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**** SPECIAL MEETING ****
PLEASE NOTE MEETING LOCATION

BOARD AGENDA

Wednesday, November 7, 2012
BOARD OF SUPERVISORS' CHAMBER
COUNTY GOVERNMENT CENTER
1055 Monterey Street, San Luis Obispo, California 93401
10:00 A.M. – 11:00 A.M.
(Immediately follow RTA Board Meeting)

Chairperson: Jim Guthrie
Director: Shelly Higginbotham

Vice Chairperson: Paul Teixeira
Director: John Shoals

Individuals wishing accessibility accommodations at this meeting under the Americans with Disabilities Act (ADA) may request such accommodations to aid hearing, visual, or mobility impairment by contacting the SCAT offices at 781-1338. Please note that 48 hours advance notice will be necessary to honor a request.

NOTE: Arroyo Grande City Offices are served hourly by SCAT Route 24.
Please call 541-2228 for more information.

CALL TO ORDER AND ROLL CALL

PUBLIC COMMENTS: This portion of the agenda is reserved for any members of the public to directly address the South County Area Transit Board on any items not on the agenda and within the jurisdiction of the Board. Comments are limited to three minutes per speaker. The Board will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

A. INFORMATION AGENDA

None

B. ACTION AGENDA

- B-1 MOU for FTA Planning & Programming in AG-GB UZA
- B-2 FTA Program of Projects

C. CONSENT AGENDA: (Roll Call Vote) the following items are considered routine and non-controversial by staff and will be approved by one motion if no member of the South County Area Transit Board or public wishes an item be removed. If discussion is desired by anyone, the item will be removed from the consent agenda and will be considered separately. Questions of clarification may be made by South County Area Transit Board members, without the removal of the item from the Consent Agenda. Staff recommendations for each item are noted following the item.

- C-1 SCAT Minutes of October 17, 2012 (Approve by Roll Call Vote)

D. DIRECTORS' COMMENTS

E. EXECUTIVE COMMITTEE MEMBERS' COMMENTS

ADJOURNMENT

Next South County Area Transit Board meeting January 16, 2013

SOUTH COUNTY AREA TRANSIT

November 7, 2012

STAFF REPORT

AGENDA ITEM: B-1

TOPIC: MOU for FTA Planning & Programming in AG-GB UZA

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Adopt the Memorandum of Understanding with RTA and SLOCOG to cooperatively plan and program Federal Transit Administration funds apportioned to the Arroyo Grande-Grover Beach Urbanized Area.

BACKGROUND/DISCUSSION: As a result of the 2010 U.S. Census, the Arroyo Grande-Grover Beach area was designated as an Urbanized Area (UZA). The UZA boundary is depicted below in yellow, and it includes the populated areas in the Cities of Arroyo Grande, Grover Beach, Pismo Beach and unincorporated portions of San Luis Obispo County.

Public transportation operators that serve the UZA are eligible to apply for and receive Federal Transit Administration (FTA) funds through the San Luis Obispo Council of Governments (SLOCOG), which is the governor-designated Metropolitan Planning Organization (MPO) for San Luis Obispo County and its three UZAs. SLOCOG is also the governor-designated recipient of FTA funds in the county.

As a result of the 2010 Census UZA designation, public transportation operators can apply as grantees for FTA Section 5307 for operating or capital purposes and FTA Section 5339 funds for capital purposes. Section 5307 funds can be used to provide a maximum of 50% FTA contribution for eligible operating purposes (total operating costs minus fare revenues), and both Section 5307 and Section 5339 funds can be used to provide up to 80% for eligible capital purposes.



Based on estimates provided by the FTA, the UZA will be apportioned approximately \$1,154,000 of FTA Section 5307 funds and roughly \$86,000 of FTA Section 5339 funds in Federal Fiscal Year 2012-13 (October 1, 2012 through September 30, 2013). In all cases, FTA funds are provided on a reimbursement basis, so eligible public transportation operators must be capable of “fronting” funds for federally-funded projects until the grant is approved by FTA and the funds are available to the grantee. In order for these Federal Fiscal Year 2012-13 funds to be used as reimbursement of SCAT’s July 1, 2012 through June 30, 2013, fiscal year expenses, a Program of Projects (POP) for the UZA must be adopted in time for applications to be submitted in February 2013. That means that the POP must be adopted by the SLOCOG Board at its December 5, 2012 meeting. Even with those deadlines, the FTA reimbursement likely will not be available until approximately September 2013.

On September 12, 2012, SLOCOG convened a meeting of officials from the Cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as officials from San Luis Obispo County and RTA, in order to develop a draft POP. As was explained during that meeting, RTA typically plans and programs up 45% of eligible operating costs using FTA funds so that there is “wiggle room” in case actual farebox revenues are lower than budgeted and/or actual operating expenses are lower than budgeted. In the case of South County Area Transit, that equates to approximately \$400,000 in FTA funds that could be used for operations reimbursement. The group also recognized that a portion of the annual Section 5307 funding apportionment – approximately \$400,000 – includes Small Transit Intensive Cities (STIC) funding that are earned solely due to the high productivity of RTA Route 10 services within the UZA. The group agreed that STIC funds should be directly planned/programmed for RTA’s needs, since RTA “earned” these funds. The group also agreed that two other SCAT capital projects should be planned and programmed, and all four projects are presented in the draft POP below:

AGENCY	DESCRIPTION	FTA	MATCH	TOTAL	RATIO	RATIO	MATCH
SCAT	FIXED ROUTE OPERATIONS*	\$ 400,000	\$ 480,000	\$ 880,000	50/50	45/55	TDA
SCAT	BUS STOP AMENITIES*	\$ 14,400	\$ 3,600	\$ 18,000	80/20	80/20	TDA
SCAT	ONE 35' BUS REPLACEMENT*	\$ 340,000	\$ 85,000	\$ 425,000	80/20	80/20	TDA
RTA	FTA SHARE ON 2 VEHICLES ORDERED WITH PROP 1B	\$ 400,000	\$ 550,000	\$ 950,000	80/20	42/58	PROP 1B
		<u>\$ 1,154,400</u>	<u>\$ 1,118,600</u>	<u>\$ 2,273,000</u>			

The Fixed Route Operations funds can be used to reduce the use of Transportation Development Act (TDA) funds programmed by each city and the county for SCAT. Based on the table above, approximately \$311,400 will available to reduce the use of FY12-13 TDA funds for transit purposes (reimbursement of \$400,000 for operations, less \$3,600 local match for the Bus Stop Amenities project and less \$85,000 for the One 35' Bus Replacement project). By definition, those unused TDA funds can be used for streets and roads purposes within each jurisdiction – assuming no unmet transit needs that are reasonable to meet exist. The SCAT FY12-13 budget assumed that each entity contributes TDA funds according to the table below. That table also presents the relative amount of TDA funds committed to SCAT in FY12-13, and the resulting reduction by entity.

FY12-13 TDA Commitments for SCAT Services:		% Total TDA
Arroyo Grande	\$258,237	38.1%
Grover Beach	\$196,559	29.0%
Pismo Beach	\$114,546	16.9%
SLO County	\$108,446	16.0%
<i>Subtotal TDA Commitment</i>	<i>\$677,788</i>	<i>100%</i>
FY12-13 Reduction in use of TDA funds for SCAT Services:		
Arroyo Grande	\$118,643	
Grover Beach	\$90,306	
Pismo Beach	\$52,627	
SLO County	\$49,824	
<i>Total Reimbursement</i>	<i>\$311,400</i>	

It should be noted that the total amount of Section 5307 and Section 5339 funds presented in this staff report represent estimates. It is anticipated that the final numbers will be provided by the end of October 2012. Nonetheless, the relative amount of TDA reimbursement to each entity should be provided based on the percentages in the table above.

The attached Memorandum of Understanding (MOU) is based closely on the MOU's used for planning and programming FTA funds in the San Luis Obispo UZA and the Paso Robles-Atascadero UZA. In all material respects, the MOUs for all three UZAs in the county would be uniform and consistent. This MOU was reviewed by Counsel, as well as the City Managers during the October 9 Executive Committee meeting. RTA and SLOCOG staff presented the draft MOU to each City Council in October and November. All three City Councils supported the MOU as presented.

Staff Recommendation

Adopt the Memorandum of Understanding with RTA and SLOCOG to cooperatively plan and program Federal Transit Administration funds apportioned to the Arroyo Grande-Grover Beach Urbanized Area.

MEMORANDUM OF UNDERSTANDING
BETWEEN THE SAN LUIS OBISPO COUNCIL OF GOVERNMENTS
AND THE REGIONAL TRANSIT AUTHORITY
AND THE SOUTH COUNTY AREA TRANSIT

“Regarding the Coordination of On Going Transit Planning and Programming Federal Transit Funds that Support the On Going and Future Deployment of Transit Services in the South County”

This Memorandum of Understanding (MOU) is entered into between the SAN LUIS OBISPO COUNCIL OF GOVERNMENTS (SLOCOG), the REGIONAL TRANSIT AUTHORITY (RTA) and SOUTH COUNTY AREA TRANSIT (SCAT). Both RTA and SCAT are hereinafter referred to as “Public Transportation Providers” as of this 17 day of October 2012. The purpose of this MOU is to:

1. Foster a cooperative and mutually beneficial working relationship between noted agencies for the provision of comprehensive, effective and coordinated transit planning on behalf of South County public mass transportation systems; and
2. Identify the transit planning responsibilities in coordination with the State of California for the purpose of programming Federal transit funds within the SLOCOG Federal Transportation Improvement Program (FTIP).

WITNESSETH THAT:

WHEREAS, the major populations of the Cities of Arroyo Grande, Grover Beach, Pismo Beach and less populated south county portions of San Luis Obispo County are newly designated as an urbanized area by the 2010 Census; and

WHEREAS, the Public Transportation Providers are eligible to apply for and receive Federal Transit Administration (FTA) Section 5307 funding for capital, operating and planning assistance as well as FTA Section 5339 for capital-only purposes for the delivery of public mass transportation; and

WHEREAS, SLOCOG is a Regional Transportation Planning Agency (RTPA) and a Metropolitan Planning Organization (MPO) for San Luis Obispo County; and

WHEREAS, the Moving Ahead for Progress in the 21st Century (MAP-21) Act requires MPO’S to work cooperatively with public transit operators to develop Regional Transportation Plans (RTP’s) and Transportation Improvement Programs (TIP’s) for urbanized areas. These plans and programs are intended to further the national interest to encourage and promote the safe and efficient management, operation, and development of surface transportation systems. These systems should serve the mobility of people and freight, and foster economic growth and development within and through urbanized areas, while minimizing transportation-related fuel consumption and air pollution; and

WHEREAS, SLOCOG and Public Transportation Providers rely upon a cooperative relationship to foster comprehensive regional transit planning which feeds directly into State and national planning; and

WHEREAS, the need for continued open communication is amplified due to the recent designation as an urbanized planning area.

NOW, THEREFORE, in consideration of the mutual benefits of the parties hereto, and in consideration of the covenants and conditions herein contained, the parties agree as follows:

SECTION 1: Responsibilities of SLOCOG and the Public Transportation Providers

1.1 Communication

A critical component of this relationship involves open and productive communication, which leads to setting project priorities and federal funding needs. SLOCOG is required to update the FTIP every even numbered year. The need to ensure responsive communication between the three parties is imperative in order to meet this federal programming mandate.

1.2 Governance

The Public Transportation Providers, individually and jointly, will cooperate with SLOCOG in the development and implementation of a committee structure to assure the application for and use of FTA Sections 5307 and 5339 funding that is consistent with the Regional Transportation Plan and Regional and Federal Transportation Improvement Program.

SECTION 2: Transit Planning

2.1 Overall Work Program

In accordance with state and federal requirements, SLOCOG annually prepares, adopts, and updates an Overall Work Program (OWP) describing regional planning activities. The OWP relates regionally significant planning activities of the State, transit operators, local governments, and SLOCOG in an integrated, comprehensive program document. Public Transportation Providers agree to annually prepare a list of regionally significant transit related planning studies for the future fiscal year to be completed by Public Transportation Providers and submitted to SLOCOG according to the following schedule:

- a) A brief description of said studies by December 1st of each year
- b) A detailed description of said studies by January 14th of the following year

2.2 Short Range Transit Plans

In accordance with metropolitan planning regulations and Federal Transit Administration (FTA) guidance, the Public Transportation Providers are required to prepare a five (5) years short-range transit plan to support sound financial and operations decision-making in transit planning and programming. In the development of future SRTP's, the Public Transportation Providers will provide a draft list of projects for FTA funding. The list shall:

- a) Identify and describe the scope of the specific projects and services, which address on going and increased transit demands. These projects and services are to include provisions for meeting requirements of the Americans with Disabilities Act (ADA)
- b) Provide qualitative~~ly~~ and quantitative analysis showing how ~~the~~each project addresses transit needs
- c) Identify the amount and type of federal and non-federal funds required supporting the projects for each year represented in the plan. In addition, identify anticipated discretionary funding estimates for the FTIP

2.3 Long Range Transit Plan

In accordance with metropolitan planning regulations and FTA guidance, SLOCOG in coordination with the Public Transportation Providers will develop the Long Range Transit Plan (LRTP). The LRTP will assess the transportation needs of the public and set forth improvements necessary to address those needs over a twenty (20) year period and updated every five (5) years consistent with Short Range Transit Plans.

2.4 Planning Assistance

SLOCOG will provide input into the development of transit planning documents produced by Public Transportation Providers. An example of the type of transit planning document includes the Short Range Transit Plan. In addition, SLOCOG will work cooperatively and assist the Public Transportation Providers in their efforts to generate planning and forecasting information needed to establish and maintain the Short and Long Range Transit Plans. The type of assistance provided by SLOCOG includes, but is not limited to, the following:

- a) Obtain and analyze data from various sources to develop concrete demographic, growth and use assumptions for the purpose of transit forecasting and development (such as trip generation tables, census information, maps)
- b) Assist in securing funds to conduct transit demand studies and in-depth analysis (such as researching funding options and writing grants)
- c) Assist in obtaining state and federal funding of projects consistent with the SLOCOG Regional Transportation Plan (such as completing paper work, facilitating FTIP amendments)

2.5 FTIP Programming Criteria

As part of the FTIP updating process, federally funded projects are programmed by SLOCOG on behalf of all transit providers receiving federal funds through the FTIP. For proposed transit projects, the criterion used for the programming of federal funds within the SLOCOG's FTIP is essential. SLOCOG and the Public Transportation Providers will employ the following selection criteria to establish priorities for transit funding:

- 1) Project purpose and need
- 2) Anticipated benefits
- 3) Degree to which a project will improve transit availability
- 4) Degree to which a project will improve level of service performance standards
- 5) Air quality benefits
- 6) Overall cost effectiveness
- 7) Leveraging other funding sources

2.6 Regional Planning

SLOCOG will provide a forum that will foster partnerships wherein the development of public transit services throughout southern San Luis Obispo County will be accomplished. As part of the coordinated regional transportation system, SLOCOG will expand the continuing, cooperative, and consistent planning of the transportation systems operated by the Public Transportation Providers and such relationship with the regional and interregional transit network.

SLOCOG will be responsible for the development of regional planning documents such as the Regional Transportation Plan, the Long Range Transit Plan, and the analysis and determination of Unmet Transit Needs for the region. The Public Transportation Providers will have the opportunity to provide technical advice during the development of these regional planning documents through the SLOCOG committee structure. As a part of the regional planning process, the Public Transportation Providers will assist SLOCOG with efforts to achieve regional goals including the requirement to assist in the attainment of state and federal air quality standards.

2.7 Application for Transit Funding

The Regional Transit Authority as the designated grantee for FTA monies shall prepare and submit an application to the FTA for Federal transit funding. With the assistance of SLOCOG, the designated recipient for such Federal funds, the designated grantee will submit draft grant applications to SLOCOG prior to submittal to FTA. SLOCOG will review the accuracy of the application, consistency of projects with FTIP programming, and prepare a letter of concurrence if the information is accurate. The grant applications for Federal funding shall be consistent with SLOCOG Regional Transportation Plan as required by federal guidelines. RTA shall work with SLOCOG to develop consistent funding requests from all potential transit funding sources in order to prevent funding delays.

2.8 Program of Projects

By October 30th of each year, the Public Transportation Providers in coordination with the South County Transit Technical Committee shall prepare and the SCAT Board shall adopt a "Program of Projects" (POP) consistent with the public participation requirements of Title 49 U.S.C Section 5307 (c) (1) thru (7). Projects eligible for FTA Section 5307 funds include planning, capital and operating assistance activities as detailed in FTA Circular 9030.

2.9 Incorporation or Rejection in the FTIP

SLOCOG will include all POP projects nominated from the annual urbanized area allocation in its entirety in the FTIP unless SLOCOG finds that a) the POP is inconsistent with the planning and programming process in this agreement b) there are insufficient funds to implement the POP based on the federal allocation c) the POP is inconsistent with the RTP and/or adopted local transit plans.

If SLOCOG proposes to reject the POP, it will provide notice to the Public Transportation Providers not later than 10 days after it receives the proposed POP from the South County Transit Technical Committee SCAT Board. SLOCOG's Executive Director may provide notice by letter; the notice does not require formal Board action. The SLOCOG Board will act on the proposed rejection of a POP in a public hearing no later than November 15th. Whenever SLOCOG rejects the POP, the SLOCOG South County Transit Policy Sub-Committee shall convene, and the Public Transportation Providers shall resubmit the POP. Unless the new POP is rejected in the same manner, it will be incorporated into the FTIP as an FTIP amendment. This amendment will not require a separate 30-day public notice if the new POP is limited to projects considered in the FTIP public hearing on the proposed POP rejection.

2.10 Committees

The following committees are established through this agreement as illustrated in Exhibit A

- a) The South County Transit Technical Committee made of five (5) voting staff members: One (1) from the City of Grover Beach; One (1) from the City of Arroyo Grande; One (1) from the City of Pismo Beach; One from the County of San Luis Obispo; One (1) from the Regional Transit Authority. Three non voting staff members shall include one (1) representative from SLOCOG, one (1) representative from the Air Pollution Control District and one (1) representative from Caltrans District 5 as ex-officio members.
- b) The SLOCOG South County Transit Policy Sub-Committee made of five (5) voting members: One elected representative on the SLOCOG Board from each of the three (3) Cities in the South County Area Transit service area and two (2) elected representatives from the San Luis Obispo Council of Governments Board representing the County of San Luis Obispo in the South County area (Districts 3&4). The Sub-Committee need only meet if there is a vote on the POP that is not unanimous. The Sub-Committee may also be convened if requested by signatories in this agreement for other planning and coordination issues.

2.11 Disputes

If a dispute regarding the allocation of funds arises between SLOCOG and the Public Transportation Operators, the agencies shall negotiate in good faith to resolve the dispute. If such negotiation does not result in resolving the differences, the issue shall be forwarded to the SLOCOG South County Transit Policy Sub-Committee for review and recommendation. The recommendation of this Sub-Committee shall be forwarded to SLOCOG for review and potential revision of the urban area POP. SLOCOG shall consider the recommendations of the committee and make a final determination of the POP. Its decision shall be final.

SECTION 3: FTIP Project Monitoring and Maintenance

3.1 Progress Reporting

~~The~~ SLOCOG shall be responsible for tracking the overall progress of all projects in the FTIP. SLOCOG will prepare a mid-year report for the SLOCOG Board of Directors to review that identifies those transit projects that have been programmed, and their status of completion (e.g., on schedule, behind schedule, or completed). In addition, per federal guidelines, SLOCOG is required to produce an annual list of projects for which federal funds have been obligated in the preceding year and will ensure that it is made available for public review.

The Public Transportation Providers will assist SLOCOG's effort to track the overall progress of FTIP projects by submitting quarterly reports that address the status of each project receiving federal funds. At a minimum, the quarterly report will ~~include~~:

- a) Identify and correlate the documentation of projects to individual categories as identified in the FTIP (e.g., Operations, Capital Purchase, Facility Maintenance, Planning).
- b) Document the stage of project implementation.
- c) If project is behind schedule, give the reasons for the delay.
- d) Status of amount of federal funding obligated, received and used to support projects.
- e) Identify the need for FTIP amendment.

In addition to providing the above supporting documents, the Public Transportation Providers will forward to SLOCOG a final copy of all planning documents produced as a result of receiving Federal funding. This will assist SLOCOG in overall transit planning as well as ensure that FTA Section 5307 funds were used accordingly for planning purposes as per FTA's requirements.

3.2 FTIP Amendments

SLOCOG's Executive Director will exercise the authority delegated by the SLOCOG Board to process minor administrative amendments, involving , for instance, changes in the project scope, shifting of funds between project phases within the triennial element of the FTIP.

As part of the quarterly progress report, or sooner if required, the Public Transportation Providers will alert SLOCOG of the need for amending the FTIP. In general reasons for FTIP amendments include, for example, funding shortfalls, delays in project implementation and/or new projects that need to be amended into the document.

SECTION 4: MOU Amendment

This MOU may be amended by the written consent of all parties.

SECTION 5: MOU Termination

~~Either Any~~ party upon thirty (30) days of written notification to the other may terminate this MOU.

SECTION 6: Authorization of MOU

By signature, we agree that the responsibilities outlined in this MOU foster healthy collaboration for the purpose of fostering transit planning and programming federal funds within the SLOCOG Federal Transportation Improvement Program.

Fred Strong, President

**San Luis Obispo Council of Governments &
San Luis Obispo Regional Transit Authority**
Date: _____

Jim Guthrie, Board Chairman

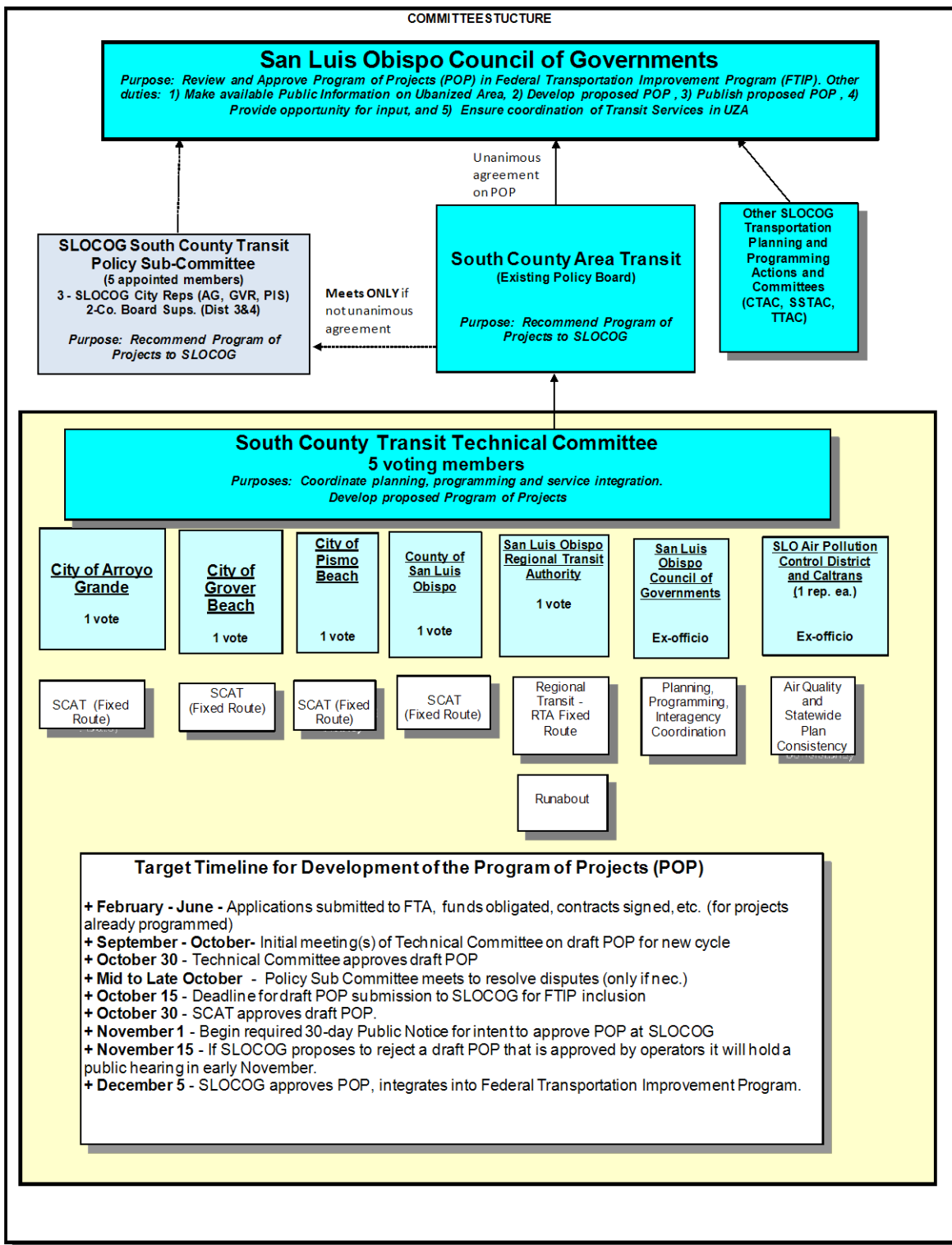
South County Area Transit
Date: _____

APPROVE AS TO FORM AND LEGAL EFFECT:

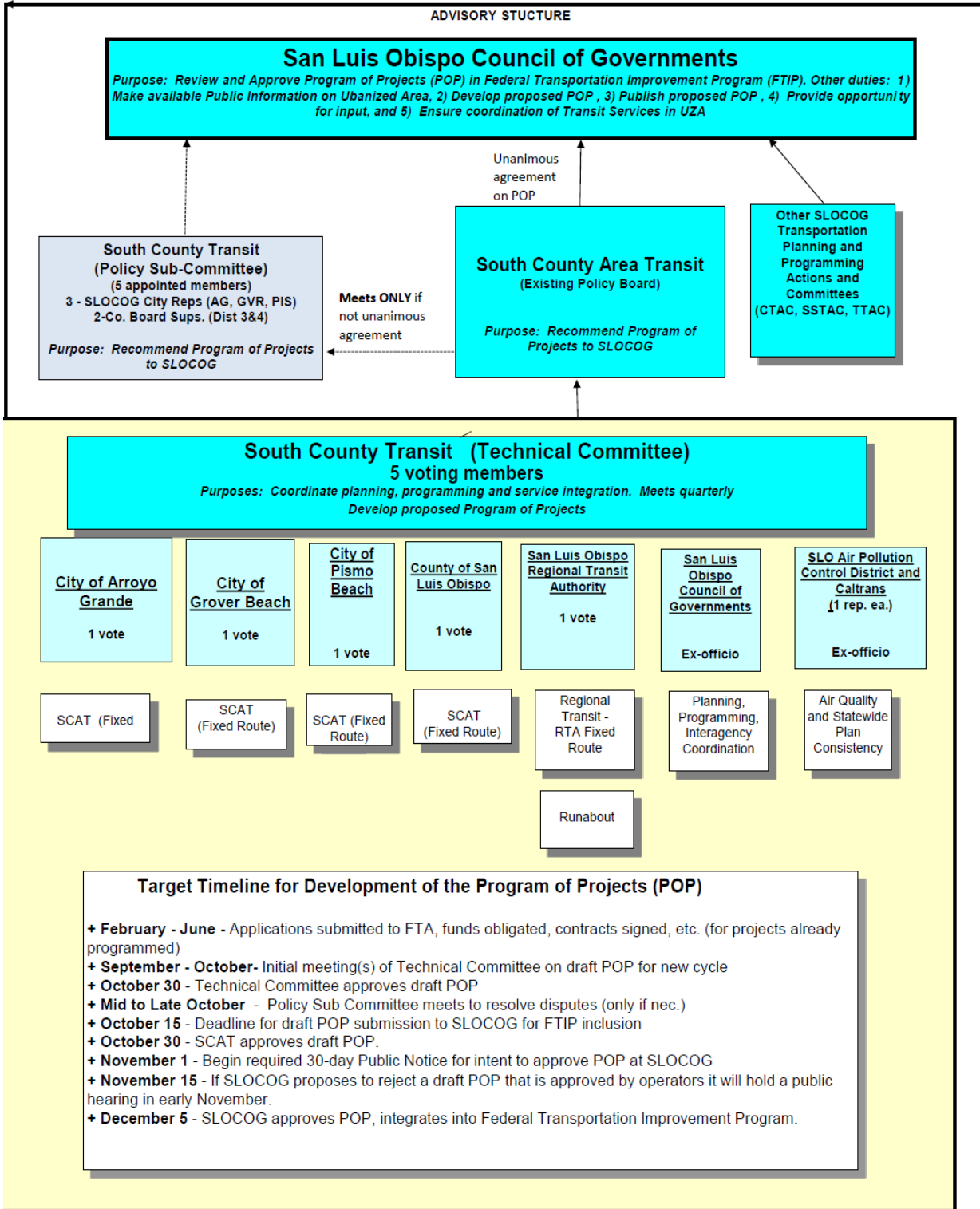
Tim McNulty, Legal Counsel

**San Luis Obispo Council of Governments
South County Area Transit
San Luis Obispo Regional Transit Authority**
Date: _____

Exhibit A



ADVISORY STRUCTURE



**SOUTH COUNTY AREA TRANSIT
November 7, 2012
STAFF REPORT**

AGENDA ITEM: B-2

TOPIC: FTA Program of Projects

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Adopt the proposed Program of Projects for the Arroyo Grande-Grover Beach Urbanized Area as the final Program of Projects.

BACKGROUND/DISCUSSION: Presuming the SCAT Board adopts the MOU for cooperatively planning and programming Federal Transit Administration funds, the Board must also adopt a final Program of Projects (POP) for the Arroyo Grande – Grover Beach urbanized area.

A proposed POP was developed by staff from the Cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as staff from San Luis Obispo County, RTA, SLOCOG and the Air Pollution Control District, in September 2012. The proposed POP is depicted in the table below.

AGENCY	DESCRIPTION	FTA	MATCH	TOTAL	RATIO	RATIO	MATCH
SCAT	FIXED ROUTE OPERATIONS*	\$ 400,000	\$ 480,000	\$ 880,000	50/50	45/55	TDA
SCAT	BUS STOP AMENITIES*	\$ 14,400	\$ 3,600	\$ 18,000	80/20	80/20	TDA
SCAT	ONE 35' BUS REPLACEMENT*	\$ 340,000	\$ 85,000	\$ 425,000	80/20	80/20	TDA
RTA	FTA SHARE ON 2 VEHICLES ORDERED WITH PROP 1B	\$ 400,000	\$ 550,000	\$ 950,000	80/20	42/58	PROP 1B
		<u>\$ 1,154,400</u>	<u>\$ 1,118,600</u>	<u>\$ 2,273,000</u>			

The proposed POP was presented to the SCAT Board at its October 17 meeting, as well as to the City Councils from the three cities represented on the SCAT Board in October and November. No comments were received from the public regarding the draft POP at any of those public meetings or through other public input means (phone, email or written correspondence).

Staff Recommendation

Adopt the proposed Federal Transit Administration Program of Projects as the final Program of Projects for the Arroyo Grande-Grover Beach Urbanized Area, and recommend to SLOCOG for TIP adoption.

**SOUTH COUNTY AREA TRANSIT
MINUTES OF OCTOBER 17, 2012 BOARD MEETING
ARROYO GRANDE CITY COUNCIL CHAMBERS
C-1**

Directors Present:	Tim Brown	Mayor Pro Tem, Arroyo Grande (Alternate)
	Shelly Higginbotham	Mayor, Pismo Beach
	John Shoals	Mayor, Grover Beach
	Paul Teixeira, Vice Chairperson	County Supervisor, District 4
Directors Absent:	Jim Guthrie, Chairperson	City Council Member, Arroyo Grande
Staff Present:	Steve Adams	City Manager, Arroyo Grande
	Bob Perrault	City Manager, Grover Beach
	Kevin Rice	City Manager, Pismo Beach
	Geoff Straw	Executive Director
	Tania Arnold	Chief Financial Officer, Director of Administration
	Coleen Kubel	SCAT Lead Operations Supervisor
	Terry Berkeley	SCAT Operations Supervisor
	Phil Moores	RTA Operations Manager

CALL TO ORDER AND ROLL CALL: Director John Shoals called the meeting to order at 3:35 p.m. Roll call was taken; a quorum was present.

PUBLIC COMMENT: Director Shoals asked for public comment on non-agenda items. There were none.

**BOARD ADMINISTRATIVE ITEMS:
INFORMATION AGENDA:**

A-1 Executive Directors Report: Mr. Geoff Straw commented that staff has been working with the City of Arroyo Grande and the County to amend the Conditional Use Permit for 800 Rodeo to allow on-site washing of up to one bus per day. The Conditional Use Permit amendment request has been submitted and should go before the Planning Commission in November. Staff continues to evaluate options to improve operations at the Pismo Premium Outlets, although it is a bit of a back burner issue now that the Beach Trolley service is done until next summer.

There was a bus stop design change in front of Arroyo Grande City Hall and staff continues to work on getting that fully implemented. A lane marking change was implemented at El Camino and Grand where buses were not able to make the turn onto the street. Thank you to the staff from the City of Arroyo Grande for being very professional and innovative. They were great to work with.

RTA has implemented a courtesy stop program that has empowered drivers to drop off passengers upon request at safe locations not identified as a bus stop, and staff continues to monitor the program. We will bring back a full report at the January meeting and see if it could be implemented on South County Area Transit routes.

In terms of service planning, there are two items that will be discussed later – the Summer Youth Ride Free and Beach Trolley programs – there have been some very positive results. It was also recommended by SLOCOG to award \$10,000 to create a plan for providing service to the airport from the Five Cities area. One idea currently being reviewed is starting at Ramona Garden Park, going to the Pismo Premium Outlets, and going up Price Canyon, go along 227, serve the airport corridor, and into San Luis Obispo. It will likely be an express service with a morning, midday and afternoon trip.

Marketing has focused on the Summer Youth Ride Free and the Beach Trolley programs. Staff also had to make some changes to the Route 25; a morning trip was added to service the Arroyo Grande High School campus. With the change in bell time it previously was not coordinated well. Staff was able to add the service and it has been well supported. **Mr. Straw** thanked **Ms. Coleen Kubel** and her staff's ability to react to that challenge. October is also Rideshare month, which includes Tuesday's ride free. Staff has seen some real increases in service demand.

In terms of Finance and Administration, staff continues to work on the outstanding items related to the service area being designated as a federally recognized urbanized area. Additional funding will be coming into the area but it also brings additional planning and programming requirements. The farebox recovery ratio for the 2011/2012 fiscal year was 18.1%, which is close to the new federally mandated 20% minimum. Staff is also bringing an agenda item to the Board regarding CalTIP Board representation.

Staff has completed contract negotiations for the purchase of three thirty five (35) foot buses from Gillig. On October 22nd and 23rd, staff will be attending a preproduction meeting at the Gillig facility in Hayward. Staff is assuming that the Board desires to stay with a thirty five (35) foot vehicle and staff will continue to move forward with that unless otherwise directed. The window of opportunity to make a change to 40-foot buses is rapidly approaching. In looking forward, staff continues to work on securing funding for replacing the balance of the fleet, which is quickly reaching the end of the FTA defined useful life. Those ideas will be brought to the Board in January for review.

During the previous quarter, staff completed the annual fiscal audit, which has been distributed to the Board. This is the earliest the audits have been completed with a lot of work from staff. Annual expenditures came in under budget and revenues came in above budget, resulting in a good financial position at the end of the year. Financials continue to look good through August of this year. Although gas price changes have been significant, the price of diesel fuel has not been impacted as greatly. The good news is ridership continues to go up, although that does include the Youth Ride Free program.

Mr. Straw concluded his Director's report.

Director Shelly Higginbotham wanted to thank the San Luis Obispo Council of Governments staff in their efforts to obtain the urbanized area designation for the area, increasing the funding coming into the area.

Vice Chairperson Paul Teixeira complimented the Summer Youth Ride Free program and the results are phenomenal.

Director Shoals congratulated staff on the results of the audit, and would like to know if any remaining funds be put into reserves to try and rebuild them.

Mr. Straw confirmed that the funds will added to reserves so they will approach a more comfortable level.

A-2 Analysis of Summer 2012 Beach Trolley and Youth Ride Free Programs: **Mr. Straw** mentioned the desire of the Board to look at some performance indicators and items that are a challenge in operating the services. In short, staff recommends both programs continue again next year.

In past years, the Beach Trolley program in the past was operated on Thursday through Sunday during the summer months and Friday through Sunday during the rest of the year. This year staff suggested operating the trolley during the peak summer months. The ridership increases were incredible. In reviewing the ridership over the last three years, the ridership is very low in the non-summer months, with similar results over the last three years. Passenger boardings per hour of service during 2011 was higher than in 2012 because the service ran fewer days per week but the ridership per day in 2012 was outstanding. Providing the service only during the summer time leads to a much better result in terms of ridership per day. Staff recommends continuing the service next summer with a Thursday through Sunday schedule.

Summer Youth Ride Free resulted in an increase in youth riders on SCAT services of 323% over the prior year, but last summer is undercounted. The 2011 information only includes those who bought the Summer Youth Pass, which not everyone did. The key number to look at is the revenue given up by providing the free rides, equating to \$0.07 per ride. It is a very successful marketing program, for \$800 the service was able to pick up over 13,000 riders. Youth groups presented a challenge and staff recognized that; reaching out to those organizations to split group and coordinating with dispatch significantly helped. Part of the planning for next summer would include outreach to the youth groups.

Vice Chairperson Teixeira asked if the plan was to run a trolley to take advantage of the increase in ridership, which is presumed to be on the holiday weekends. **Mr. Straw** stated that staff would be willing to work with the stakeholders and determine if it is something they believe would be a benefit.

Director Higginbotham requested more information on how the trolley is really being utilized. Are people riding it from Avila to the Outlets and completing the loop, or are they disembarking along Price Street and is there a way to get that information. **Ms. Coleen Kubel** stated they are making the loop, getting off at the Outlets and getting back on an hour or two later. Riders do get on along Shell Beach Road and ride out to Avila for the day. There are a lot of tourists, with word of mouth spreading. Connections to the RTA Route 10 at the Outlets have increased the appeal of the trolley, proving an easy connection to Avila. **Mr. Straw** stated that although the opportunity to collect the information for this year has passed, staff will provide that type of outreach next year.

Director Higginbotham inquired about the RTA Route 10, and wanted confirmation that passengers are getting off the Route 10 and getting onto the trolley to travel to Avila. **Ms. Kubel** confirmed there are a significant number of transfers from the Route 10 onto the trolley.

Director Shoals opened public comment.

Mr. Pete Rogers from the San Luis Obispo Council of Governments wanted to provide some historical information regarding the trolley. One of the benefits that is being seen is from a consolidated service. Before the service was operated separately by the Avila Beach Community Foundation and it required its own financial audit, short range transit plan, and performance audit. Working with the Avila Beach Community Foundation, the service was transferred to South County Area Transit, and it can be further integrated with RTA and grow ridership through Route 10. In those agreements, there may be a requirement to consult with them regarding service changes. **Mr. Straw** responded that staff is working with Rick Cohen and it has been presented to the Avila Beach Community Foundation Board.

Director Shoals closed public comment.

B. ACTION AGENDA: B-1 Renegotiate lease for South County Area Transit Facility **Mr. Straw** stated that currently there is a Conditional Use Permit in place to operate out of the SCAT facility (800 Rodeo Drive). The facility works well from a staff perspective with one drawback, a licensed driver has to shuttle the vehicle to Grover Beach to wash it at a coin operated facility. The shuttling time, the use of two employees, the cost of fuel used, etc. has been rather onerous. When staff first occupied the building there was not enough time and there were disputes within the community regarding if it was appropriate to be washing vehicles at the facility. Since that time, staff has worked with the County and reviewed their Storm Water Management Plan to see if staff could wash up to one vehicle there per day based on water volume, types of degreaser used (biodegradable), and the types of facilities that are currently there. The main challenge is the best location to wash a vehicle without impacting a nearby creek. That drain will be blocked, forcing the water into the separator, catching any sand and anything else that came off the bus, which would then be vacuumed up and dumped down the sanitary sewer drain.

The County is confident that this meets the Storm Water Management Plan to wash up to one bus per day, using up to fifty (50) gallons per day. Staff estimates that it will take twenty (20) to twenty-five (25) gallons to wash a vehicle. An amendment request has been submitted the County and City of Arroyo Grande, and staff is currently waiting to take that to the Planning Commission.

Mr. Straw requested that the Board give the Executive Director the authority to renegotiate the lease if the Planning Commission accepts the amendment.

Director Shoals opened Board comment.

Director Higginbotham asked if staff is receiving support from the City of Arroyo Grande for approving the amendment. **Mr. Straw** stated that staff has not heard back from City staff. **Mr. Steve Adams** commented that if the drain issue has been resolved, it shouldn't be an issue.

Director Shoals wondered how often vehicles are being washed. **Mr. Straw** stated they are being washed three to four days a week approximately. And the amendment request is up to one vehicle per day. **Director Shoals** advised staff to be aware of what the request would look like over a period of time such as a week or month because that may be requested during the approval process.

Director Shoals opened public comment.

Director Shoals closed public and Board comment.

Director Higginbotham made a motion to authorize the Executive Director to seek an amendment to the City of Arroyo Grande Conditional Use Permit and to negotiate an amendment to the lease agreement with the County of San Luis Obispo reflecting this change. **Director Tim Brown** seconded the motion and the motion carried on a voice vote.

B-2 Title Change of Representation to the CalTIP Board of Directors **Mr. Straw** discussed the ongoing process of determining how to have South County Area Transit represented on the CalTIP Board of Directors. Working with County Counsel and CalTIP Counsel a method of making it work was determined. In the Joint Powers Agreement (JPA) for South County Area Transit, the position of Administrator is identified, which would be a position qualified to serve on the CalTIP Board of Directors. There are two resolutions for approval, one identifying the RTA Executive Director as the South County Area Transit Administrator, and one rescinding the prior CalTIP appointment, naming the Administrator as the CalTIP representative.

Director Shoals questioned what the resolutions are stating. **Ms. Tania Arnold** stated that first resolution appoints Mr. Straw as the South County Area Transit Administrator, and the second resolution rescinds the prior CalTIP appointment, naming the Administrator as the CalTIP representative.

Director Shoals opened Board comment.

Director Brown asked what the resolutions provide that isn't currently being provided. **Ms. Arnold** clarified that CalTIP had previously allowed the South County Area Transit representative to vote in error. Since that error was discovered, they are no longer allowing the South County Area Transit representative to vote on matters at Board meetings. In order to have a voting Board for CalTIP, the representative must be a Board member of the South County Area Transit, or Director, or Officer, which the Administrator position would qualify for.

Director Shoals opened public comment.

Director Shoals closed public and Board comment.

Director Shoals asked how the potential conflict of interest related to properly representing South County Area Transit versus RTA during CalTIP meetings might be handled. **Ms. Arnold** added that Mr. Straw cannot represent RTA if he is representing South County Area Transit.

Vice Chairperson Teixeira made a motion to approve staff's recommendation to appoint Mr. Straw as the Administrator and representative on the CalTIP Board, rescinding previous resolutions. **Director Higginbotham** seconded the motion and the motion carried on a roll call vote.

B-3 Consider Memorandum of Understanding for Federal Transit Administration Planning and Programming in the Arroyo Grande-Grover Beach Urbanized Area **Mr. Straw** began by thanking the San Luis Obispo Council of Governments (SLOCOG) for drafting the Memorandum of Understanding (MOU) based on the one that was used in the North County for the Atascadero-Paso Robles Urbanized area. As you know, the Five Cities area has been designated as an urbanized area, which will bring in a significant amount of Federal funding that can be used for transit. There are some requirements that the Board has to undertake regarding programming and planning the funds. It should be noted that SLOCOG is the designated recipient of the funds for all urbanized areas in the County. A technical committee met on September 12, 2012 and a draft programming of projects was developed, which identifies different types of projects to maximize the use of federal funds for South County Area Transit's operating needs. Staff recommends not using more than forty five (45) percent of federal funds to cover operating costs, although fifty (50) percent is eligible, to make sure there is breathing room if revenue comes in higher and/or costs come in lower. The balance can be used for capital projects, with eighty (80) percent eligible for federal funds. RTA has been very successful in securing federal funds for the Route 10 which runs through the urbanized area and is unable to use any of the new federal funding for operating needs. Due to the reporting that RTA does related to Route 10 operating miles, additional federal funds called Small Transit Intensive Cities (STIC) are provided to for high productivity. There are a few capital projects identified. At this time, staff introduced the idea of FTA fund planning and programming, and proposed that a special SCAT Board meeting be conducted to adopt the MOU.

Mr. Straw stated that, based on feedback from the technical committee, staff will present the draft MOU at each of the cities' council meetings. The magnitude of local transit funding that may be displaced by the additional federal funds coming to the area will also be presented to the cities at that time. Staff recommends a SCAT board special meeting on November 7, 2012 after the RTA Board meeting in San Luis Obispo, at the new County Government Center.

Director Shoals asked for additional clarification regarding the table on page B-3-3. **Mr. Straw** noted that the top table shows the Transportation Development Act (TDA) commitment for 2012/2013, which is \$677,788. It also shows the percentage of funds by jurisdiction. Assuming the total reimbursement that the area can receive is \$311,400 (from the previous table on page B-3-2, \$400,000 for fixed route operations, less the match required of \$3,600 for bus stop amenities and \$85,000 for bus replacement), each of the cities will be provided a "rebate" in TDA funds that could be used for other eligible purposes – including streets/roads projects.

Director Shoals opened Board and public comment.

Mr. Rogers from the San Luis Obispo Council of Governments wanted to emphasize a few items that Mr. Straw discussed. The first item is the MOU is the same agreement that is in the North County and Central urbanized areas and it has worked very well. The Federal Transit Administration requires this type of agreement before any funding is programmed. Mr. Rogers reviewed the flow chart on page B-3-10 that describes the process. It should be noted that the area was a beneficiary of State of Good Repair funding, and with the new federal

funding bill, that funding is coming into the area based on a formula. Agencies need to be very conscientious about working together to make sure there is enough transit capital funding. At some point down the road, there may be a need for a regional contribution for either a transit center in San Luis Obispo, buses, and/or facilities that the area will need work through.

Mr. Straw added that staff does have some changes that will need to be made. For example on page B-3-7, Item 2.8, the Technical Committee comes up with the draft Program of Projects (POP) but does not adopt it; that will be done by the South County Area Transit Board. It will be subject to the Brown Act. The issue of reimbursement for grant administration will also need to be addressed.

Director Higginbotham inquired regarding the projects listed in the POP, wondering if they are new projects or projects already in line. **Mr. Rogers** clarified that they were recommendations from RTA on behalf of SCAT as a result of the September 12, 2012 meeting. There are changes that will be needed as a result of less funding coming in than was anticipated at that meeting.

Mr. Bob Perrault advised the Board that it would be helpful to list a definition of what the POP is in the MOU, in terms that it is a combination of capital projects and operational costs so it is clearer on what the POP is.

Director Higginbotham made a motion to hold the meeting on November 7th shortly after the RTA Board meeting in San Luis Obispo. **Vice Chairperson Teixeira** seconded the motion and the motion carried on a roll call vote.

C. CONSENT AGENDA: Consent agenda items were approved upon a motion by **Director Higginbotham** and seconded by **Director Brown**. The motion carried on a roll call vote with Vice Chairperson Teixeira abstaining.

D. DIRECTORS' COMMENTS: **Director Shoals** wanted to remind the Board that his term is ending and he is ending his tenure with the City of Grover Beach. Ms. Phyllis Molnar will likely be the next representative on the Board. Please make her feel welcome.

Director Shoals asked for an update on the oil deposits at the Ramona transfer center. **Mr. Straw** stated staff will get on that soon and follow up with Bob Perrault.

Director Higginbotham wanted to say thank you to Director Shoals for his service, which was echoed by all in attendance.

E. EXECUTIVE COMMITTEE MEMBERS' COMMENTS: None

F. ADJOURNMENT: The meeting was adjourned at 4:33 pm.

Respectfully submitted,
Tania Arnold, Chief Financial Officer, Director of Administration