Program funds.

**SUMMARY:**

With the start of passenger rail services, SMART became eligible to receive several State funding sources starting in Fiscal Year 2017-18. Today you are considering approval of materials related to the State's Cap and Trade Greenhouse Gas Reduction Fund-supported Low Carbon and Transit Operations Program (LCTOP), managed by the California Department of Transportation. Since 2014, the LCTOP has received a continuous appropriation of 5% of the annual Cap and Trade credit auction proceeds.

LCTOP funds can be used to support transit operating and capital expenditures that expand transit services, increase transit mode share or acquire zero emission vehicles. LCTOP funds can support new transit services for the first five years of operations and your board has approved use of these funds for operations for the first two of those five years.

The State Controller's Office releases fund availability estimates every year for distribution of LCTOP funds pursuant to several sections of the Public Utilities Code. SMART receives a dedicated allocation of LCTOP funds based on the State Controller's estimate of Public Utilities Code Section 99314, distributions to transit operators based on local revenues generated. The State releases these funds to transit operators via an application process during the third quarter of the fiscal year in which the funds are allocated, in other words, January to March of each year.

The State Controller's estimate of Fiscal Year 2019-20 Section 99314 LCTOP funds to SMART is \$355,557. SMART's anticipates using these funds during the first and second quarters of Fiscal Year 2020-21 in support of SMART Commuter Rail Operations, including the ability to offer fare discounts through a 31-day pass product and 50% of fares for Youth ages 5-18. The California Department of Transportation requires a Board resolution authorizing the submittal of application materials for the LCTOP funds, the designation of the General Manager and the Chief Financial Officer as the Authorizing Agents for the funds, and authorizing the execution of Certifications and Assurances for the funds.

**FISCAL IMPACT:** None. SMART will assume these fund sources within the FY2020-21 budget, as we have for the FY2019-20 and FY2018-19 budgets.

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

Very truly yours,

/s/

Joanne Parker

Programming and Grants Manager

Attachment(s):

- 1) Authorized Agent and Certifications and Assurances forms for Low Carbon Transit Operations Program Funds
- 2) Resolution Number 2020-06

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT AUTHORIZING THE EXECUTION OF THE CERTIFICATION AND ASSURANCES AND AUTHORIZED AGENT FORMS FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) FOR THE FOLLOWING PROJECT: SMART COMMUTER RAIL OPERATIONS FOR \$355,557**

---

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

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

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

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

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

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

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

1. Authorizes the submittal of the SMART Commuter Rail Operations Project for project nomination and allocation request to the California Department of Transportation for Low Carbon Transit Operations Program funds for \$355,557; and
2. Agrees to comply with all conditions and requirements set for in the Certifications and Assurances and Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects; and
3. Designates Farhad Mansourian, General Manager, or designee, to be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation which may be necessary for the completion of the aforementioned project.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Sonoma-Marín Area Rail Transit District held on the 15<sup>th</sup> day of April, 2020, by the following vote:

**DIRECTORS:**

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Eric Lucan, Chair, Board of Directors  
Sonoma-Marín Area Rail Transit District

ATTEST:

---

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

## FY 2019-2020 LCTOP

### Authorized Agent

***AS THE***      **Chair, Board of Directors**

(Chief Executive Officer/Director/President/Secretary)

***OF THE***      **Sonoma-Marín Area Rail Transit District (SMART)**

(Name of County/City/Transit Organization)

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

Farhad Mansourian, General Manager

(Name and Title of Authorized Agent)

OR

Erin McGrath, Chief Financial Officer

(Name and Title of Authorized Agent)

OR

Click here to enter text.

(Name and Title of Authorized Agent)

OR

Click here to enter text.

(Name and Title of Authorized Agent)

OR

Eric Lucan

(Print Name)

Chair of the Board of Directors

(Title)

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

Approved this      15th      day of      April      ,      2020

## FY 2019-2020 LCTOP

### Certifications and Assurances

Lead Agency: Sonoma-Marín Area Rail Transit District (SMART)

Project Title: SMART Commuter Rail Operations

Prepared by: Joanne Parker

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

#### A. General

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

#### B. Project Administration

1. The Lead Agency certifies that required environmental documentation is complete before requesting an allocation of LCTOP funds. The Lead Agency assures that projects approved for LCTOP funding comply with Public Resources Code § 21100 and § 21150.
2. The Lead Agency certifies that a dedicated bank account for LCTOP funds only will be established within 30 days of receipt of LCTOP funds.
3. The Lead Agency certifies that when LCTOP funds are used for a transit capital project, that the project will be completed and remain in operation for its useful life.
4. The Lead Agency certifies that it has the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of that project.
5. The Lead Agency certifies that they will notify Caltrans of pending litigation, dispute, or negative audit findings related to the project, before receiving an allocation of funds.
6. The Lead Agency must maintain satisfactory continuing control over the use of project equipment and facilities and will adequately maintain project equipment and facilities for the useful life of the project.
7. Any interest the Lead Agency earns on LCTOP funds must be used only on approved LCTOP projects.
8. The Lead Agency must notify Caltrans of any changes to the approved project with a Corrective Action Plan (CAP).



## **FY 2019-2020 LCTOP**

9. Under extraordinary circumstances, a Lead Agency may terminate a project prior to completion. In the event the Lead Agency terminates a project prior to completion, the Lead Agency must (1) contact Caltrans in writing and follow-up with a phone call verifying receipt of such notice; (2) pursuant to verification, submit a final report indicating the reason for the termination and demonstrating the expended funds were used on the intended purpose; (3) submit a request to reassign the funds to a new project within 180 days of termination.

### **C. Reporting**

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

### **D. Cost Principles**

1. The Lead Agency agrees to comply with Title 2 of the Code of Federal Regulations 225 (2 CFR 225), Cost Principles for State and Local Government, and 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
2. The Lead Agency agrees, and will assure that its contractors and subcontractors will be obligated to agree, that:
  - a. Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allow ability of individual project cost items and
  - b. Those parties shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving LCTOP funds as a contractor or sub-contractor shall comply with

## **FY 2019-2020 LCTOP**

Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

3. Any project cost for which the Lead Agency has received funds that are determined by subsequent audit to be unallowable under 2 CFR 225, 48 CFR, Chapter 1, Part 31 or 2 CFR, Part 200, are subject to repayment by the Lead Agency to the State of California (State). All projects must reduce greenhouse gas emissions, as required under Public Resources Code section 75230, and any project that fails to reduce greenhouse gases shall also have its project costs submit to repayment by the Lead Agency to the State. Should the Lead Agency fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the Lead Agency from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

### **E. Record Retention**

1. The Lead Agency agrees and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the Lead Agency, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP) and enable the determination of incurred costs at interim points of completion. All accounting records and other supporting papers of the Lead Agency, its contractors and subcontractors connected with LCTOP funding shall be maintained for a minimum of three (3) years after the "Project Closeout" report or final Phase 2 report is submitted (per ARB Funding Guidelines, Vol. 3, page 3.A-16), and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the Lead Agency, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the Lead Agency pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the Lead Agency's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.
2. For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the Lead Agency's contracts with third parties pursuant to Government Code § 8546.7, the project sponsor, its contractors and subcontractors and the State shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times

## FY 2019-2020 LCTOP

during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the Lead Agency shall furnish copies thereof if requested.

3. The Lead Agency, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

### F. Special Situations

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

I certify all of these conditions will be met.

\_\_\_\_\_  
Farhad Mansourian

(Print Authorized Agent)

\_\_\_\_\_  
General Manager

(Title)

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

\_\_\_\_\_  
(Date)

## FY 2019-2020 LCTOP

### Allocation

Lead Agency:	Sonoma-Marín Area Rail Transit District (SMART)
Project Title:	SMART Commuter Rail Operations
Regional	
Entity:	Metropolitan Transportation Commission
County:	Sonoma & Marin

**Lead Agency:** I certify the scope, cost, schedule, and benefits as identified in the attached Allocation Request (Request) and attachments are true and accurate and demonstrate a fully funded operable project. I understand the Request is subject to any additional restrictions, limitations or conditions that may be enacted by the State Legislature, including the State's budgetary process and/or auction receipts. In the event the project cannot be completed as originally scoped, scheduled and estimated, or the project is terminated prior to completion, Lead Agency shall, at its own expense, ensure that the project is in a safe and operable condition for the public. I understand this project will be monitored by the California Department of Transportation - Division of Rail and Mass Transportation.

Authorized Agent:	Farhad Mansourian
Title:	General Manager
Lead Agency:	Sonoma-Marín Area Rail Transit District (SMART)
Signature:	
PUC Funds Type:	<b>99313</b> \$ N/A
PUC Funds Type:	<b>99314</b> \$ 355,557



April 15, 2020

**Eric Lucan, Chair**  
Transportation Authority of Marin

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

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

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

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

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

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**Gary Phillips**  
Transportation Authority of Marin

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

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

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

**SUBJECT:** Resolution Authorizing the Filing of an Application for Federal Transit Administration Formula Program Funding for Preventive Maintenance

Dear Board Members:

**RECOMMENDATIONS:**

Approve Resolution Number 2020-07 authorizing the filing of an application for \$2,904,588 in Federal Transit Administration Formula 5307 Program funding for Preventive Maintenance and committing the necessary local matching funds.

**SUMMARY:**

With the start of passenger rail services, SMART began the process to become eligible to receive Federal Transit Administration (FTA) Formula Program funds for services and projects. As part of the process, Your Board directed staff to request FTA allow SMART to become a Direct Grantee (SMART Resolution 2011-09). In 2014 and 2015, in advance of SMART being able to receive FTA Small Starts grant funding for the Larkspur Extension, SMART provided FTA with the necessary 19 documents to prove SMART's legal, financial and technical capacity to manage FTA grant awards. During this time SMART also implemented the required FTA Civil Rights programs in the areas of Title VI Non-Discrimination, Disadvantaged Business Enterprise and Equal Employment Opportunity. Each of these programs must be updated per FTA requirement every three years. In addition, SMART must comply with a variety of FTA policy requirements on an annual basis and is reviewed by the FTA for compliance every three years. The FTA informed SMART in June 2015 that it concurred that SMART had met all the legal, financial and technical capacity and could be an FTA Direct Grantee.

With the start of passenger revenue service, SMART began reporting transit operating statistics for Fiscal Year 2017-18 into the National Transit Database (NTD), as required of all FTA Direct Grantees.

Per FTA rules, SMART became eligible for the first apportionment of Federal 5307 Formula Funds in Fiscal Year 2019-20. The Fiscal Year 2020 funds were apportioned by the FTA on February 24, 2020. The 5307 funds can be used by SMART for specific capital projects or more flexibly for capitalized 'preventive' maintenance, a component of SMART's Operations department costs, and require 20% local matching funds. There are several steps to be able to access the apportionments, including adoption by the Metropolitan Transportation Commission (MTC) of the project to be receive the funds into the Transportation Improvement Program (TIP) and the submittal of a detailed grant directly in the FTA's grant system to be routed for approval and execution.

The recommended resolution attached for your consideration is a required step asking MTC to amend \$2,904,588 in Fiscal Year 2020 FTA 5307 Funds into the TIP for the SMART Preventive Maintenance Project and authorizing SMART to file an application with the FTA for these funds. The resolution outlines SMART's compliance with MTC and FTA requirements to receive these funds. This is the first year for SMART to receive these annual formula funds.

**FISCAL IMPACT:** None. SMART will assume these fund sources within the FY2020-21 budget.

**REVIEWED BY:**    ☐ Finance /s/                      ☒ Counsel /s/

Very truly yours,

/s/  
Joanne Parker  
Programming and Grants Manager

Attachment(s): Resolution Number 2020-07

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT AUTHORIZING THE FILING OF AN APPLICATION FOR FTA FORMULA PROGRAM AND SURFACE TRANSPORTATION PROGRAM FUNDING FOR PREVENTIVE MAINTENANCE AND COMMITTING THE NECESSARY LOCAL MATCH FOR THE PROJECT AND STATING THE ASSURANCE OF THE SONOMA MARIN AREA RAIL TRANSIT DISTRICT TO COMPLETE THE PROJECT**

---

**WHEREAS**, Fixing America's Surface Transportation (FAST, Public Law 114-94) continues and establishes new Federal Transit Administration formula programs (23 U.S.C. §53) and continues the Surface Transportation Program (23 U.S.C. 133); and

**WHEREAS**, pursuant to FAST, and the regulations promulgated there under, eligible project sponsors wishing to receive Federal Transit Administration (FTA) Section 5307 Urbanized Area, Section 5337 State of Good Repair, or Section 5339 Bus and Bus Facilities (collectively, FTA Formula Program) grants or Surface Transportation Program (STP) grants for a project shall submit an application first with the appropriate metropolitan transportation planning organization (MPO), for review and inclusion in the MPO's Transportation Improvement Program (TIP); and

**WHEREAS**, the Metropolitan Transportation Commission is the MPO for the San Francisco Bay region; and

**WHEREAS**, the Sonoma-Marín Area Rail Transit District (SMART) is an eligible project sponsor for FTA Formula Program or STP funds; and

**WHEREAS**, SMART wishes to submit a grant application to MTC for funds from the FY20 FTA Formula Program or STP funds for the following project:

SMART Preventive Maintenance

**WHEREAS**, MTC requires, as part of the application, a resolution stating the following:

1. SMART makes the commitment of necessary local matching funds (20% for FTA 5307 Formula Program funds); and
2. SMART understands that the FTA Formula Program funding is fixed at the programming amount, and therefore any cost increase cannot be expected to be funded from FTA Formula Program funds; and
3. SMART provides assurance that the project will be completed as described in the application, and, if approved, as programmed in MTC's TIP; and

4. SMART understand that the FTA Formula Program funds must be obligated within three years of programming in the TIP, or the project may be removed from the program.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors that the SMART District is authorized to execute and file an application for funding under the FTA Formula Program in the amount of \$2,904,588 for Preventive Maintenance; and

**BE IT FURTHER RESOLVED** that the SMART Board of Directors, by adopting this resolution does hereby state that:

1. SMART will provide \$726,147 in local matching funds; and
2. SMART understands that the FTA Formula Program for the project is fixed at \$2,904,588, and that any cost increases must be funded by SMART from local matching funds, and that SMART does not expect any cost increases to be funded with FTA Formula and Surface Transportation Program funds; and
3. SMART Preventive Maintenance will be built as described in this resolution and, if approved, for the amount shown in the Metropolitan Transportation Commission (MTC) Transportation Improvement Program (TIP) with obligation occurring with the timeframe established below; and
4. The program funds are expected to be obligated by January 31 of the year the project is programmed for in the TIP; and
5. SMART will comply with FTA requirements and all other applicable Federal, State and Local laws and regulations with respect to the proposed project; and

**BE IT FURTHER RESOLVED**, that SMART is an eligible sponsor of projects in the program for FTA Formula Program and STP funds; and

**BE IT FURTHER RESOLVED**, that SMART is authorized to submit an application for FTA Formula Program and STP funds for Preventive Maintenance; and

**BE IT FURTHER RESOLVED**, that there is no legal impediment to SMART making applications for FTA Formula Program and STP funds; and

**BE IT FURTHER RESOLVED**, that there is no pending or threatened litigation which might in any way adversely affect the proposed project, or the ability of SMART to deliver such a project; and

**BE IT FURTHER RESOLVED**, that SMART agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution 3866; and



**BE IT FURTHER RESOLVED** that a copy of this resolution will be transmitted to the MTC prior to MTC programming the FTA Formula Program or Surface Transportation Program funded projects in the Transportation Improvement Program (TIP); and

**BE IT FURTHER RESOLVED** that the MTC is requested to support the application for the project described in the resolution and to program the project, if approved, in MTC's TIP.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Sonoma-Marín Area Rail Transit District held on the 15<sup>th</sup> day of April, 2020, by the following vote:

**DIRECTORS:**

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Eric Lucan, Chair, Board of Directors  
Sonoma-Marín Area Rail Transit District

ATTEST:

---

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



April 15, 2020

**Eric Lucan, Chair**  
Transportation Authority of Marin

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

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

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

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

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

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**Gary Phillips**  
Transportation Authority of Marin

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

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

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

**SUBJECT:** Federal Single Audit for Fiscal Year 2018-19

Dear Board Members:

**RECOMMENDATION:** Federal Single Audit for Fiscal Year 2018-19

**SUMMARY:**

Following the close of each fiscal year, SMART submits to an independent financial audit following best practices and guidelines issued by the Government Accounting Standards Board (GASB). You reviewed and approved our annual audit at our January 8, 2020 meeting, which found no deficiencies or material weaknesses.

In addition, we are required to undergo a separate audit process related to significant expenditures of federal funds, called the Single Audit. This audit is to ensure compliance with Title 2 U.S. Code of Federal Regulations CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit requirements for Federal Awards (Uniform Guidance). When completed, this audit document is provided to our federal funding agencies.

Our auditors, Maze and Associates, completed the audit (attached) on March 11, 2020. We are pleased to report, as shown on page 1, there were no material weaknesses or significant deficiencies identified. The Single Audit for Fiscal Year 2018-19 focused primarily on \$18.2 million in federal funds utilized on the San Rafael to Larkspur segment. Other programs reviewed were \$3 million in Federal Railroad Administration grant funding related to Systems and Positive Train Control, also for the Larkspur Extension. As reported on page 1 of the audit, SMART had no audit findings related to these funds.

**FISCAL IMPACT:** None

**REVIEWED BY:** [ ] Finance \_\_\_\_\_ [ x ] Counsel /s/

Very truly yours,

/s/  
Erin McGrath  
Chief Financial Officer

Attachments: 1) Fiscal Year 2019 Single Audit Report

**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED June 30, 2019**

**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**

**SINGLE AUDIT REPORT  
For The Year Ended June 30, 2019**

**TABLE OF CONTENTS**

	<u>Page</u>
Schedule of Findings and Questioned Costs .....	1
Section I - Summary of Auditor's Results .....	1
Section II – Financial Statement Findings .....	2
Section III – Federal Award Findings and Questioned Costs .....	2
Schedule of Expenditures of Federal Awards .....	3
Notes to Schedule of Expenditures of Federal Awards.....	4
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 <i>Government Auditing Standards</i> .....	5
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance .....	7

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2019

SECTION I—SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major programs:

CFDA#(s)	Name of Federal Program or Cluster
20.500/20.507	Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

## **SECTION II – FINANCIAL STATEMENT FINDINGS**

Our audit did not disclose any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated December 6, 2019 which is an integral part of our audits and should be read in conjunction with this report.

## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Our audit did not disclose any findings or questioned costs required to be reported in accordance with Uniform Guidance.

**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2019**

<b>Federal Grantor/ Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Identifying Number</b>	<b>Federal Expenditures</b>
<b>US Department of Transportation Direct Programs</b>			
Federal Railroad Administration			
Systems and Positive Train Control Implementation	20.321	N/A	<u>\$3,000,000</u>
Subtotal of Department of Transportation Pass-Through Programs			<u>3,000,000</u>
<b>U.S Department of Transportation Direct Programs</b>			
Federal Transit Cluster			
Federal Transit - Capital Investment Grants (Fixed Guideway Capital Investment Grants)			
SMART San Rafael to Larkspur Extension	20.500	N/A	12,285,135
Federal Transit - Formula Grants (Urbanized Area Formula Program)			
SMART San Rafael to Larkspur Extension	20.507	N/A	<u>5,995,104</u>
Subtotal Federal Transit Cluster			<u>18,280,239</u>
<b>Total Department of Transportation</b>			<u>21,280,239</u>
Total Expenditures of Federal Awards			<u><u>\$21,280,239</u></u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

## **SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended June 30, 2019**

#### **NOTE 1-REPORTING ENTITY**

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the Sonoma-Marín Area Rail Transit District (District), California and its component units as disclosed in the notes to the Basic Financial Statements.

#### **NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

#### **NOTE 3 – INDIRECT COST ELECTION**

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



**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 of the  
Sonoma-Marin Area Rail Transit District  
Petaluma, 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 the business-type activities of the District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2019.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements 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 determination of financial statement amounts. 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*.

We have also issued a separate Memorandum on Internal Control dated December 6, 2019, which is an integral part of our audit and should be read in conjunction with this report.

### ***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 result of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maze + Associates*

Pleasant Hill, California  
December 6, 2010

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board Members of the  
Sonoma-Marín Area Rail Transit District  
Petaluma, California

***Report on Compliance for Each Major Federal Program***

We have audited Sonoma-Marín Area Rail Transit District's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## ***Report on Internal Control Over Compliance***

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 a federal program 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 a federal program 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 a federal program 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of the District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 6, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The 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 expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Maze + Associates*

Pleasant Hill, California  
March 11, 2020



April 15, 2020

**Eric Lucan, Chair**  
Transportation Authority of Marin

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

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

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

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

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

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**Gary Phillips**  
Transportation Authority of Marin

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

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

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

**SUBJECT:** General Counsel Report

Dear Board Members:

**RECOMMENDATIONS:** Since the District's last Board Directors meeting, the District has been served with two lawsuits, which the District will provide timely responses and defense.

**SUMMARY:**

The first lawsuit was brought by James L. Duncan in Sonoma Superior Court (James L. Duncan v. SMART Case number SCV-266092) and is related to the Santa Rosa California Public Utility Commission application for the Jennings crossing. Mr. Duncan has filed a complaint (Writ of Mandate for declaratory and injunctive relief) as a resident interested party / taxpayer and is demanding the Court order SMART to construct a pedestrian crossing at the Jennings location for the City of Santa Rosa.

The second lawsuit was brought by Carol Duke in Marin Superior Court (Carol Duke v. SMART Case number CIV-1904735) for Personal Injury related to an alleged injury caused by District's train car doors closing on Plaintiff.

Very truly yours,

/s/  
Thomas F. Lyons  
District Counsel



April 15, 2020

**Eric Lucan, Chair**  
Transportation Authority of Marin

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

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

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

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

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

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**Gary Phillips**  
Transportation Authority of Marin

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

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

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

**SUBJECT:** Authorize actions to address the impacts of COVID-19 on District operations, including ratification of temporary actions

Dear Board Members:

**RECOMMENDATIONS:**

Approve Resolution Number 2020-09 to acknowledge declaration of a health emergency and proclamation of local and state emergency in the Sonoma-Marin Rail Transit District area due to COVID-19 and approve actions to address the impacts of COVID-19 on District operations, as follows:

1. Ratify the necessary, immediate actions taken by the General Manager in response to the impacts of COVID-19 on District operations;
2. Approve the suspension of Board procedural rules and policies to allow timely execution of emergency actions during the COVID-19 pandemic, consistent with federal, state, regional and local public health mandates;
3. Authorize the General Manager to take all necessary and appropriate actions in response to the COVID-19 pandemic;
4. Authorize the General Manager, or his designee, to prepare and submit applications on the District's behalf to federal, state, and local government entities for funding and/or reimbursement related to the fiscal impacts of the COVID-19 pandemic on the District's operations; and,
5. Request the General Manager to provide reports to the Board of Directors, at each regularly scheduled Board meeting, regarding the impacts on District operations and the actions taken by the District in response to the COVID-19 pandemic.

**SUMMARY**

On March 4, 2020, the Governor of the State of California proclaimed a State of Emergency to exist in California as a result of the threat of the COVID-19 outbreak. On March 13, 2020, the President of the United States declared a National Emergency due to the COVID-19 outbreak. Specific to the Bay Area, on March 16, 2020, the County Public Health Officers in six Bay Area counties issued sweeping Shelter-in-Place Orders.

In an emergency, SMART's enabling legislation allows designated personnel to order work or purchase supplies if it is necessary to avert or alleviate damage to District property or to ensure that District's facilities are available to serve the transportation needs of the general public.

In preparation for this emergency SMART staff took action to ensure SMART facilities were ready to continue to operate, possibly shut down or reduce operations for a period of time, initiate expanded health and safety measures, and respond to changing circumstances as they might arise.

Since the issuance of the Shelter-in-Place Orders, ridership has declined over 90%, this has resulted in a drop in our transit fares of over \$90 thousand per week and estimated drop in Sales Tax (\$10 Million) during the projected Shelter-in-Place Orders. We expect these dramatic declines in SMART ridership to continue for at least the duration of these orders, with the potential impacts to be much longer.

In response to the Shelter-in-Place Orders, and the associated impacts on travel within the Bay Area, the District has, on a "pilot" basis, modified SMART service levels. These changes maintain a level of service to ensure that workers providing essential services are able to get to their places of work and to ensure that the SMART services remain active and able to respond to emergencies.

Acknowledging and ratifying the declaration of emergency will also designate the General Manager or designee to act upon this emergency declaration as needed or appropriate for purposes of entering into emergency operations, services and contracts and to seek Federal Emergency Management Agency (FEMA), California Emergency Management Agency and local funds

**FISCAL IMPACT:** The fiscal impact of the emergency is currently unknown. Any emergency expenses will come from SMART's reserves. SMART will request reimbursement from the State of California and/or FEMA should funds become available for these expenditures.

Very truly yours,

/s/  
Farhad Mansourian  
General Manager



**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT APPROVING ACTIONS TO ADDRESS THE IMPACTS OF THE COVID-19 PANDEMIC ON DISTRICT OPERATIONS**

---

**THIS RESOLUTION** is adopted with reference to the following facts and circumstances, which are found and declared and ratified by the SMART Board of Directors:

**WHEREAS**, on March 4, 2020, the Governor of the State of California (Governor) proclaimed a State of Emergency to exist in California as a result of the threat of the COVID-19 outbreak.

**WHEREAS**, the Governor issued Executive Order N-25-20 (March 12, 2020) and Executive Order N-29-20 (March 17, 2020), effective immediately, to relieve legislative bodies from certain requirements of the Brown Act in an effort to mitigate the spread of COVID-19 and to facilitate essential government functions.

**WHEREAS**, on March 16, 2020, the public health officers of seven Bay Area jurisdictions, including the City and County of San Francisco and the County of Marin, issued legal orders directing residents to shelter at home for three weeks beginning on March 17, 2020 through April 7, 2020. The orders limit activity, travel and business functions for only the most essential needs.

**WHEREAS**, the impacts of COVID-19, and the shelter at home orders, have resulted in decrease in SMART ridership of over 90%. This will result in a drop in our total revenues from sales tax and over \$90 thousand per week decline in the amount of fare revenues that the District would normally collect. This significant decrease constitutes a fiscal emergency.

**WHEREAS**, Due to the immediate need to address the COVID-19 pandemic, emergency action was taken prior to a hearing contemplated under the California Environmental Quality Act (CEQA), Public Resources Code Section 21080.32(d).

**WHEREAS**, CEQA exempts specific actions necessary to prevent or mitigate an emergency, including a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to essential public services. (Pub. Res. Code §21080(b)(4); CEQA Guidelines §15269(c).

**WHEREAS**, the General Manager of the District has the responsibility, commensurate with the authority established by the District and the Board, to operate the District and supervise and control employees in the administration, operation, construction and planning activities of the District. The General Manager may take all necessary and proper measures in emergency conditions to keep the District facilities and services open for public transportation at all times and to maintain full or limited operation.

**WHEREAS**, it is necessary and appropriate to ratify certain temporary immediate actions taken by the General Manager in response to the rapidly changing operational needs of the District due to the COVID-19 pandemic.

**WHEREAS**, it is necessary and appropriate to temporarily suspend Board procedural policies and rules, including the requirement that a public hearing be held prior to implementing a major reduction in service.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors hereby approves the following actions to address the impacts of COVID-19 on District operations as follows:

1. Ratify the following necessary immediate actions taken by the General Manager in response to the impacts of COVID-19 on District operations:
  - a) Temporary suspension in weekend service effective on March 21, 2020, until further notice.
  - b) Temporary reduction in weekday commute service effective on March 18, 2020, until further notice.
  - c) Temporary reduction and ADDITION of one train on weekday commute service effective on March 23, 2020, until further notice.
  - d) Temporary reduction in weekday commute service effective on April 6, 2020 until further notice.
2. Approve the suspension of Board procedural rules and policies to allow the timely execution of emergency actions during the COVID- 19 pandemic, consistent with federal, state, regional and local public health mandates.
3. Authorize the General Manager to take all necessary and appropriate actions in response to the COVID-19 pandemic.
4. Authorize the General Manager, or his designee, to prepare and submit applications on the District's behalf to federal, state, and local government entities for funding and/or reimbursement related to the fiscal impacts of the COVID-19 pandemic on the District's operations.
5. Require the General Manager to provide periodic reports to the Board of Directors, at each regularly scheduled Board meeting, regarding the impacts on District operations and the actions taken by the District in response to the COVID-19 pandemic on District operations.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Sonoma-Marin Area Rail Transit District held on the 15<sup>th</sup> day of April 2020, by the following vote:

**DIRECTORS:**

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Eric Lucan Chair, Board of Directors  
Sonoma-Marin Area Rail Transit District

ATTEST:

---

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



April 15, 2020

**Eric Lucan, Chair**  
Transportation Authority of Marin

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

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

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

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

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

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**Gary Phillips**  
Transportation Authority of Marin

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

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

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

**SUBJECT:** Reporting on Measure I

Dear Board Members:

**RECOMMENDATIONS:**

- a) At this meeting, take public comments on the election outcome or what we can do to improve our chances at future success.
- b) Over the next several months, invite stakeholders such as business, environmental, civic and service organizations to attend a number of our Board meetings and seek their input for lessons learned and how to become more successful the next time.
- c) Utilize the Citizens Oversight Committee and ask them to reach out to other stakeholders as well and seek their input and ideas.
- d) Direct the staff to develop public outreach and communication strategies to share the results of these findings and future implementation plans.

**SUMMARY:**

The official election results of March 3, 2020 indicate that while a majority of voters in both counties (Marin 55% & Sonoma 52%) did support the extension of the current  $\frac{1}{4}$  of one cent for 30 years, we were not successful in achieving the required  $\frac{2}{3}$  approval.

It is clear that we have work to do so we can convince the voters on why they should support our next sales tax election. We must address the issues that we heard and will hear about on how to do a better job in letting our voters know about the need for an extension. We will always have opposition and we will always have economic or situations beyond our control (such as health, fire or flood emergencies) that can impact our service or revenues.

In the year leading up to the election, SMART's dedicated staff and management were focused on providing train service and managing an organization that never closes. We were just doing our job, delivering a train service that people wanted.

Our decision for placing this measure started with the staff's preparation of a unique document that not every public agency prepare, known as our Financial Strategic Plan. This plan that is completed every 5 years, takes a look at our financing in the next 10 years. It was this work with the tremendous assistance from our Citizens Oversight Committee (comprised of 7 members of the public appointed by your Board to oversee this process) that we reported in a number of public meetings that unless we reduce our expenses, we will exhaust our reserve that we have built. It was during these many public deliberations that we, together, identified that the refinancing of our current debt would be the single most important financial step we can take.

When we made this decision in the Fall of 2019, it appeared to be an opportune time to pass our measure. Why?

The competitive Democratic primary was expected to boost turnout, the economy was very strong, the stock market was exceeding all expectations and predictions, unemployment was at its lowest in Marin and Sonoma, we were expecting to open up Larkspur and downtown Novato stations shortly, and Windsor extension construction would commence early next year.

All of these indicators pointed to a strong and prudent decision by your Board to go ahead with the placement of the Extension of the current sales tax measure.

It turns out that other agencies were seeking the same opportunity. According to various analysis, there were 237 statewide tax measures on the March 3, 2020 election. According to these reports, only 58 were approved. (I note that these statistics might have changed but not updated).

Here are the facts that we are dealing with:

- We leveraged about \$300M of local sales and brought in another \$323M in outside grants and delivered a \$600M project, world class train system that is in its infancy and undoubtedly will grow.
- We will continue to be sales tax based in the future. Taxes support every other transit system in the United States and every other public infrastructure (roads, highways, bridges); none of us can continue without some form of tax subsidy.
- We will need to return to the voters to ensure the train service continues in the future.

**NEXT STEPS:**

- Over the next several months (after the shelter-in-place is lifted), place workshop style agenda items on our board meetings and invite stakeholders such as business, environmental, civic and service organizations and seek their input for lessons learned and ideas about path forward.
- We should utilize our Citizens Oversight Committee and asked them to reach out to other stakeholders as well and seek their input and ideas.
- We will develop public outreach and communication strategies to share the results of these findings and future implementation plans.

Very truly yours,

/s/  
Farhad Mansourian  
General Manager



April 15, 2020

**Eric Lucan Chair**  
Transportation Authority of Marin

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

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

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

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

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

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**Gary Phillips**  
Transportation Authority of Marin

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

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

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

**SUBJECT:** Fiscal Year 2020-21 Budget Discussion and Establishing  
Minimum Reserve Policy

Dear Board Members:

**RECOMMENDATIONS:**

Direct staff to prepare Fiscal Year 2020-21 Budget with a Minimum \$10 million Reserves and \$6 million in Expenditure Reductions

**EXECUTIVE SUMMARY:**

We are working on preparing the budget with three factors at the forefront:

- The failure of Measure I which would have allowed us to restructure our debt and achieve lower annual debt payments by \$12 million annually
- The need to set a minimum reserve policy and preserve existing reserves in a sustainable way
- The financial impact of the COVID-19 shut-downs

Today we will be briefing you on each of these issues and request direction on budget preparation.

**Budget Outlook:**

During the Strategic Planning process, we identified a future imbalance of \$9 million annually tied to increasing debt service on the construction of the 45-mile transit system. This imbalance would have meant diminishing reserves and financial instability if no action was taken. As a result of reviewing these projections and discussing the reality that reducing expenditures would mean reducing service, your Board moved forward with a plan to extend the sales tax.

Measure I would have extended the length of the tax and allowed us to refinance the debt. This would have resulted in significant debt relief by reducing payments \$12 million annually and resulted in long-term financial stability.

With the failure of Measure I, we are left with our original problem, which is illustrated in the chart below that we have reviewed in previous meetings.

	CURRENT YR	PROJECTIONS			
	2019-20	2020-21	2021-22	2022-23	
Operations Revenue	\$51.0	\$56.5	\$54.1	\$55.5	
Operations Expense	-\$41.3	-\$43.2	-\$44.5	-\$45.8	
Debt Service	-\$16.7	-\$17.4	-\$18.1	-\$18.7	
Capital Expenses Not Covered by Grants	-\$12.2	-\$0.3	\$0.0	\$0.0	
Subtotal (Needs Reserves/ <b>Annual Deficit</b> )	-\$19.2	-\$4.4	-\$8.5	-\$9.0	
<b>Starting Unrestricted Reserves</b>	\$26.5	\$7.3	\$2.9	\$0.0	
<b>Ending Unrestricted Reserves/<b>Cumulative Deficit</b></b>	<b>\$7.3</b>	<b>\$2.9</b>	<b>-\$5.5</b>	<b>-\$9.0</b>	
<b>Agency Reserve</b>	<b>\$17.0</b>	<b>\$17.0</b>	<b>\$11.5</b>	<b>\$2.5</b>	
			<b>Diminishing Reserves</b>		

In the red Cumulative Deficit row, there is a \$9 million shortfall in Fiscal Year 2022-23 that – if not addressed – would have eliminated our reserves. Without the ability to pursue a significant refinancing, we must now turn to expenditure reductions and other measures to address that imbalance. Our original budget planning recommendation to your Board was to implement \$3 million in savings each year for the next three years in order to address this future drawdown of reserves. Our original projections would have eliminated this imbalance.

### Refinancing Existing Construction Debt:

As part of the need to reduce expenditures, we have been looking for an opportunity to refinance our existing bond debt given the recent economic conditions and the drop in interest rates. SMART's outstanding debt that allowed us to build the train and pathway is \$136.9 million. Without an extension of the expiration date for the tax, the significant \$12 million reduction in debt service we had hoped to achieve cannot be realized. Because of the limited remaining duration of the tax and the level of interest rates, prior to 2020 we did not project significant benefits to refinancing within the existing bond term.

However, with a decline in interest rates in recent weeks, the situation has changed. We have been working in conjunction with SMART's expert Municipal Advisor, PFM Financial Advisors LLC, to monitor the municipal bond market for potential opportunities to refinance the outstanding Measure Q Sales Tax Revenue Bonds to generate debt service savings.

Based on market conditions as of April 3<sup>rd</sup>, a refinancing of the 2011 Bonds could potentially generate annual cashflow savings for SMART. Annual debt service on the 2011 Bonds escalates from \$17.4 million in FY 2021 to \$22.0 million in FY 2028, the year of maximum debt service. Assuming current market rates as of April 3, a taxable advance refunding with the same final maturity would generate between \$1.1 and \$2.5 million of annual cashflow savings through FY2029 depending on the structure, terms and other factors that affect pricing. A number of things could affect that pricing, including the willingness of investors to participate, a change in rates or credit ratings, and continued economic uncertainty, along with the ability to call the bonds earlier than 2029.

There would likely be a direct tradeoff between the call date of the bonds and the amount of savings attained. In essence, we would evaluate the tradeoff between savings and future opportunities to refinance for the life of the debt prior to 2029, which SMART might want to following a future tax extension.

We have looked at two possible options for the process of refinancing. One way would be through a negotiated public offering, as SMART undertook for the 2011 Bonds. However, that takes many months and with the COVID-19 crisis ongoing, it is difficult to anticipate whether or when further disruptions to the financial market might occur. The municipal bond market was effectively shut down for two weeks in mid to late March as investors sought liquidity and safety, exiting from numerous asset classes, including municipal bonds. During this period, many issuers shifted from public offerings to direct or private placement of debt, which involves a financing entity directly purchasing bonds from issuers.

The other possible option we are evaluating is a private placement of debt directly with a financing entity. PFM has had exploratory discussions with several major investment banks to assess whether there might be capacity and interest to participate in a proposal process related to a privately placed SMART refunding transaction. Of the four banks contacted, three indicated a potential interest depending on the timing and circumstances when SMART is ready to proceed. This could potentially save time, allowing us to capture potential savings before they disappear, and lead to a more tailored structure that meets SMART's long-term needs.

We will continue to investigate these options and will return to your Board with a proposal for action in the coming weeks.

**Minimum Reserves:**

In conjunction with budget planning, we also are moving forward with approving a policy to set minimum reserves for SMART. This is both an industry best practice in government as well as an important tool for the District to manage future unanticipated expenses, revenue downturns and stability in operations.

During the early years of our initial financial planning, we maintained a very high reserve of 50% of future operating costs because there were so many unknowns in starting a new rail and pathway service with characteristics that are unique to SMART. Now, with nearly three years of operations under our belts, we can more predictably model our baseline revenues and expenses, identify the risks we face, and recommend a more formal reserve policy. This policy would create the guidance needed for budget preparation, future financial planning, and set boundaries for future use of these reserves.



A sample of policies of some other local and transit agencies reveals various choices around this topic:

<b>Agency</b>	<b>Published Reserve Policy</b>
City of Santa Rosa	15-17% of Annual Expenditure
City of San Rafael	10% of Annual Expense
City of Novato	15% of Annual Expense
County of Sonoma	8.3% of Annual Revenues (One month)
County of Marin	5% of Annual Expense
Golden Gate BH&TD	7.5% Annual Operations, 3.5% Emergency
SF MTA (Muni)	10% Annual Operating Expense
Utah Transit	9.33% of Annual Expense
Trimet, Portland	2.5 Months Operating Expense (21%)
VTA (Santa Clara)	15% of Expense, Sales Tax stabilization fund \$35 M (105)

There are a number of different approaches to this issue as illustrated above. In considering a minimum reserve, an Agency's size function and various revenue sources should influence the decision on how much to set aside. As an independent agency primarily reliant on one major revenue source with no ability to ask for assistance from a bigger entity or to spread our risk out over various divisions, we face somewhat greater risks in our revenues than a County, for example. We also have so many interdependent operations functions that our expenses are difficult to reduce quickly in the face of a downturn as we see happening right now nationwide.

Our goal should be to fund a reserve that doesn't overly tie up excess resources but sufficiently addresses operational risk. It should also recognize the significant role that sales tax plays in funding our budget. While reserves cannot possibly address an economic shock of the magnitude we are facing today, they should be sufficient to help with the management of a typical economic cyclical downturn.

We recommend a minimum reserve policy that preserves \$10 million as your minimum for Fiscal Year 2021 and beyond. This calculation is 25% of our Fiscal Year 2020 ongoing operations expenditures (excluding capital project and debt costs). This amount would be available for future unpredicted costs or revenue losses. We are currently carrying more than that in our operations reserve, which allows us some time to deal with some of the fiscal challenges we are facing. We also recommend that this \$10 million become a minimum dollar amount even though we anticipate reducing expenditures in the coming months to address the budget deficit. Going forward, we would recommend increasing the amount if our expenditures increase to the point where \$10 million is no longer 25% of our expenditures.

Further, we recommend that your Board adopt a policy that states the use of SMART's reserve should require a 2/3 vote so that the use of the funds is preserved as a funding source of last resort in budget deliberations.

**New Budget Challenge:** This month we are adjusting to the new challenge of projecting the impact of the COVID 19 shutdowns on our financial health. This is an unprecedented socioeconomic event with implications that are difficult to quantify for a number of reasons. First, we know we have immediate impacts related to the loss of fare revenue equating to \$90,000 a week. Second, we have staff who are impacted in their ability to come to work due to illness or family responsibilities and new, unfunded mandates for leave for those employees. Finally, the impact on our sales tax receipts since the initial shelter-in-place orders will not be apparent until May and won't be fully recorded until July. In addition, the delay and impact related to the Governor's order relaxing the submission of owed tax to small business is also difficult to determine. Finally, and the most challenging, is estimating the length in time of the economic impact.

What is certain is that the shutdown will impact sales tax dramatically in the short run, which means it will affect almost 90% of our revenue, due to the impact on both the SMART District tax and the State's revenues for operating assistance. While sales of certain goods have continued during the stay-at-home order, some significant sales are not occurring. See below a breakdown of our sales tax business mix.

<b>General Retail</b>	27%
<b>Food Products</b>	20%
<b>Transportation</b>	21%
<b>Construction</b>	14%
<b>Business To Business</b>	15%
<b>Miscellaneous</b>	3%

There are significant business impacts of the shelter-in-place orders in each and every one of these sectors, from car sales to retail. Our initial projection is that this would mean a loss of 20% of our anticipated sales tax related revenue in Fiscal Year 2020 which ends in June. We also have lost most of our fare revenue starting in early March, as our ridership is below 300 daily. Thus, we are estimating a 30% drop in budgeted fare revenue for Fiscal Year 2020. See below the chart outlining these losses:

<b>FISCAL YEAR 2019-20 IMPACTS OF SHELTER-IN-PLACE</b>		
<b>Measure Q - Sales Tax</b>		
Original	\$	39,312,541
Revised		31,450,033
	(loss)	(7,862,508)
<b>State Rail/Transit Funding</b>		
Original State		7,786,239
Revised State		6,228,991
	(loss)	(1,557,248)
<b>Fare Revenue</b>		
Original		4,137,000
Revised		2,482,200
	(loss)	(1,654,800)
<b>Total Loss (Projection)</b>	<b>\$</b>	<b>(11,074,556)</b>

**Coronavirus Aid, Relief, and Economic Security (CARES) Act**

At the end of March, the federal government approved the CARES Act which provided \$25 billion to public transportation systems nationwide. For the past several weeks, the 27 Bay Area General Managers and Metropolitan Transportation Commission (MTC) Executive staff have been negotiating the best way to distribute the Bay Area's \$1.3 billion that has been targeted for transit agencies. These funds have been allocated for the specific use of maintaining transit staff and a reasonable level of service by backfilling for both the loss of revenues and the reimbursement for expenses as a direct result of COVID-19. SMART's initial allocation is estimated to be \$10 million, but that is subject to MTC approval on April 22 and then Federal Transit Agency (FTA) approval through the grant process. There may be additional funds forthcoming in the coming months as only 60% of the funds are being proposed to be allocated at this time.

The initial \$10 million grant will fill our estimated Fiscal Year 2019-20 loss. However, it seems likely that even in the case that businesses are allowed to open by June, it is again unclear how long the impact will affect our revenues. One scenario is that the impact is short-lived and revenues recover sufficiently at the start of the new fiscal year to bring sales back to former levels. A more realistic and conservative view is that the sales tax will not recover that quickly and will take up to a year or more to return to pre-COVID-19 levels. In that scenario we would be facing a second impact outlining an additional \$11 million loss in Fiscal Year 2020-21. This loss could be partially filled by a second negotiation with the Bay Area transit operators over remaining CARES Act allocations. However, recovery could also take much longer and impacts could be much higher.

**Budget Planning:** SMART was already facing a daunting task to correct a future budget imbalance. The addition of a revenue shock of indeterminate length means that we are facing a second challenge of absorbing future sales tax losses until the economy recovers should federal assistance not fill that revenue loss. Fortunately, we had planned to close the Fiscal Year with significant reserves, which allow us some cushion in our cashflow projections. However, these will be quickly depleted without significant revenue and expenditure changes.

In preparing budget targets for Fiscal Year 2020-21, we will follow to the principles adopted by the Board in the 2020 Expenditure Plan which continue to govern our choices. Those are:

1. Provide for Ongoing Operation, Maintenance and Financing of Current Operations
2. Prioritize Safety, Education and Community Outreach
3. Capital Projects and Rolling Stock

Unfortunately, it will be nearly impossible to make changes to eliminate all future deficits without affecting priority #1, preserving ongoing operations. There are significant fixed costs with running a railroad operation, such as 24-hour dispatching and signal maintenance response, minimum levels of track and signal system maintenance, and required minimum rail vehicle maintenance schedules. The only way to reduce costs will be to variable costs such as the number of service runs.

While originally we had planned to make \$3 million in reductions in the budget, we are now working toward a higher target of up to \$6 million in Fiscal Year 2020-21. We cannot predict what the coming year will hold as far as the continued impact of the shelter-in-place order and the amount of assistance we will receive from the federal government. Thus, we are working to increase our efforts for the Fiscal Year 2020-21 budget that will help us in addressing the long-term structural problem and the immediate revenue crises. This target was chosen as an aggressive but potentially achievable amount in the coming Fiscal Year.

We are currently looking to three major strategies for budget reduction proposals. These are presented in priority order but all will be needed to meet our targets.

1. One-time savings: Expenditure reductions for items that were part of our budget planning for the current and future fiscal year and will now be deferred. This includes:
  - Deferral of machinery and equipment
  - Extended replacement cycles for vehicles
  - Deferral of mitigation measures and enhancements
  - Deferral of non-safety capital projects and matching funds
2. Reduction in Ongoing Expense, Salary and Non-salary: These are ongoing expenditures that are important but could be considered for reductions without a direct impact on the SMART train schedule. This would include reductions to or elimination of the following:
  - Train WiFi service
  - Information Technology upgrades and servicing
  - Customer service contract with Golden Gate Bridge District
  - Debt refinancing
  - Federal and state advocacy services
  - Communications/outreach contracts and activities
  - North County bus service
  - Elimination of non-critical vacant positions
  - Discussing with our unions various means of reducing labor costs, including a possible wage reopener for the current July 1 increases.
3. Reduction in Ongoing Expense Due to Reductions in Service: These are reductions that would result from running fewer trains. Fewer trains would mean a decrease full-time staff and some related non-salary expenditures. These proposed reductions could mean a loss in either direct fare revenue or related revenue from State and Federal sources and the savings would be reduced by these losses. It could also impact our ability to compete for service expansion grants depending on the severity of the cuts.

The sooner we can identify reductions, the more effectively we can impact our bottom line and give us greater ability to weather the current storm we are experiencing.

All of these assumptions are subject to change due to the fluid nature of the economy currently and the length of time this current downturn lasts. Of course, a larger, more long-lasting economic downturn would mean that this initial \$6 million target could be followed by a new effort to reduce expenses shortly thereafter rather than waiting for the next budget cycle. In the long run, there is no question that there will be significant impacts to our riders of reductions that could reach \$9 million over time. There is no way to cushion the impact of such a change from our everyday operations functions. Operation and maintenance of the train and pathway is what we do, there is no other place to look for reductions.

While there will be continued discussion about our financial projections throughout the length of the COVID-19 crises, for purposes of our current budget process, we will be moving quickly to prepare budget proposals and bring them to you for consideration.

Our current tentative schedule of public meetings on the Fiscal Year 2020-21 budget are as follows:

- April 15:** Briefing on targets and reduction categories
- April 21:** Citizens Oversight Committee discussion of budget and refinancing
- May 6:** Update on budget process and any follow-up from April
- May 20:** Preliminary Budget Presentation and Discussion
- June 3:** First opportunity for Board Approval of Budget
- June 17:** Final opportunity for Board Approval of Budget

At this time, we ask for your feedback and input on our plans, reserves and strategies. We will be seeking feedback from the Citizens' Oversight Committee next week and will report back to you any input from that meeting.

Very truly yours,

/s/

Erin McGrath  
Chief Financial Officer



**Eric Lucan, Chair**  
Transportation Authority of Marin

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

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

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

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

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

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**Gary Phillips**  
Transportation Authority of Marin

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

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

April 15, 2020

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

**SUBJECT:** Approve a Resolution Authorizing Change Orders 030 and 054 to Contract No. CV-DB-16-001 with Stacy Whitbeck/Herzog, JV for an amount of \$339,442 for the Larkspur Extension Project

Dear Board Members:

**RECOMMENDATION:**

Approve Resolution Number 2020-08 authorizing the General Manager to execute Change Order 030 Pedestrian Safety Enhancements at the San Rafael Transit Center for the amount of \$219,100 and Contract Change Order 054 Final Larkspur Extension Closeout for the amount of \$120,342 for a total combined amount of \$339,442.

**SUMMARY:**

Change Order 030 Pedestrian Safety Enhancements at the San Rafael Transit Center will add pedestrian crossing gates at three of the four crosswalks along 2<sup>nd</sup> and 3<sup>rd</sup> streets and adjacent to the San Rafael Transit Center. Change Order 054 - Final Larkspur Extension Closeout, will close the Larkspur Extension Contract and settle all additional extra work item needed to complete the Project.

**BACKGROUND:**

SMART constructed a safe and fully code compliant pedestrian crossings at 2<sup>nd</sup> and 3<sup>rd</sup> streets that are adjacent to the San Rafael Transit Center. Due to the high volume of pedestrian traffic in this area, we have monitored these crossings over the past four months of train service following the opening of the extension to Larkspur. Just as we have done at other pedestrian crossings in the SMART system, we looked for ways to make them even safer. These are especially critical crossings since there are two trains passing each other within the transit center. SMART staff concluded that additional pedestrian gates would be an excellent safety enhancement at the three locations that didn't have them. They weren't included in the original design because space was so limited in this area.

The SMART team convened a site meeting with the California Public Utility Commission and the City of San Rafael to closely review each location to evaluate alternate methods or possible exceptions that could be made to install pedestrian gates at these locations. The team found a solution to further enhance pedestrian safety while maintaining all federal and state regulators clearance requirements and staying within the footprints of the limited congested real estate in the Transit Center. Change Order 030 Pedestrian Safety Enhancements at the San Rafael Transit Center will enable us to add one additional pedestrian gate on the east side of the Second street grade crossing which will make the crossing secured from the east and the west side of the track. Furthermore, we will be able to add two additional pedestrian gates on the east and the west side of the track at the Third Street grade crossing. These gates required an exception to mount the pedestrian gates on the back of vehicular gate pole that has not been previously permitted. By adding such measures, all four quadrants for the grade crossings will become secured with pedestrian gates and that will further enhance the safety of the public crossings of the SMART tracks within the busy San Rafael Transit Center.

Change Order 054 Larkspur Extension Closeout is constituted of miscellaneous final work items that are necessary for completing the Larkspur Extension Project. These items are: additional design for the San Rafael Transit Center canopy footing to address unexpected buried conditions, potholing for an unmarked and unknown gas line, replacing bird netting to the Transit Center canopy, adding Americans with Disabilities Act (ADA) compliant pedestrian tactile waring tiles, and replacing a survey monument in the transit Center. The majority of this work is unanticipated and essentially the result of modifying the existing transit center for resumption of rail service.

Staff recommends that the Board approve Resolution No. 2020-08 authorizing the General Manager to Execute Contract Change Order 030 Pedestrian Safety Enhancements at the San Rafael Transit Center for the amount of \$219,100 and Contract Change Order 054 Final Larkspur Extension Closeout for the amount of \$120,342. These change orders would increase the total contract amount to \$62,132,598, but do not extend term of the contract.

**FISCAL IMPACT:** Funding for the amendment is available in the project contingency and the Fiscal Year 2020-21 capital budget.

**REVIEWED BY:** [ X ] Finance     /s/     [ X ] Counsel     /s/    

Very truly yours,

    /s/      
Bill Gamlen, P.E.  
Chief Engineer

Attachment(s):        Resolution Number 2020-08

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT APPROVING CHANGE ORDERS TO CONTRACT NO. CV-DB-16-001 RELATED TO LARKSPUR EXTENSION PROJECT**

---

**WHEREAS**, District entered into Contract No. CV-DB-16-001 with Stacy and Witbeck/Herzog, JV for the Larkspur Extension Contract; and

**WHEREAS**, the Contract anticipated certain additional changes or improvements to be completed as part of the scope of the work of the Larkspur extension; and

**WHEREAS**, Contract Change Order No. 030 provides for additional Pedestrian Safety Enhancement Measures at the San Rafael Transit Center; and

**WHEREAS**, Contract Change No. 054 provides Final Larkspur Extension closeout activities; and

**WHEREAS**, Contract No. CV-DB-16-001 was approved through a competitive solicitation and procurement process and the work included in these Change Orders are consistent with the scope of work previously awarded; and

**WHEREAS**, these Change Orders meets the specifications and requirements of Contract No. CV-DB-16-001; and

**WHEREAS**, Contractor and SMART staff negotiated a final cost of \$339,442 for these Change Orders; and

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. That the foregoing recitals are true and correct.
2. That Change Order No. 030 a copy of which is attached hereto and incorporated herein as Exhibit "A", is hereby approved.
3. That Change Order No. 054, a copy of which is attached hereto and incorporated herein as Exhibit "B", is hereby approved.



**Resolution No. 2020-08**  
**Sonoma-Marín Area Real Transit District**  
**April 15, 2020**

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Sonoma-Marín Area Rail Transit District held on the 15<sup>th</sup> day of April 2020, by the following vote:

**DIRECTORS:**

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Eric Lucan Chair, Board of Directors  
Sonoma-Marín Area Rail Transit District

ATTEST:

---

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

# Change Order 030

Contract No.: CV-DB-16-001

Contract Title: Larkspur Extension Project



**Issued to:** Stacy and Witbeck/Herzog, A Joint Venture  
2800 Harbor Bay Parkway  
Alameda, California 94502  
Phone: (510) 393-2520

**Change Notice Reference:**  
023

**CO Title:** Pedestrian Safety Enhancements at the San Rafael Transit Center

---

**The Contract Price due to this CO will change by:** \$ 219,100

**The Contract Performance Time due to the CO will be change by:** 0 calendar days

EXCEPT AS MODIFIED BY THIS CHANGE ORDER, ALL TERMS AND CONDITIONS OF THE CONTRACT, AS PREVIOUSLY MODIFIED, REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. THE PARTIES AGREE THAT THIS CHANGE ORDER IS A FINAL AND EQUITABLE ADJUSTMENT OF THE CONTRACT TIME AND CONTRACT AMOUNT AND CONSTITUTES A MUTUAL ACCORD AND SATISFACTION OF ALL CLAIMS, CURRENT OR FUTURE, OF WHATEVER NATURE CAUSED BY OR ARISING OUT OF THE FACTS AND CIRCUMSTANCES SURROUNDING THIS CHANGE ORDER INCLUDING, BUT NOT LIMITED TO, DIRECT, INDIRECT AND CONSEQUENTIAL COSTS; ADDITIONAL TIME FOR PERFORMANCE; AND THE IMPACT OF THE CHANGE SPECIFIED IN THIS CHANGE ORDER, ALONE OR TAKEN WITH OTHER CHANGES, ON THE UNCHANGED WORK.

---

**Description of change:**

Install additional safety pedestrian gates at the San Rafael Transit Center. The work shall include, but not limited to: the installation pedestrian gates swing, modification of fencing, path of travels adjustment if needed.

Work breakdown by location:

**Second Street - Platform C:** Install new gate on Second Street on platform C at the Bettini Center with no counter weight. The gate arm shall be installed with an offset that will position

---

**Concurred By:**

**Concurred By:**

Project Engineer

Date

District Chief Engineer

Date

**Ahmed Thleiji**

**Bill Gamlen**

---

The undersigned agrees to the terms and conditions described herein.

**Contractor Acceptance**

**Sonoma-Marin Area Rail Transit**

---

**Title: Project Representative**

---

**Title: General Manager**

(Authorized Signature for Contractor)

Date

(Authorized Signature for Owner)

Date

**Dan Elshire**

**Farhad Mansourian**

# Change Order 030

Contract No.: CV-DB-16-001

Contract Title: Larkspur Extension Project



the gate arm as close as possible toward the track side. Adjust fencing and add tactile for a compliant path of travel similar to the pedestrian gate configuration across the track on Second street.

**Third Street - Platform D:** Install new pedestrian gate on Third street on platform D at the Bettini center with no counter weight. Add a fencing enclosure at the back of the gate to protect it from the public.

**Third Street - Platform C:** Add a combination pedestrian arm gate to the existing vehicular gate on Third street at platform C at the Bettini center and install a swing gate. The gate arm shall be installed with an offset that will position the gate arm as close as possible toward the track side. Adjust fencing and add tactile for a compliant path of travel

**All location mentioned above:** Ensure all changes meet CUPC and accessibility requirements, install necessary wiring, configure the signal system to include functional pedestrian gate arms and install exit gates. As necessary, re-stripe, modify fencing, and install additional signage.

Compensation for this Change Order will be made by adding the following Pay Item(s):

Pay Item No.	Funding Source	Description	Unit	Qty.	Unit Price	Item Total
CO 030	5002A	Bettini Transit Center PED Gates	LS	1	\$219,100	\$219,100

Initials:

\_\_\_\_\_  
Project Engineer

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Chief Engineer

# Change Order 054

Contract No.: CV-DB-16-001

Contract Title: Larkspur Extension Project



**Issued to:** Stacy and Witbeck/Herzog, A Joint Venture  
2800 Harbor Bay Parkway  
Alameda, California 94502  
Phone: (510) 393-2520

**Change Notice Reference:**  
N.A.

**CO Title:** Final Larkspur Extension Closeout

**The Contract Price due to this CO will change by:** \$ 120,342

**The Contract Performance Time due to the CO will be change by:** 0 calendar days

EXCEPT AS MODIFIED BY THIS CHANGE ORDER, ALL TERMS AND CONDITIONS OF THE CONTRACT, AS PREVIOUSLY MODIFIED, REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. THE PARTIES AGREE THAT THIS CHANGE ORDER IS A FINAL AND EQUITABLE ADJUSTMENT OF THE CONTRACT TIME AND CONTRACT AMOUNT AND CONSTITUTES A MUTUAL ACCORD AND SATISFACTION OF ALL CLAIMS, CURRENT OR FUTURE, OF WHATEVER NATURE CAUSED BY OR ARISING OUT OF THE FACTS AND CIRCUMSTANCES SURROUNDING THIS CHANGE ORDER INCLUDING, BUT NOT LIMITED TO, DIRECT, INDIRECT AND CONSEQUENTIAL COSTS; ADDITIONAL TIME FOR PERFORMANCE; AND THE IMPACT OF THE CHANGE SPECIFIED IN THIS CHANGE ORDER, ALONE OR TAKEN WITH OTHER CHANGES, ON THE UNCHANGED WORK.

## Description of change:

**Bettini Tactile Adjustment:** Remove and reinstall ADA tactile strip to match the newly installed channelization Z gate. The work shall include demo and reinstallation of fence, minor concrete demo, demo of tactile, reinstall tactile, and minor pour of concrete. The work shall be performed on T&M and shall include material, labor, and equipment necessary to complete the work.

**Concurred By:**

**Concurred By:**

Project Engineer

Date

District Chief Engineer

Date

Ahmed Thleiji

Bill Gamlen

The undersigned agrees to the terms and conditions described herein.

Contractor Acceptance

Sonoma-Marin Area Rail Transit

Title: Project Representative

Title: General Manager

(Authorized Signature for Contractor)

Date

(Authorized Signature for Owner)

Date

Dan Elshire

Farhad Mansourian

# Change Order 054

Contract No.: CV-DB-16-001

Contract Title: Larkspur Extension Project



**Additional Bettini Design Cost:** Design new connection to existing concrete beam foundation of canopy A, adjust canopy A design column spacing. Design hours shall account for quality control check and time spent discussing the new changes with Golden Gate District structural engineer.

**Bird Netting at Bettini:** Install bird netting on canopy A and C. Contractor shall coordinate with Golden Gate District field superintendent to correctly install the netting without disruption to the public and to match existing netting installed previously.

**Bettini survey monument:** Install new survey monument at the Bettini Transit Center based on the new property lines at the south east corner of platform C.

**Extra work at detention basin:** Pothole to locate unmarked gas line while excavating for the detention basin at West Francisco. The work shall be performed on T&M and shall include labor and equipment necessary to complete the work.

**Compensation for this Change Order will be made by adding the following Pay Item(s):**

Pay Item No.	Funding Source	Description	Unit	Qty.	Unit Price	Item Total
CO 054	2004A	Bettini Tactile Adjustment	LS	1	\$ 10,260.39	\$ 10,260.39
CO 054	2004A	Additional Bettini Design Cost	LS	1	\$ 71,206.72	\$ 71,206.72
CO 054	2004A	Bird Netting at Bettini	LS	1	\$ 18,065.35	\$ 18,065.35
CO 054	2004A	Bettini survey monument	LS	1	\$ 9,715.38	\$ 9,715.38
CO 054	4008A	Extra work at detention basin	LS	1	\$ 11,094.97	\$ 11,094.97

Initials:

\_\_\_\_\_  
Project Engineer

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Chief Engineer