

AGENDA

Mountain/Desert Policy Committee

February 21, 2014

9:30 a.m.

Location:
Conference Room Change: This Meeting Only
Town of Apple Valley – North Side of Conference Center
14975 Dale Evans Parkway
Apple Valley, CA

Mountain/Desert Policy Committee Membership

Chair

*Ed Paget, Mayor
City of Needles*

*Julie McIntyre, Mayor
City of Barstow*

*George Huntington, Council Member
Town of Yucca Valley*

Vice Chair

*Ryan McEachron, Mayor Pro Tem
City of Victorville*

*Bill Jahn, Council Member
City of Big Bear Lake*

*Robert Lovingood
Board of Supervisors*

*Cari Thomas, Mayor
City of Adelanto*

*Mike Leonard, Council Member
City of Hesperia*

*James Ramos
Board of Supervisors*

*Curt Emick, Mayor
Town of Apple Valley*

*Jim Harris, Council Member
City of Twentynine Palms*

*Janice Rutherford
Board of Supervisors*

San Bernardino Associated Governments (SANBAG) is a council of governments formed in 1973 by joint powers agreement of the cities and the County of San Bernardino. SANBAG is governed by a Board of Directors consisting of a mayor or designated council member from each of the twenty-four cities in San Bernardino County and the five members of the San Bernardino County Board of Supervisors

In addition to SANBAG, the composition of the SANBAG Board of Directors also serves as the governing board for several separate legal entities listed below:

***The San Bernardino County Transportation Commission**, which is responsible for short and long range transportation planning within San Bernardino County, including coordination and approval of all public mass transit service, approval of all capital development projects for public transit and highway projects, and determination of staging and scheduling of construction relative to all transportation improvement projects in the Transportation Improvement Program.*

***The San Bernardino County Transportation Authority**, which is responsible for administration of the voter-approved half-cent transportation transactions and use tax levied in the County of San Bernardino.*

***The Service Authority for Freeway Emergencies**, which is responsible for the administration and operation of a motorist aid system of call boxes on State freeways and highways within San Bernardino County.*

***The Congestion Management Agency**, which analyzes the performance level of the regional transportation system in a manner which ensures consideration of the impacts from new development and promotes air quality through implementation of strategies in the adopted air quality plans.*

*As a **Subregional Planning Agency**, SANBAG represents the San Bernardino County subregion and assists the Southern California Association of Governments in carrying out its functions as the metropolitan planning organization. SANBAG performs studies and develops consensus relative to regional growth forecasts, regional transportation plans, and mobile source components of the air quality plans.*

Items which appear on the monthly Board of Directors agenda are subjects of one or more of the listed legal authorities. For ease of understanding and timeliness, the agenda items for all of these entities are consolidated on one agenda. Documents contained in the agenda package are clearly marked with the appropriate legal entity.

**San Bernardino Associated Governments
County Transportation Commission
County Transportation Authority
Service Authority for Freeway Emergencies
County Congestion Management Agency**

AGENDA

Mountain/Desert Policy Committee

February 21, 2014

9:30 a.m.

**Location:
Conference Room Change: This Meeting Only
Town of Apple Valley – North Side of Conference Center
14975 Dale Evans Parkway
Apple Valley, CA**

CALL TO ORDER:

(Meeting Chaired by: Ed Paget)

- I. Pledge of Allegiance
- II. Attendance
- III. Announcements
- IV. Agenda Notices/Modifications – **Melonie Donson**

Notes/Actions

1. Possible Conflict of Interest Issues for the Mountain/Desert Policy Committee Meeting of February 21, 2014. Pg. 9

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

Consent Calendar

Consent Calendar items shall be adopted by a single vote unless removed by member request.

2. Attendance Register Pg. 11

A quorum shall consist of a majority of the membership of each SANBAG Policy Committee, except that all County Representatives shall be counted as one for the purpose of establishing a quorum.

Consent Calendar Cont.....

Project Delivery

- 3. **Construction Contract Change Orders to on-going SANBAG Construction Contracts in the Mountain/Desert region with Riverside Construction Company, Inc. and Security Paving Company, Inc.** Pg. 13

Receive and file change orders. **Garry Cohoe**

This item is not scheduled for review by any other policy committee or technical advisory committee.

Discussion Items

Administrative Matters

- 4. **Budget Overview for proposed budget Fiscal Year 2014/2015** Pg. 15 (45 minutes)
Recommend the Mountain/Desert Committee receive general overview of the proposed budget for Fiscal Year 2014/2014. **William Stawarski**
This item was reviewed by the Board Metro Valley Study Session on February 13, 2014.

Project Delivery

- 5. **Amendment to the Lenwood Road Grade Separation Construction Cooperative Agreement** Pg. 17

That the Committee recommend the Board, acting at the San Bernardino County Transportation Commission and the San Bernardino County Transportation Authority:

- 1. Approve Amendment No. 2 to Contract No. C11199, the Funding Agreement for the Right-of-Way and Construction Phases of the Lenwood Road Grade Separation Project within the City of Barstow and the County of San Bernardino; and
- 2. Approve an increase in Right-of-Way acquisition authorization from \$1,900,000.00 to \$3,075,355.00; and
- 3. Approve a budget amendment for Fiscal Year 2013/2014 in Measure I North Desert Major Local Highway fund in the amount of \$1,175,355.00. **Barbara Fortman**

This item is not scheduled for review by any other policy committee or technical advisory committee. SANBAG General Counsel has reviewed this item and a draft of the amendment.

Discussion Calendar Cont.....Transportation Fund Administration

6. Interstate 15 Widening Project, Phase 2

Pg. 26

That the Committee recommend the Board, acting in its capacity as the San Bernardino County Transportation Commission:

Approve Cooperative Agreement C14118 with the California Department of Transportation for the Construction of Phase 2 of the Interstate 15 Widening Project. **Andrea Zureick**

This item is not scheduled for review by any other policy committee or technical advisory committee. SANBAG General Counsel and Contract Administrator have reviewed this item and draft of the Cooperative Agreement.

7. Amendment to Construction Funding Agreement for Yucca Loma Bridge

Pg. 52

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

1. Approve additional allocation of \$192,951.81 in Measure I Victor Valley Subarea- Major Local Highway Program funds to the Town of Apple Valley for the Yucca Loma Bridge Project.

2. Approve Amendment No. 1 to Funding Agreement C12227 with the Town of Apple Valley to increase the commitment from \$14,071,401.73 to \$15,992,951.81 for the Yucca Loma Bridge Project, with \$9,585,951.81 funded by Measure I Victor Valley Subarea –Major Local Highway Program funds and \$6,407,000 funded by State Local Partnership Program funds previously allocated. **Ellen Pollema**

This item is not scheduled for review by any other policy committee or technical advisory committee. SANBAG General Counsel has reviewed this item and a draft of the amended agreement.

Regional/Subregional Planning

8. Draft SANBAG Freight Strategy

Pg.61

That the Committee receive information and provide comments on the draft SANBAG Freight Strategy provided in Attachment 1. **Steve Smith**

This item is also scheduled for review by the Metro Valley Board of Directors Study Session on February 13, 2014. Information in this agenda item was presented to the Transportation Technical Advisory Committee on February 3, 2014.

Discussion Calendar Cont.....

Regional/Subregional Planning (Cont.)

9. Process for Review of the Measure I 2010-2040 Expenditure Plan in 2015 Pg. 79

1. That the Committee receive information on the process for review of the Measure I 2010-2040 Expenditure Plan in 2015.

2. That the Committee consider and comment on a preliminary recommendation by the City/County Managers' Technical Advisory Committee (CCMTAC) that it is premature to entertain amendments to the Measure I 2010-2040 Expenditure Plan in 2015 because SANBAG is still in the initial years of a 30-year Measure, and experience with the Measure is limited. It is recommended that the Expenditure Plan be reviewed in the 2017-2018 timeframe, pending the outreach required by the Measure I Ordinance.

3. That the Committee recommend the Board authorize an outreach process by SANBAG staff based on the requirement in Section XIV of San Bernardino County Transportation Authority Ordinance No. 04-01 that the Measure I 2015 review process "shall consider recommendations from local governments, transportation agencies and interest groups, and the general public." Following input from this outreach, a determination would be made by the SANBAG Board regarding whether to further pursue Expenditure Plan amendments in 2015.

4. That the Committee recommend the Board direct staff to proceed with analysis of interchange priorities for the Valley subarea consistent with the direction provided by the SANBAG Board on November 3, 2010 and in conjunction with the interchange phasing analysis authorized by the Board on October 3, 2012. **Steve Smith**

This item is scheduled for review at the Metro Valley Board of Directors Study Session on February 13, 2014. Information in this agenda item was presented to the Transportation Technical Advisory Committee on February 3, 2014, the City/County Manager Technical Advisory Committee on January 30, 2014, and to the Measure I/Nexus Study Ad Hoc Committee of the CCMTC on December 3, 2013; January 7, 2014 and January 21, 2014.

Discussion Calendar Cont.....

Regional/Subregional Planning (Cont.)

10. Congestion Management Program Cost Allocation Pg. 107

That the Committee recommend the Board, acting as the San Bernardino County Congestion Management Agency:

1. Approve the 2012/2013 Congestion Management Program Cost Allocation.
2. Approve Mountain/Desert Subarea Jurisdiction Invoicing for Shares. **Steve Smith**

This item is not scheduled for review by any other policy committee or technical advisory committee.

Transit/Commuter Rail

11. Review Financial Audits for Transit Operators Pg. 114

That the Committee recommend the Board review and receive the following Operator financial reports for Fiscal Year 2011/2012: Barstow Area Transit (BAT).**Monica Morales**

Barstow Area Transit has or is scheduled to take these financial reports to their board. This item is scheduled for review by the Transit and Rail Policy Committee on February 13, 2014. The Finance department has reviewed and approved this item.

12. Review Financial Audits for Transit Operators Pg. 120

That the Committee recommend the Board review and receive the following Operator financial reports for Fiscal Year 2012/2013 for:

- Mountain Area Regional Transit Authority (MARTA)
 - Morongo Basin Transit Authority (MBTA)
 - Victor Valley Transit Authority (VVTA)
- Monica Morales**

Each Operator has or is scheduled to take these financial reports to their respective board. This item is scheduled for review by the Commuter Rail and Transit Policy Committee on February 13, 2014. The Finance department has reviewed and approved this item.

Comments from Committee Members

Brief Comments from Committee Members

Public Comment

Brief Comments by the General Public

Additional Information

Acronym List

Pg. 135

Complete packages of this agenda are available for public review at the SANBAG offices. Staff reports for items may be made available upon request. For additional information call (909) 884-8276.

ADJOURNMENT:

Next Mountain/Desert Committee Meeting: Friday, March 21, 2014

Meeting Procedures and Rules of Conduct

Meeting Procedures

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

Accessibility

The SANBAG meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk's telephone number is (909) 884-8276 and office is located at 1170 W. 3rd Street, 2nd Floor, San Bernardino, CA.

Agendas – All agendas are posted at 1170 W. 3rd Street, 2nd Floor, San Bernardino at least 72 hours in advance of the meeting, Staff reports related to agenda items may be reviewed at the SANBAG offices located at 1170 W. 3rd Street, 2nd Floor, San Bernardino and our website: www.sanbag.ca.gov.

Agenda Actions – Items listed on both the "Consent Calendar" and "Items for Discussion" contain suggested actions. The Board of Directors will generally consider items in the order listed on the agenda. However, items may be considered in any order. New agenda items can be added and action taken by two-thirds vote of the Board of Directors.

Closed Session Agenda Items – Consideration of closed session items *excludes* members of the public. These items include issues related to personnel, pending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the Chair will announce the subject matter of the closed session. If action is taken in closed session, the Chair may report the action to the public at the conclusion of the closed session.

Public Testimony on an Item – Members of the public are afforded an opportunity to speak on any listed item. Individuals wishing to address the Board of Directors or Policy Committee Members should complete a "Request to Speak" form, provided at the rear of the meeting room, and present it to the Clerk prior to the Board's consideration of the item. A "Request to Speak" form must be completed for *each* item an individual wishes to speak on. When recognized by the Chair, speakers should be prepared to step forward and announce their name and address for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The Chair or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations.

The Consent Calendar is considered a single item, thus the three (3) minute rule applies. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda allowing further public comment on those items.

Agenda Times – The Board is concerned that discussion take place in a timely and efficient manner. Agendas may be prepared with estimated times for categorical areas and certain topics to be discussed. These times may vary according to the length of presentation and amount of resulting discussion on agenda items.

Public Comment – At the end of the agenda, an opportunity is also provided for members of the public to speak on any subject within the Board's authority. *Matters raised under "Public Comment" may not be acted upon at that meeting. "Public Testimony on any Item" still apply.*

Disruptive Conduct – If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the Chair may recess the meeting or order the person, group or groups of person willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive conduct includes addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, or otherwise preventing the Board from conducting its meeting in an orderly manner. *Please be aware that a NO SMOKING policy has been established for meetings. Your cooperation is appreciated!*

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

Basic Agenda Item Discussion.

- The Chair announces the agenda item number and states the subject.
- The Chair calls upon the appropriate staff member or Board Member to report on the item.
- The Chair asks members of the Board/Committee if they have any questions or comments on the item. General discussion ensues.
- The Chair calls for public comment based on “Request to Speak” forms which may be submitted.
- Following public comment, the Chair announces that public comment is closed and asks if there is any further discussion by members of the Board/Committee.
- The Chair calls for a motion from members of the Board/Committee.
- Upon a motion, the Chair announces the name of the member who makes the motion. Motions require a second by a member of the Board/Committee. Upon a second, the Chair announces the name of the Member who made the second, and the vote is taken.

The Vote as specified in the SANBAG Bylaws.

- Each member of the Board of Directors shall have one vote. In the absence of the official representative, the alternate shall be entitled to vote. (Board of Directors only.)
- Voting may be either by voice or roll call vote. A roll call vote shall be conducted upon the demand of five official representatives present, or at the discretion of the presiding officer.

Amendment or Substitute Motion.

- Occasionally a Board Member offers a substitute motion before the vote on a previous motion. In instances where there is a motion and a second, the maker of the original motion is asked if he would like to amend his motion to include the substitution or withdraw the motion on the floor. If the maker of the original motion does not want to amend or withdraw, the substitute motion is not addressed until after a vote on the first motion.
- Occasionally, a motion dies for lack of a second.

Call for the Question.

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

The Chair.

- At all times, meetings are conducted in accordance with the Chair’s direction.
- These general practices provide guidelines for orderly conduct.
- From time-to-time circumstances require deviation from general practice.
- Deviation from general practice is at the discretion of the Board/Committee Chair.

Courtesy and Decorum.

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

Adopted By SANBAG Board of Directors January 2008



- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
- San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 1

Date: February 21, 2014

Subject: Information Relative to Possible Conflict of Interest

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

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

Item No.	Contract No.	Contractor/Agents	Subcontractors
3	C12010	Riverside Construction Inc. Donald M. Pim	Alcorn Fence Company Anderson Drilling Avar Construction Cal-Stripe, Inc. Coral Construction Diversified Landscape, Inc. Foundation Pile

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Approved
Mountain/Desert Policy Committee

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

COG	CTC	CTA	SAFE	CMA	
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Check all that apply.

			<p>Hardy & Harper Integrity Rebar Placers L. Johnson Construction Lincoln Park Surina Construction</p>
3	C13001	Security Paving Company, Inc.	<p>Cal-Stripe, Inc. Pacific Restoration Group Statewide Traffic Safety and Signs Flatiron Electric Group, Inc. Tahlequah Steel, Inc. DYWIDAG Systems International Crown Fence Company Tipco Engineering, Inc.</p>

Financial Impact: This item has no direct impact on the budget.

Reviewed By: This item is prepared monthly for review by the Board of Directors and Policy Committee members.

**AGENDA ITEM #2
MOUNTAIN/DESERT POLICY COMMITTEE ATTENDANCE RECORD – 2013**

Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Cari Thomas + City of Adelanto	**	X	X	X	X	X	**	X	X	X	X	**
Curt Emick Town of Apple Valley	**	X	X	X	X	X	**	X*	X*	X	X*	**
Julie McIntyre City of Barstow	**	X	X	X	X	X	**	X	X	X	X	**
Bill Jahn City of Big Bear Lake	**	X	X	X	X	X	**	X	X	X	X	**
Mike Leonard City of Hesperia	**	X	X	X	X	X	**	X	X	X	X	**
Ed Paget City of Needles	**	X	X	X	X	X	**	X	X	X	X	**
Jim Harris City of Twentynine Palms	**	X	X	X	X	X	**	X	X	X	X	**
Ryan McEachron City of Victorville	**	X	X	X	X	X	**	X	X	X	X	**
George Huntington Town of Yucca Valley	**	X	X	X	X*	X	**	X	X	X	X	**
Robert Lovingood County of San Bernardino	**	X	X	X	X	X	**	X	X	X	X	**
Janice Rutherford County of San Bernardino	**						**					**
James Ramos County of San Bernardino	**						**					**

*Non-voting City Representative attended
+ Measure I Committee representative

**The Mountain/Desert Committee did not meet
x*Alternate Attended

*** New SANBAG Board Member

X = Member attended meeting.
MDCatt13.doc

Empty box = Member did not attend meeting

Crossed out box = Not a Board Member at the time.

AGENDA ITEM #2
MOUNTAIN/DESERT POLICY COMMITTEE ATTENDANCE RECORD – 2014

Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Cari Thomas + City of Adelanto	X											
Curt Emick Town of Apple Valley	X											
Julie McIntyre City of Barstow	X											
Bill Jahn City of Big Bear Lake	X											
Mike Leonard City of Hesperia	X											
Ed Paget City of Needles	X											
Jim Harris City of Twentynine Palms	X											
Ryan McEachron City of Victorville	X											
George Huntington Town of Yucca Valley	X											
Robert Lovingood County of San Bernardino	X											
Janice Rutherford County of San Bernardino	X											
James Ramos County of San Bernardino	X											

*Non-voting City Representative attended
+ Measure I Committee representative

**The Mountain/Desert Committee did not meet
x* Alternate Attended

*** New SANBAG Board Member

X = Member attended meeting.
MDCatt14.doc

Empty box = Member did not attend meeting

Crossed out box = Not a Board Member at the time.



- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
- San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 3

Date: February 21, 2014

Subject: Construction Contract Change Orders to on-going SANBAG Construction Contracts in the Mountain/Desert region with Riverside Construction Company, Inc. and Security Paving Company, Inc.

Recommendation:* Receive and file change orders.

Background: Of SANBAG's two on-going Construction Contracts in the Mountain Desert region, both have had Construction Change Orders (CCO's) approved since the last reporting to the Mountain Desert Policy Committee. The CCO's are listed below.

- A. Contract Number C12010 with Riverside Construction Company, Inc. for the I-15 La Mesa/Nesqualli Road Interchange project: CCO No. 60 (\$25,947.00 increase to compensate contractor for installation of three (3) residential driveways along Olivera Road as required by the City of Victorville due to right of way requirements), CCO No. 69 (\$6,979.49 increase to compensate the contractor for additional removal of AC paving due to changes in the profile of Amargosa Road improvements), CCO No. 72 (\$5,000.00 increase to install additional pedestrian push button post to provide for ADA compliance) and CCO No. 74 (\$15,000.00 increase to compensate contractor for modifications to ramp signage as required by Caltrans)

Approved
 Mountain/Desert Policy Committee

Date: _____

Moved: Second:

In Favor: Opposed: Abstained:

Witnessed: _____

COG		CTC	X	CTA	X	SAFE		CMA	
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Check all that apply.

- B. CN C13001 with Security Paving Company, Inc. for the I-15 Ranchero Road Interchange project: CCO No. 40 (\$11,649.68 increase for the installation of Jointed Plain Concrete Anchors at various location on the project as required by Caltrans Standard Plans and agreed upon by the Designer, the City of Hesperia and Caltrans) and CCO No. 44 (\$44,397.48 increase to compensate the contractor for installation of over-side drainage system to eliminate slope erosion and channel drainage from low point along Mariposa Road into newly installed 96" drainage system).

Financial Impact: This item imposes no financial impact, as all CCOs are within previously approved contingency amounts under Task No. 0888 and 0890.

Reviewed By: This item is not scheduled for review by any other policy committee or technical advisory committee.

Responsible Staff: Garry Cohoe, Director of Project Delivery



- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
- San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 4

Date: February 21, 2014

Subject: Budget Overview for proposed budget Fiscal Year 2014/2015

Recommendation:* Recommend the Mountain/Desert Committee receive general overview of the proposed budget for Fiscal Year 2014/2015.

Background: The SANBAG Budget Ad Hoc Committee recently conducted a survey of Board Members to receive input regarding the changes they would like to see in future budget documentation and processes. One of the short-term recommendations was a general overview of each major program by area (or subarea) before the presentation of the more detailed budget information.

Staff will provide a general overview of the Fiscal Year 2014/2015 budget for the Valley and Mountain/Desert areas at the February Board Metro Valley Study Session and Mountain/Desert Committee respectively. The overview will entail the following programs:

1. General/Council of Governments Support
2. Air Quality and Traveler Services
3. Regional and Subregional Planning
4. Transit and Passenger Rail
5. Major Projects Delivery
6. Fund Administration and Programming
7. Debt Service

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Approved
Mountain/Desert Policy Committee

Date: _____

Moved: _____ *Second:* _____

In Favor: _____ *Opposed:* _____ *Abstained:* _____

Witnessed: _____

COG	X	CTC	X	CTA	X	SAFE	X	CMA	X
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Check all that apply.
 MDC1402b-wws

The overview presentation will include a description, major accomplishments, and goals for Fiscal Year 2014/2015. Estimated revenues and detailed budgetary information for the various tasks in the proposed 2014/2015 budget will be provided at the March General Policy Committee, Board Metro Valley Study Session, Commuter Rail and Transit Committee, and Mountain/Desert Committee meetings.

The general overview of the budget will be conducted each year prior to the completion of the budget document.

Financial Impact: The budget overview has no financial impact on the Fiscal Year 2013/2014 budget, but is a component of the Fiscal Year 2014/2015 budget.

Reviewed By: This item was reviewed by the Board Metro Valley Study Session on February 13, 2014.

Responsible Staff: William Stawarski, Chief Financial Officer



- San Bernardino County Transportation Commission
- San Bernardino County Transportation Authority
- San Bernardino County Congestion Management Agency
- Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 5

Date: February 21, 2014

Subject: Amendment to the Lenwood Road Grade Separation Construction Cooperative Agreement

Recommendation: * That the Committee recommend the Board, acting as the San Bernardino County Transportation Commission and the San Bernardino County Transportation Authority:

1. Approve Amendment No. 2 to Contract No. C11199, the Funding Agreement for the Right-of-Way and Construction Phases of the Lenwood Road Grade Separation Project with the City of Barstow and the County of San Bernardino as shown by Exhibit "A-2"; and
2. Approve an increase in Right-of-Way acquisition authorization from \$1,900,000.00 to \$3,075,355.00; and
3. Approve a budget amendment for Fiscal Year 2013/2014 increasing Measure I North Desert Major Local Highway fund in the amount of \$1,175,355.00.

Background: Recommendation 1: In June 2011, the SANBAG Board acting as the San Bernardino County Transportation Authority and the San Bernardino County Transportation Commission (SANBAG) approved Cooperative Agreement No. C11199 with the City of Barstow and the County of San Bernardino for the

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Approved
Mountain Desert Committee

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

COG	CTC	X	CTA	X	SAFE	CMA
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Check all that apply.

MDC1402a-bf

<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C11199-2.docx>

Right-of-Way and Construction Phases of the Lenwood Road Grade Separation Project. The subject agreement defined the roles and responsibilities of the signatory agencies in acquiring property for, and in constructing the Project. SANBAG is the lead in advertising, awarding, and administering construction of the Project.

In February 2012, SANBAG approved Construction Cooperative Agreement No. C11199 Amendment No. 1 to authorize the programming of \$8,839,000 in Surface Transportation Program (STP) funds and the de-programming of \$8,839,000 Measure I 2010-2040 North Desert subarea Major Local Highway Program funds for construction costs. With the same Amendment, SANBAG replaced \$3,450,000 in Congestion Mitigation Air Quality (CMAQ) funds with STP funds.

In August 2013, SANBAG substituted \$2,161,000 State Local Partnership Program (SLPP) funds for \$2,161,000 in Trade Corridor Improvement (TCIF) funds. Both the City and the County were notified of this change as per the terms of Agreement No. C11199. At the August 8, 2013, California Transportation Commission (CTC) hearing, the CTC allocated \$8,855,000 in TCIF funds for the Construction Phase (\$6,694,000 original allocation by SANBAG in 2008 on a different project and the \$2,161,000 of the August 2013 swap of funds). Subsequently CTC notified SANBAG of a financial allocation amendment reducing the construction allocation by \$579,000, from \$8,855,000 to \$8,275,400. The deadline for awarding the Contract to meet with the requirements of the TCIF funds was the end of December 2013. The construction contract was awarded on December 4, 2013.

The current cost estimates for right-of-way and actual costs for construction contracts, along with the funding shares and types, for Lenwood Road Grade Separation Project are included in the figures shown in Exhibit "A-2" of Agreement No. C11199-02. This differs from the funding tables included in Agreements No. C11199 and C11199-01, as funding contributions and types have been revised as described above and actual contract costs have been obtained. The BNSF/City of Barstow Construction and Maintenance Agreement has been finalized which identifies the actual BNSF contribution of \$1,035,761.00, \$66,774.00 less than what had been estimated. Right-of-way costs have increased by \$339,449.00 as the SCE utility relocation costs were higher than estimated; and the total construction cost has decreased by \$918,390.00 due to favorable bid results. To address the increase in right-of-way, funding is being moved from the construction phase to the right-of-way phase, leaving a net project decrease of \$578,941.00.

Recommendation 2: In November 2011, the SANBAG Board of Directors authorized Epic Land, as an agent of SANBAG, to make offers for the purchase of the thirty five (35) property rights, relocation assistance, and demolition in an amount not to exceed \$1,900,000. The acquisitions of all but five properties have been finalized, with the remaining properties in condemnation. Currently it is estimated that the acquisition costs will exceed the authorized amount, therefore staff is requesting an increase in authorization to \$3,075,355. The revised total that includes the increase is within the funding limits of the Cooperative Agreement and Amendments.

Recommendation 3: It was not anticipated in the Fiscal Year 2013/2014 budget that 86% of the acquisitions would be completed this year. As such, staff is requesting to amend the current fiscal year budget to add \$1,175,355.00 of Measure I North Desert Major Local Highway funds. The required funding required in future years will be reduced by a like amount.

Financial Impact: The current approved Fiscal Year 2013/2014 budget will be amended as part of this action. Lenwood Grade Separation Project, Task No. 0881, Fund 4330 MSI North Desert Fund-Major Local Highway increased \$1,175,355.

Reviewed By: This item is not scheduled for review by any other policy committee or technical advisory committee. SANBAG General Counsel has reviewed this item and a draft of the amendment.

Responsible Staff: Barbara Fortman, Project Manager

CONTRACT SUMMARY SHEET

Contract No. C 11199 Amendment No. 2

By and Between

San Bernardino County Transportation Authority and San Bernardino County Transportation Commission and County of San Bernardino and City of Barstow

Contract Description Lenwood Grade Separation Right of Way and Construction

Board of Director's Meeting Date: 3/5/14

Overview of BOD Action: Approve Amendment 2 to C11199. The BNSF contribution, which is paid by the City of Barstow, has been reduced by \$66,774.

Is this a Sole-Source procurement? Yes No

CONTRACT OVERVIEW

Original Contract Amount	\$	1,021,465.00	Original Contingency Amount	\$	0
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$	2,124,000.00	Revised Contingency Amount <i>Inclusive of prior amendments</i>	\$	0
Current Amendment Amount	\$	-66,774.00	Contingency Amendment	\$	0
TOTAL CONTRACT VALUE	\$	2,057,226.00	TOTAL CONTINGENCY VALUE	\$	0
TOTAL BUDGET AUTHORITY (contract value + contingency)					\$ 2,057,226.00

Contract Start Date March 5, 2014	Current Contract Expiration Date June 30, 2015	Revised Contract Expiration Date December 31, 2016
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Has the contract term been amended? No Yes - please explain.
 Modified from original date 6/30/2015 in C11199.

FINANCIAL INFORMATION

Budget authority for this contract currently exists in Task No. 0881.

A Budget Amendment is required.

How are we funding current FY? MI 2010-2040 North Desert MLH

Federal Funds
 State Funds
 Local Funds
 TDA Funds
 Measure I Funds

Provide Brief Overview of the Overall Funding for the duration of the Contract:

MI 2010-2040 North Desert MLH, City of Barstow, TCIF, STP

Payable Receivable

CONTRACT MANAGEMENT INFORMATION

Check all applicable boxes:

Retention? If yes, indicate % _____.

Disadvantaged Business Enterprise (DBE) Goal _____ %

Barbara Fortman

Project Manager (Print Name)

Garry Colton

Task Manager (Print Name)

Andrea Zureick

Dir. of Fund Admin. & Programming (Print Name)

Jeffrey Hill

Contract Administrator (Print Name)

Chief Financial Officer (Print Name)

<i>Barbara Fortman</i>	1-17-14
Signature	Date
<i>[Signature]</i>	1-31-14
Signature	Date
<i>[Signature]</i>	2/11/14
Signature	Date
<i>[Signature]</i>	2/11/14
Signature	Date

AMENDMENT NO. 2 TO

CONTRACT NO. C11199

BY AND BETWEEN

**THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY AND
SAN BERNARDINO COUNTY TRANSPORTATION COMMISSION**

AND

THE COUNTY OF SAN BERNARDINO

AND

THE CITY OF BARSTOW

LENWOOD ROAD/BNSF GRADE SEPARATION

This AMENDMENT No. 2 to Contract No. C11199 is effective on the Effective Date as defined herein, by and between the San Bernardino Associated Governments acting as the San Bernardino County Transportation Authority and also acting as the San Bernardino County Transportation Commission (hereafter called AUTHORITY) and the County of San Bernardino (hereafter called COUNTY) and the City of Barstow (hereafter called CITY), individually referred to as PARTY and collectively known as PARTIES.

RECITALS:

WHEREAS, AUTHORITY, CITY, and COUNTY entered into Contract No. 11199 on June 1, 2011 to set forth responsibilities and obligations of each phase as they pertain to participation and funding of the Project Right-of-Way Phase, including property acquisition, and Construction Phase of a rail-highway grade separation project on Lenwood Road at Burlington Northern & Santa Fe Railway ("BNSF"), located in the Barstow area (hereinafter referred to as "PROJECT"); and

WHEREAS, PARTIES, entered into Contract No. C11199 Amendment No. 1 on February 1, 2012, to replace Congestion Mitigation Air Quality (CMAQ) funds with Surface Transportation Program (STP) funds and to replace a portion of the Measure I Major Local Highway Program - North Desert funds with STP funds; and

WHEREAS, the Right-of-Way Phase is now estimated at \$5,131,449; and

WHEREAS, construction bids have now been received for the PROJECT and based upon the construction award amount, the final Construction Phase cost is now estimated to be \$21,375,610; and

WHEREAS, the final BNSF contribution is \$1,035,761 and the total earmark contribution is \$1,317,380 consisting of \$1,079,880 in federal Demonstration and \$237,500 in federal Section 125 funds resulting in a remaining balance of \$19,022,469; and

WHEREAS, although it is estimated that PROJECT costs will not exceed the total contribution of the AUTHORITY and CITY to the Right-of-Way Phase and Construction Phase combined, the PARTIES agree to amend Contract No. C11199 to allow a portion of the funds originally programmed to the Construction Phase to be used for the Right-of-Way Phase.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, the PARTIES agree as follows:

1. The AGREEMENT is amended in the following particulars:

a. Remove and replace Paragraph 1.1 of Section 1 (AUTHORITY AGREES TO) with:

“1.1 To contribute towards the PROJECT Right-of-Way Phase and Construction Phase of the PROJECT cost an amount not to exceed \$23,132,453 consisting of \$8,275,400 in Proposition 1B Trade Corridor Funds, \$12,339,053 in Federal Surface Transportation Program funds and \$2,518,000 in Measure I Major Local Highway Program-North Desert funds as shown in Attachment A. The actual cost of a specific phase may ultimately vary from the estimates provide in Attachment A, however, under no circumstances is the total combined AUTHORITY contribution to exceed \$23,132,453 without an amendment to this Agreement.”

b. Delete Paragraph 1.2 of Section 1 (AUTHORITY AGREES TO).

c. Delete Paragraphs 2.1 and 2.2 of Section 2 (COMMISSION AGREES TO).

d. Remove and replace Paragraph 3.7 of Section 3 (COUNTY AGREES TO) with:

“3.7 With the recent annexation of the unincorporated COUNTY land into the CITY that occurred while the PROJECT was underway and thereby changing the jurisdictional share of costs from 50% COUNTY/50% CITY to 25% COUNTY/75% CITY, the COUNTY, in consideration of the AUTHORITY’s contribution of \$23,132,453 to the Right-of-Way Phase and Construction Phase of the PROJECT will not seek to adjust COUNTY’s \$2,500,000 contribution to the Design Phase of the PROJECT made in accordance with Contract No. C10142 (COUNTY Contract No. 10-17). Cost increases for the Right-of-Way Phase and Construction Phase will be handled in accordance with Section 5, Paragraph 5.3.”

e. Remove and replace Paragraph 4.2 of Section 4 (CITY AGREES TO) with:

“4.2 To contribute towards the PROJECT Right-of-Way Phase and Construction Phase of the PROJECT \$1,021,465 as shown in Attachment A as Local City funds, the actual amount contributed to a specific phase may vary from what is shown in Attachment A. Cost increases beyond the total combined CITY contribution for Right-of-Way and Construction will be handled in accordance with Section 5, Paragraph 5.3.”

f. Delete Paragraph 4.3 of Section 4 (CITY AGREES TO).

8. Replace Exhibit "A" attached to Contract No. C11199 with Exhibit "A-2" which is attached to this Amendment No. 2 and by this reference incorporated herein.
9. The Effective Date is the date that the AUTHORITY executes this Amendment No. 2.
10. Except as amended by this Amendment No. 2, all other provisions of Contract No. C11199 and Amendment No. 1 shall remain in full force and effect.
11. This Amendment No. 2 may be signed in counterparts, each of which shall constitute an original.
12. The Recitals are incorporated into the body of this Amendment No. 2 to Contract No. C11199.

-----SIGNATURES ON FOLLOWING PAGE-----

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 on the day and year below written, but effective as of the day and year first set forth identified herein.

**SAN BERNARDINO COUNTY
TRANSPORTATION COMMISSION**

COUNTY OF SAN BERNARDINO

By: _____
W. E. Jahn, President

By: _____
Janice Rutherford, Chair,
Board of Supervisors

Date: _____

Date: _____

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

**APPROVED AS TO FORM AND
PROCEDURE:**

By: _____
W. E. Jahn, President

By: _____
(add name)
County Counsel

Date: _____

Date: _____

APPROVED AS TO FORM:

CITY OF BARSTOW

By: _____
Eileen Monaghan Teichert
AUTHORITY/COMMISSION
General Counsel

By: _____
Julie Hackbarth-McIntyre,
Mayor

Date: _____

Date: _____

CONCURRENCE:

**APPROVED AS TO FORM AND
PROCEDURE:**

By: _____
Jeffery Hill
Contract Administrator

By: _____
Teresa Highsmith
City Attorney

Date: _____

Date: _____

EXHIBIT "A-2"

**FOR COUNTY OF SAN BERNARDINO/CITY OF
BARSTOW/AUTHORITY/COMMISSION**

**FUNDING PLAN FOR THE LENWOOD ROAD GRADE SEPARATION PROJECT
IN THE BARSTOW AREA**

FINAL CO-OP SHARES AFTER BID

PHASE	FUNDING									TOTAL COST
	State		Federal			SANBAG				
	TCIF	SLPP	DEMO	STP	Sec 125	MEASURE I*	LOCAL CITY	BNSF	COUNTY	
PA& & PS&E						\$935,108	\$973,900		\$2,500,000	\$4,409,008
ROW				\$2,546,812		\$2,028,235	\$556,402			\$5,131,449
CON	\$8,275,400		\$1,079,880	\$9,792,241	\$237,500	\$489,765	\$465,063	\$1,035,761	\$0	\$21,375,610
TOTAL	\$8,275,400	\$0	\$1,079,880	\$12,339,053	\$237,500	\$3,453,108	\$1,995,365	\$1,035,761	\$2,500,000	\$30,916,067



- San Bernardino County Transportation Commission
- San Bernardino County Transportation Authority
- San Bernardino County Congestion Management Agency
- Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 6

Date: February 21, 2014

Subject: Interstate 15 Widening Project, Phase 2

Recommendation:* That the Committee recommend the Board, acting in its capacity as the San Bernardino County Transportation Commission:

Approve Cooperative Agreement C14118 with the California Department of Transportation for the Construction of Phase 2 of the Interstate 15 Widening Project.

Background: **This is a new agreement.** Beginning in 1998, San Bernardino Associated Governments (SANBAG) has partnered with California Department of Transportation (Caltrans) to fund the 28.7 mile widening of Interstate 15 (I-15) from Mojave Drive in Victorville to the junction of SR-58 Interchange in Barstow. The project was split into two phases by Caltrans because of the environmental complexity associated with widening the Mojave River Bridge. Phase 1 of the widening project, which was completed in July 2005, added one additional mixed flow lane in each direction between Mojave Drive and SR-58 and realigned the Mojave Northern Rail underpass. However, the third lane that was added between Mojave Drive and the existing Stoddard Wells Road Interchange was not built according to Federal Highway Administration (FHWA) design standards and resulted in substandard median and outside shoulders. Phase

*

Approved
 Mountain/Desert Policy Committee

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

COG		CTC	X	CTA		SAFE		CMA	
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Check all that apply.
 MDC1402a-az

<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14118.docx>

<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C14118%20Funding%20Summary%201.docx>

2 of the I-15 widening project is currently scoped to include reconstruction and access modifications at the “D” Street, “E” Street, and Stoddard Wells Interchanges and to widen the Mojave River Bridge so that the I-15 median and outside shoulders could be brought up to FHWA design standards.

In July 2011, Caltrans agreed to down-scope Phase 2 of the project to delay relocation of the existing Stoddard Wells Road interchange. This change in scope allowed Caltrans to meet the commitment to FHWA to correct the design exceptions while freeing \$12.8 million of Regional Improvement Program (RIP) funds for the Devore Interchange project and \$25.6 million of Interregional Improvement Program (IIP) funds for the SR-58 widening projects. This strategy was unanimously approved by the Mountain/Desert Policy and Major Projects Committees in August 2011 and incorporated into the 10-Year Delivery Plan. The relocation of the Stoddard Wells Road interchange, referred to as Phase 2B, will be initiated by Caltrans in the future.

Throughout both I-15 projects, Phase 1 and Phase 2, SANBAG has been a funding partner with Caltrans. SANBAG’s current commitment to Phase 2 represents 37.26% of the construction capital costs and is funded with RIP and federal Surface Transportation Program funds that have been previously committed by the SANBAG Board.

Under this construction cooperative agreement, Caltrans will Advertise, Award, and Administer (AAA) the construction of the I-15 Widening Project, Phase 2. The construction is scheduled to begin in December 2014 for a total estimated construction cost of \$81.7 million, which includes both capital and support expenses.

Financial Impact: This item has no impact on the adopted Fiscal Year 2013/2014 budget. Caltrans is the lead agency for this project, so these funds will not flow through the SANBAG budget.

Reviewed By: This item is not scheduled for review by any other policy committee or technical advisory committee. SANBAG General Counsel and Contract Administrator have reviewed this item and draft of the Cooperative Agreement.

Responsible Staff: Andrea Zureick, Director of Fund Administration and Programming

CONTRACT SUMMARY SHEET

Contract No. C 14118 Amendment No. _____

By and Between

San Bernardino Associated Governments acting and California Department of Transportation
 as the San Bernardino County Transportation
 Commission

Contract Description Cooperative Agreement for the I-15 Widening Phase 2 Project

Board of Director's Meeting Date: 3/5/14
Overview of BOD Action: Approve Cooperative Agreement

Is this a Sole-Source procurement? Yes No

CONTRACT OVERVIEW

Original Contract Amount	\$ 0	Original Contingency Amount	\$	
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$	Revised Contingency Amount <i>Inclusive of prior amendments</i>	\$	
Current Amendment Amount	\$	Contingency Amendment	\$	
TOTAL CONTRACT VALUE	\$ 0	TOTAL CONTINGENCY VALUE	\$	
TOTAL BUDGET AUTHORITY (contract value + contingency)			\$	

Contract Start Date 3/5/14	Current Contract Expiration Date 12/31/2017 (estimated)	Revised Contract Expiration Date
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Has the contract term been amended? No Yes - please explain.

FINANCIAL INFORMATION

Budget authority for this contract currently exists in Task No. _____.

A Budget Amendment is required.

How are we funding current FY? No funds will flow through the SANBAG budget.

Federal Funds State Funds Local Funds TDA Funds Measure I Funds

Provide Brief Overview of the **Overall** Funding for the duration of the Contract: N/A

Payable Receivable

CONTRACT MANAGEMENT INFORMATION

Check all applicable boxes:

Retention? If yes, indicate % _____.

Disadvantaged Business Enterprise (DBE) Goal _____ %

Project Manager (Print Name) _____

Signature _____ Date _____

Task Manager (Print Name) _____

Signature _____ Date _____

Dir. of Fund Admin. & Programming (Print Name) _____

Signature Andrea Luvick Date 2/11/14

Contract Administrator (Print Name) _____

Signature _____ Date _____

Chief Financial Officer (Print Name) _____

Signature _____ Date _____

COOPERATIVE AGREEMENT

This Agreement, effective on _____, is between the State of California, acting through its Department of Transportation, referred to as CALTRANS, and:

San Bernardino Associated Governments, a Council of Governments, acting in its capacity as the San Bernardino County Transportation Commission, referred to hereinafter as SANBAG

RECITALS

1. PARTNERS are authorized to enter into a cooperative agreement for improvements to the state highway system (SHS) per the California Streets and Highways Code sections 114 and 130.
2. For the purpose of this Agreement, reconstruct existing "D" and "E" Street and Stoddard Wells Road interchanges; widen Victorville separation overhead; construct new northbound collector distributor bridge over "D" and "E" Streets, Burlington Northern Santa Fe Railroad; widen Mojave River Bridge and construct new west frontage road bridge over Mojave River; upgrade 4.1 miles of the mainline to current roadway standards; realign east frontage road; construct new west frontage road; and add an auxiliary lane and deceleration lane in/near Victorville from 0.6 miles north of Mojave Drive to 1.0 miles north of existing Stoddard Wells overcrossing (Phase 2), will be referred to hereinafter as PROJECT.
3. All responsibilities assigned in this Agreement to complete the following PROJECT COMPONENTS will be referred to hereinafter as OBLIGATIONS:
 - CONSTRUCTION SUPPORT
 - CONSTRUCTION CAPITAL
4. This Agreement is separate from and does not modify or replace any other cooperative agreement or memorandum of understanding between PARTNERS regarding the PROJECT.

5. The following work associated with this PROJECT has been completed or is in progress:
 - CALTRANS approved the Mitigated Negative Declaration on 6/30/08.
 - CALTRANS approved the Finding of No Significant Impact on 6/30/08.
 - CALTRANS developed the Project Initiation Document.
 - CALTRANS developed the Project Report.
 - CALTRANS developed the Plans, Specifications, and Estimate.
 - CALTRANS developed the Right of Way Certification.
 - CALTRANS developed the Right of Way Acquisition.
6. CALTRANS prepared the environmental documentation for the PROJECT.
7. In this Agreement capitalized words represent defined terms and acronyms.
8. PARTNERS hereby set forth the terms, covenants, and conditions of this Agreement, under which they will accomplish OBLIGATIONS.

RESPONSIBILITIES

CALTRANS and SANBAG will co-sponsor PROJECT.

9. CALTRANS is SPONSOR for 50% of PROJECT.
10. SANBAG is SPONSOR for 50% of PROJECT.
11. The FUNDING PARTNER(S) and the details of the funding commitments are documented in the latest FUNDING SUMMARY.
12. CALTRANS is IMPLEMENTING AGENCY for CONSTRUCTION.
13. CALTRANS is the CEQA lead agency for PROJECT.
14. CALTRANS is the NEPA lead agency for PROJECT.

SCOPE

Scope: General

15. PARTNERS will perform all OBLIGATIONS in accordance with federal and California laws, regulations, and standards; FHWA STANDARDS; and CALTRANS STANDARDS.

16. The IMPLEMENTING AGENCY for a PROJECT COMPONENT will provide a Quality Management Plan (QMP) for that component as part of the PROJECT MANAGEMENT PLAN.
17. Any PARTNER may, at its own expense, have representatives observe any OBLIGATIONS performed by another PARTNER. Observation does not constitute authority over those OBLIGATIONS.
18. Each PARTNER will ensure that personnel participating in OBLIGATIONS are appropriately qualified or licensed to perform the tasks assigned to them.
19. PARTNERS will invite each other to participate in the selection of any consultants who participate in OBLIGATIONS.
20. If WORK is done under contract (not completed by a PARTNER's own employees) and is governed by the California Labor Code's definition of "public works" (section 1720(a)), that PARTNER will conform to sections 1720 – 1815 of the California Labor Code and all applicable regulations and coverage determinations issued by the Director of the Department of Industrial Relations.
21. Any PARTNER responsible for completing WORK shall make its personnel and consultants that prepare WORK available to help resolve WORK related problems and changes for the entire duration of the PROJECT including PROJECT COMPONENT work that may occur under separate agreements.
22. CALTRANS will issue, upon proper application, the encroachment permits required for WORK within SHS right of way. Contractors and/or agents, and utility owners will not perform activities within the SHS right of way without an encroachment permit issued in their name.
23. If any PARTNER discovers unanticipated cultural, archaeological, paleontological, or other protected resources during WORK, all WORK in that area will stop and that PARTNER will notify all PARTNERS within 24 hours of discovery. WORK may only resume after a qualified professional has evaluated the nature and significance of the discovery and a plan is approved for its removal or protection.
24. PARTNERS will hold all administrative drafts and administrative final reports, studies, materials, and documentation relied upon, produced, created, or utilized for PROJECT in confidence to the extent permitted by law and where applicable, the provisions of California Government Code section 6254.5(e) shall protect the confidentiality of such documents in the event that said documents are shared between PARTNERS.

PARTNERS will not distribute, release, or share said documents with anyone other than employees, agents, and consultants who require access to complete PROJECT without

the written consent of the PARTNER authorized to release them, unless required or authorized to do so by law.

25. If a PARTNER receives a public records request pertaining to OBLIGATIONS, that PARTNER will notify PARTNERS within five (5) working days of receipt and make PARTNERS aware of any disclosed public documents. PARTNERS will consult with each other prior to the release of any public documents related to the PROJECT.
26. If HM-1 or HM-2 is found during a PROJECT COMPONENT, IMPLEMENTING AGENCY for that PROJECT COMPONENT will immediately notify PARTNERS.
27. CALTRANS, independent of PROJECT, is responsible for any HM-1 found within the existing SHS right of way. CALTRANS will undertake HM MANAGEMENT ACTIVITIES related to HM-1 with minimum impact to PROJECT schedule.
28. If HM-1 is found within PROJECT limits and outside the existing SHS right of way, responsibility for such HM-1 rests with the owner(s) of the parcel(s) on which the HM-1 is found. SANBAG, in concert with the local agency having land use jurisdiction over the parcel(s), will ensure that HM MANAGEMENT ACTIVITIES related to HM-1 are undertaken with minimum impact to PROJECT schedule.
29. If HM-2 is found within PROJECT limits, the public agency responsible for the advertisement, award, and administration (AAA) of the PROJECT construction contract will be responsible for HM MANAGEMENT ACTIVITIES related to HM-2.
30. CALTRANS' acquisition or acceptance of title to any property on which any HM-1 or HM-2 is found will proceed in accordance with CALTRANS' policy on such acquisition.
31. PARTNERS will comply with all of the commitments and conditions set forth in the environmental documentation, environmental permits, approvals, and applicable agreements as those commitments and conditions apply to each PARTNER's responsibilities in this Agreement.
32. IMPLEMENTING AGENCY for each PROJECT COMPONENT will furnish PARTNERS with written quarterly progress reports during the implementation of OBLIGATIONS in that component.
33. Upon OBLIGATION COMPLETION, ownership or title to all materials and equipment constructed or installed for the operations and/or maintenance of the SHS within SHS right of way as part of WORK become the property of CALTRANS.

CALTRANS will not accept ownership or title to any materials or equipment constructed or installed outside SHS right of way.

34. IMPLEMENTING AGENCY for a PROJECT COMPONENT will accept, reject, compromise, settle, or litigate claims of any non-Agreement parties hired to do WORK in that component.
35. PARTNERS will confer on any claim that may affect OBLIGATIONS or PARTNERS' liability or responsibility under this Agreement in order to retain resolution possibilities for potential future claims. No PARTNER will prejudice the rights of another PARTNER until after PARTNERS confer on claim.
36. PARTNERS will maintain, and will ensure that any party hired by PARTNERS to participate in OBLIGATIONS will maintain, a financial management system that conforms to Generally Accepted Accounting Principles (GAAP), and that can properly accumulate and segregate incurred PROJECT costs and billings.
37. If FUNDING PARTNERS fund any part of OBLIGATIONS with state or federal funds, each PARTNER will comply, and will ensure that any party hired to participate in OBLIGATIONS will comply with the federal cost principles of 2 CFR, Part 225, and administrative requirements outlined in 49 CFR, Part 18. These principles and requirements apply to all funding types included in this Agreement.
38. PARTNERS will maintain and make available to each other all OBLIGATIONS-related documents, including financial data, during the term of this Agreement.
39. PARTNERS will retain all OBLIGATIONS-related records for three (3) years after the final voucher.
40. PARTNERS have the right to audit each other in accordance with generally accepted governmental audit standards.

CALTRANS, the state auditor, FHWA (if PROJECT utilizes federal funds), and SANBAG will have access to all OBLIGATIONS-related records of each PARTNER, and any party hired by a PARTNER to participate in OBLIGATIONS, for audit, examination, excerpt, or transcription.

The examination of any records will take place in the offices and locations where said records are generated and/or stored and will be accomplished during reasonable hours of operation. The auditing PARTNER will be permitted to make copies of any OBLIGATIONS-related records needed for the audit.

The audited PARTNER will review the draft audit, findings, and recommendations, and provide written comments within thirty (30) calendar days of receipt.

Upon completion of the final audit, PARTNERS have thirty (30) calendar days to refund or invoice as necessary in order to satisfy the obligation of the audit.

Any audit dispute not resolved by PARTNERS is subject to mediation. Mediation will follow the process described in the General Conditions section of this Agreement.

41. If FUNDING PARTNERS fund any part of PROJECT with state or federal funds, each FUNDING PARTNER will undergo an annual audit in accordance with the Single Audit Act of OMB Circular A-133.
42. If FUNDING PARTNERS fund any part of PROJECT with federal funds, any PARTNER that hires another party to participate in OBLIGATIONS will conduct a pre-award audit of that party in accordance with the *Local Assistance Procedures Manual*.
43. PARTNERS will not incur costs beyond the funding commitments in this Agreement. If IMPLEMENTING AGENCY anticipates that funding for WORK will be insufficient to complete WORK, IMPLEMENTING AGENCY will promptly notify SPONSOR.
44. If WORK stops for any reason, IMPLEMENTING AGENCY will place PROJECT right of way in a safe and operable condition acceptable to CALTRANS.
45. If WORK stops for any reason, each PARTNER will continue to implement all of its applicable commitments and conditions included in the PROJECT environmental documentation, permits, agreements, or approvals that are in effect at the time that WORK stops, as they apply to each PARTNER's responsibilities in this Agreement, in order to keep PROJECT in environmental compliance until WORK resumes.
46. Each PARTNER accepts responsibility to complete the activities that it selected on the SCOPE SUMMARY. Activities marked with "N/A" on the SCOPE SUMMARY are not included in the scope of this Agreement.

Scope: Environmental Permits, Approvals and Agreements

47. Each PARTNER identified in the Environmental Permits table below accepts the responsibility to complete the assigned activities. If PARTNERS later determine that an environmental permit, approval or agreement is necessary PARTNERS will amend this Agreement to ensure completion and implementation of all environmental permits, approvals, and agreements.

ENVIRONMENTAL PERMITS						
Permit	Coordinate	Prepare	Obtain	Implement	Renew	Amend
404 USACOE	CALTRANS	CALTRANS	CALTRANS	CALTRANS	CALTRANS	CALTRANS
401 RWQCB	CALTRANS	CALTRANS	CALTRANS	CALTRANS	CALTRANS	CALTRANS
1602 DFG	CALTRANS	CALTRANS	CALTRANS	CALTRANS	CALTRANS	CALTRANS

Scope: Construction

48. Physical and legal possession of right of way must be completed prior to construction advertisement, unless PARTNERS mutually agree to other arrangements in writing. Right of way conveyances must be completed prior to OBLIGATION COMPLETION, unless PARTNERS mutually agree to other arrangements in writing.
49. CALTRANS will not employ any firm to perform PROJECT construction management that prepared PROJECT plans, specifications, and estimate and CALTRANS will ensure that any such firm will not be employed by or under contract to the PROJECT construction contractor. However, PARTNERS may retain such a firm to check shop drawings, do soil foundation tests, test construction materials, and perform construction surveys.
50. CALTRANS will advertise, open bids, award, and approve the construction contract in accordance with the California Public Contract Code and the California Labor Code.

By accepting responsibility to advertise and award the construction contract, CALTRANS also accepts responsibility to administer the construction contract.
51. CALTRANS will provide a RESIDENT ENGINEER and CONSTRUCTION SUPPORT staff that are independent of the design engineering company and construction contractor.
52. CALTRANS will implement changes to the construction contract through Change Orders. PARTNERS will review and concur on all Change Orders over \$50,000.
53. If FUNDING PARTNERS fund any part of OBLIGATIONS with state or federal funds CALTRANS will use a CALTRANS-approved construction contract claims process, will administer all claims through said process, and will be available to provide advice and technical input in any claims process.
54. If the lowest responsible construction contract bid is greater than the funding commitment to CONSTRUCTION CAPITAL, PARTNERS must be involved in determining how to proceed. If PARTNERS do not agree in writing on a course of action within fifteen (15) working days, the IMPLEMENTING AGENCY shall not award the construction contract.
55. CALTRANS will require the construction contractor to furnish payment and performance bonds naming CALTRANS as obligee and to carry liability insurance in accordance with CALTRANS specifications.
56. PARTNERS confirm that upon OBLIGATION COMPLETION, no maintenance agreement will be necessary.

COST

Cost: General

57. PARTNERS will document specific funding, billing, and payment details in a FUNDING SUMMARY. The FUNDING SUMMARY is incorporated and made an express part of this Agreement.

A valid FUNDING SUMMARY must be in place at all times until OBLIGATION COMPLETION.

PARTNERS will create a new FUNDING SUMMARY each time the funding, billing and payment details of PROJECT change. The FUNDING SUMMARY is only valid after each FUNDING PARTNER signs and dates the FUNDING SUMMARY. The most current fully executed FUNDING SUMMARY supersedes any previous FUNDING SUMMARY created for this Agreement.

Replacement of the FUNDING SUMMARY will not require an amendment to the body of this Agreement unless the rules of the new funds require it.

Each PARTNER will designate a legally authorized representative to sign the FUNDING SUMMARY on its behalf.

58. PARTNERS may invoice the appropriate FUNDING PARTNER according to the terms documented in the FUNDING SUMMARY.
59. If SANBAG has received Electronic Funds Transfer (EFT) certification from CALTRANS then SANBAG will use the EFT mechanism and follow all EFT procedures to pay all invoices issued from CALTRANS.
60. Unless otherwise documented in the FUNDING SUMMARY, all fund types contributed to a PROJECT COMPONENT will be spent proportionately within that PROJECT COMPONENT.
61. Unless otherwise documented in the FUNDING SUMMARY, any savings recognized within a PROJECT COMPONENT will be credited or reimbursed, when allowed by policy or law, in proportion to the amount contributed to that PROJECT COMPONENT by each fund type.
62. After PARTNERS agree that all WORK is complete for a PROJECT COMPONENT, PARTNER(S) will submit a final accounting for all OBLIGATIONS costs. Based on the final accounting, PARTNERS will refund or invoice as necessary in order to satisfy the financial commitments of this Agreement.

63. If FUNDING PARTNERS fund OBLIGATIONS with American Recovery and Reinvestment Act (ARRA) funds, PARTNERS will adopt the terms, conditions, requirements, and constraints of the American Recovery and Reinvestment Act of 2009.
64. If FUNDING PARTNERS fund OBLIGATIONS with Proposition 1B Bond funds, PARTNERS will meet the requirements of California Government Code Section 8879.20 et al. (Proposition 1 legislation), the governor's Executive Order 2007-S-02-07, and the California Transportation Commission (CTC) program guidelines for the applicable account.

Right of way purchased using Proposition 1B Bond funds will become the property of CALTRANS, and any revenue from the sale of excess lands originally purchased with bond funds will revert to CALTRANS.
65. The cost of any awards, judgments, or settlements generated by OBLIGATIONS is an OBLIGATIONS cost.
66. CALTRANS, independent of PROJECT, will pay, or cause to be paid, all costs for HM MANAGEMENT ACTIVITIES related to HM-1 found within the existing SHS right of way.
67. Independent of PROJECT, all costs for HM MANAGEMENT ACTIVITIES related to HM-1 found within PROJECT limits and outside the existing SHS right of way will be the responsibility of the owner(s) of the parcel(s) where the HM-1 is located.
68. HM MANAGEMENT ACTIVITIES costs related to HM-2 are CONSTRUCTION SUPPORT and CONSTRUCTION CAPITAL costs.
69. The cost to comply with and implement the commitments set forth in the environmental documentation is an OBLIGATIONS cost.
70. The cost of any legal challenges to the CEQA or NEPA environmental process or documentation is an OBLIGATIONS cost.
71. CALTRANS will provide encroachment permits to PARTNERS, their contractors, consultants and agents, at no cost.
72. Fines, interest, or penalties levied against a PARTNER will be paid, independent of OBLIGATIONS cost, by the PARTNER whose actions or lack of action caused the levy.
73. If federal funds are used on PROJECT while this Agreement is active CALTRANS will administer all federal subvention funds documented on the FUNDING SUMMARY.

74. Travel, per diem, and third-party contract reimbursements are an OBLIGATIONS cost only after those hired by PARTNERS to participate in OBLIGATIONS incur and pay those costs.

Payments for travel and per diem will not exceed the rates paid rank and file state employees under current California Department of Personnel Administration (DPA) rules current at the effective date of this Agreement.

If SANBAG invoices for rates in excess of DPA rates, SANBAG will fund the cost difference and reimburse CALTRANS for any overpayment.

75. The cost of any engineering support performed by CALTRANS includes all direct and applicable indirect costs. CALTRANS calculates indirect costs based solely on the type of funds used to pay support costs. State and federal funds administered by CALTRANS are subject to the current Program Functional Rate. All other funds are subject to the current Program Functional Rate and the current Administration Rate. The Program Functional Rate and Administration Rate are adjusted periodically.

76. If CALTRANS reimburses SANBAG for any costs later determined to be unallowable, SANBAG will reimburse those funds.

77. The cost to place PROJECT right of way in a safe and operable condition and meet all environmental commitments is an OBLIGATIONS cost.

78. Because IMPLEMENTING AGENCY is responsible for managing the scope, cost, and schedule of a project component, if there are insufficient funds available in this Agreement to place PROJECT right of way in a safe and operable condition, the appropriate IMPLEMENTING AGENCY accepts responsibility to fund these activities until such time as PARTNERS amend this Agreement.

That IMPLEMENTING AGENCY may request reimbursement for these costs during the amendment process.

79. If there are insufficient funds in this Agreement to implement applicable commitments and conditions included in the PROJECT environmental documentation, permits, agreements, and/or approvals that are in effect at a time that WORK stops, each PARTNER implementing commitments or conditions accepts responsibility to fund these activities, as they apply to each PARTNER's responsibilities, until such time as PARTNERS amend this Agreement.

Each PARTNER may request reimbursement for these costs during the amendment process.

80. Except as otherwise provided in this Agreement, PARTNERS will pay invoices within thirty (30) calendar days of receipt of invoice.

Cost: Environmental Permits, Approvals and Agreements

81. The cost of coordinating, obtaining, complying with, implementing, including renewing and amending resource agency permits, agreements, and approvals is an OBLIGATIONS cost.

Cost: Construction Support

82. The cost of source inspection is an OBLIGATIONS cost.

Cost: Construction Capital

83. The cost of all DFM is a CONSTRUCTION CAPITAL cost.

SCHEDULE

84. PARTNERS will manage the schedule for OBLIGATIONS through the work plan included in the PROJECT MANAGEMENT PLAN.

GENERAL CONDITIONS

85. PARTNERS understand that this Agreement is in accordance with and governed by the Constitution and laws of the State of California. This Agreement will be enforceable in the State of California. Any PARTNER initiating legal action arising from this Agreement will file and maintain that legal action in the Superior Court of the county in which the CALTRANS district office that is signatory to this Agreement resides, or in the Superior Court of the county in which PROJECT is physically located.
86. All OBLIGATIONS of CALTRANS under the terms of this Agreement are subject to the appropriation of resources by the Legislature, the State Budget Act authority, and the allocation of funds by the California Transportation Commission.
87. Neither SANBAG nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by CALTRANS and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon CALTRANS under this Agreement. It is understood and agreed that CALTRANS, to the extent permitted by law, will defend, indemnify, and save harmless SANBAG and all of its officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories or assertions of liability occurring by reason of anything done or omitted to be done by CALTRANS and/or its agents under this Agreement.

88. Neither CALTRANS nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by SANBAG and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon SANBAG under this Agreement. It is understood and agreed that SANBAG, to the extent permitted by law, will defend, indemnify, and save harmless CALTRANS and all of its officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories or assertions of liability occurring by reason of anything done or omitted to be done by SANBAG and/or its agents under this Agreement.
89. PARTNERS do not intend this Agreement to create a third party beneficiary or define duties, obligations, or rights in parties not signatory to this Agreement. PARTNERS do not intend this Agreement to affect their legal liability by imposing any standard of care for fulfilling OBLIGATIONS different from the standards imposed by law.
90. PARTNERS will not assign or attempt to assign OBLIGATIONS to parties not signatory to this Agreement.
91. PARTNERS will not interpret any ambiguity contained in this Agreement against each other. PARTNERS waive the provisions of California Civil Code section 1654.
92. A waiver of a PARTNER's performance under this Agreement will not constitute a continuous waiver of any other provision. An amendment made to any article or section of this Agreement does not constitute an amendment to or negate all other articles or sections of this Agreement.
93. A delay or omission to exercise a right or power due to a default does not negate the use of that right or power in the future when deemed necessary.
94. If any PARTNER defaults in its OBLIGATIONS, a non-defaulting PARTNER will request in writing that the default be remedied within thirty (30) calendar days. If the defaulting PARTNER fails to do so, the non-defaulting PARTNER may initiate dispute resolution.

95. PARTNERS will first attempt to resolve Agreement disputes at the PROJECT team level. If they cannot resolve the dispute themselves, the CALTRANS district director and the executive officer of SANBAG will attempt to negotiate a resolution. If PARTNERS do not reach a resolution, PARTNERS' legal counsel will initiate mediation. PARTNERS agree to participate in mediation in good faith and will share equally in its costs.

Neither the dispute nor the mediation process relieves PARTNERS from full and timely performance of OBLIGATIONS in accordance with the terms of this Agreement. However, if any PARTNER stops fulfilling OBLIGATIONS, any other PARTNER may seek equitable relief to ensure that OBLIGATIONS continue.

Except for equitable relief, no PARTNER may file a civil complaint until after mediation, or forty-five (45) calendar days after filing the written mediation request, whichever occurs first.

PARTNERS will file any civil complaints in the Superior Court of the county in which the CALTRANS district office signatory to this Agreement resides or in the Superior Court of the county in which PROJECT is physically located. The prevailing PARTNER will be entitled to an award of all costs, fees, and expenses, including reasonable attorney fees as a result of litigating a dispute under this Agreement or to enforce the provisions of this article including equitable relief.

96. PARTNERS maintain the ability to pursue alternative or additional dispute remedies if a previously selected remedy does not achieve resolution.
97. If any provisions in this Agreement are found by a court of competent jurisdiction to be, or are in fact, illegal, inoperative, or unenforceable, those provisions do not render any or all other Agreement provisions invalid, inoperative, or unenforceable, and those provisions will be automatically severed from this Agreement.
98. PARTNERS intend this Agreement to be their final expression and supersedes any oral understanding or writings pertaining to OBLIGATIONS.
99. If during performance of WORK additional activities or environmental documentation is necessary to keep PROJECT in environmental compliance, PARTNERS will amend this Agreement to include completion of those additional tasks.
100. Except as otherwise provided in the Agreement, PARTNERS will execute a formal written amendment if there are any changes to OBLIGATIONS.
101. Partners agree to sign a COOPERATIVE AGREEMENT CLOSURE STATEMENT to terminate this Agreement. However, all indemnification, document retention, audit, claims, environmental commitment, legal challenge, maintenance and ownership articles will remain in effect until terminated or modified in writing by mutual agreement.

102. The following documents are attached to, and made an express part of this Agreement:
SCOPE SUMMARY.

DEFINITIONS

ARRA – American Recovery and Reinvestment Act of 2009

CALTRANS STANDARDS – CALTRANS policies and procedures, including, but not limited to, the guidance provided in the *Guide to Capital Project Delivery Workplan Standards* (previously known as WBS Guide) available at <http://www.dot.ca.gov/hq/projmgmt/guidance.htm>.

CEQA (California Environmental Quality Act) – The act (California Public Resources Code, sections 21000 et seq.) that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those significant impacts, if feasible.

CFR (Code of Federal Regulations) – The general and permanent rules published in the Federal Register by the executive departments and agencies of the federal government

CONSTRUCTION CAPITAL – See PROJECT COMPONENT.

CONSTRUCTION SUPPORT – See PROJECT COMPONENT.

COOPERATIVE AGREEMENT CLOSURE STATEMENT – A document signed by PARTNERS that verifies the completion of all OBLIGATIONS included in this Agreement and in all amendments to this Agreement.

FHWA – Federal Highway Administration

FHWA STANDARDS – FHWA regulations, policies and procedures, including, but not limited to, the guidance provided at www.fhwa.dot.gov/topics.htm.

FUNDING PARTNER – A PARTNER, designated in the FUNDING SUMMARY, that commits a defined dollar amount to fulfill OBLIGATIONS. Each FUNDING PARTNER accepts responsibility to provide the funds it commits in this Agreement.

FUNDING SUMMARY – An executed document that lists the funding, billing, and payment commitments. Commitments include, but are not limited to, FUNDING PARTNER(S), fund source, fund type, payment method, invoice frequency, deposit amounts, and PROJECT COMPONENT(S) in which funds are to be spent. Funds listed on the FUNDING SUMMARY are “not-to-exceed” amounts for each FUNDING PARTNER.

GAAP (Generally Accepted Accounting Principles) – Uniform minimum standards and guidelines for financial accounting and reporting issued by the Federal Accounting Standards Advisory Board that serve to achieve some level of standardization. See <http://www.fasab.gov/accepted.html>.

HM-1 – Hazardous material (including, but not limited to, hazardous waste) that may require removal and disposal pursuant to federal or state law whether it is disturbed by PROJECT or not.

HM-2 – Hazardous material (including, but not limited to, hazardous waste) that may require removal and disposal pursuant to federal or state law only if disturbed by PROJECT.

HM MANAGEMENT ACTIVITIES – Management activities related to either HM-1 or HM-2 including, without limitation, any necessary manifest requirements and disposal facility designations.

IMPLEMENTING AGENCY – The PARTNER is responsible for managing the scope, cost, and schedule of a PROJECT COMPONENT to ensure the completion of that component.

NEPA (National Environmental Policy Act of 1969) – This federal act establishes a national policy for the environment and a process to disclose the adverse impacts of projects with a federal nexus.

OBLIGATION COMPLETION – PARTNERS have fulfilled all OBLIGATIONS included in this Agreement, and all amendments to this Agreement, and have signed a COOPERATIVE AGREEMENT CLOSURE STATEMENT.

OBLIGATIONS – All responsibilities included in this Agreement.

OMB (Office of Management and Budget) – This federal office oversees the preparation of the federal budget and supervises its administration in Executive Branch agencies.

PARTNER – Any individual signatory party to this Agreement.

PARTNERS – The term that collectively references all of the signatory agencies to this Agreement. This term only describes the relationship between these agencies to work together to achieve a mutually beneficial goal. It is not used in the traditional legal sense in which one PARTNER's individual actions legally bind the other PARTNER.

PROJECT COMPONENT – A distinct portion of the planning and project development process of a capital project as outlined in California Government Code, section 14529(b).

- **PID (Project Initiation Document)** – The activities required to deliver the project initiation document for PROJECT.
- **PA&ED (Project Approval and Environmental Document)** – The activities required to deliver the project approval and environmental documentation for PROJECT.
- **PS&E (Plans, Specifications, and Estimate)** – The activities required to deliver the plans, specifications, and estimate for PROJECT.
- **R/W (Right of Way) SUPPORT** – The activities required to obtain all property interests for PROJECT.

- **R/W (Right of Way) CAPITAL** – The funds for acquisition of property rights for PROJECT.
- **CONSTRUCTION SUPPORT** – The activities required for the administration, acceptance, and final documentation of the construction contract for PROJECT.
- **CONSTRUCTION CAPITAL** – The funds for the construction contract.

PROJECT MANAGEMENT PLAN – A group of documents used to guide a project's execution and control throughout that project's lifecycle.

QMP (Quality Management Plan) – An integral part of the PROJECT MANAGEMENT PLAN that describes IMPLEMENTING AGENCY's quality policy and how it will be used.

QC/QAP (QUALITY CONTROL/QUALITY ASSURANCE PROGRAM) - CALTRANS quality control and quality assurance procedures for all environmental documents as described in the Jay Norvell Memos dated July 2, 2007 (available at http://www.dot.ca.gov/ser/memos.htm#LinkTarget_705). This also includes the independent judgment analysis and determination under CEQA that the environmental documentation meets CEQA Guideline requirements.

RESIDENT ENGINEER – A civil engineer licensed in the State of California who is responsible for construction contract administration activities. Said engineer must be independent of the design engineering company and the construction contractor.

SCOPE SUMMARY – The attachment in which each PARTNER designates its commitment to specific scope activities within each PROJECT COMPONENT as outlined by the *Workplan Standards Guide for the Delivery of Capital Projects* available at www.dot.ca.gov/hq/projmgmt/guidance.htm.

SHS (State Highway System) – All highways, right of way, and related facilities acquired, laid out, constructed, improved, or maintained as a state highway pursuant to constitutional or legislative authorization.

SPONSOR – Any PARTNER that accepts the responsibility to establish scope of PROJECT and the obligation to secure financial resources to fund PROJECT. SPONSOR is responsible for adjusting the PROJECT scope to match committed funds or securing additional funds to fully fund the PROJECT scope. If a PROJECT has more than one SPONSOR, funding adjustments will be made by percentage (as outlined in Responsibilities). Scope adjustments must be developed through the project development process and must be approved by CALTRANS as the owner/operator of the SHS.

WORK – All scope activities included in this Agreement.

CONTACT INFORMATION

The information provided below indicates the primary contact information for each PARTNER to this Agreement. PARTNERS will notify each other in writing of any personnel or location changes. Contact information changes do not require an amendment to this Agreement.

The primary Agreement contact person for CALTRANS is:

Melecio Chalco, Project Manager
464 W. 4th Street
San Bernardino, California 92401-1400
Office Phone: (909) 283-6761
Email: m_chalco@dot.ca.gov

The primary Agreement contact person for SANBAG is:

Mrs. Andrea Zureick, Director of Fund Administration & Programming
1170 W. 3rd Street, 2nd Floor
San Bernardino, CA 92410-1715
Office Phone: (909) 884-8276
Email: azureick@sanbag.ca.gov

-----SIGNATURES ON FOLLOWING PAGE-----

SIGNATURES

PARTNERS declare that:

- 1. Each PARTNER is an authorized legal entity under California state law.
- 2. Each PARTNER has the authority to enter into this Agreement.
- 3. The people signing this Agreement have the authority to do so on behalf of their public agencies.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

SAN BERNARDINO ASSOCIATED
GOVERNMENTS, a Council of
Governments, acting in its capacity as the
San Bernardino County Transportation
Commission

APPROVED

APPROVED

By: _____
Basem E. Muallem, P.E.
District Director

By: _____
W.E. Jahn
Board President

CERTIFIED AS TO FUNDS:

ATTEST:

By: _____
Lisa Pacheco
District Budget Manager

By: _____
Vicki Watson
Board Clerk

APPROVED AS TO FORM AND PROCEDURE:

By: _____
Eileen Monaghan Teichert
General Counsel

CONCURRENCE:

By: _____
Jeffery Hill
Contract Administrator

SCOPE SUMMARY

4	5	6	7	8	Description	CT	SA	N/A
3	265				Awarded and Approved Construction Contract			
5	270				Construction Engineering and General Contract Administration	X		
5	275				Construction Engineering and General Contract Administration of Structures Work	X		
5	285				Contract Change Order Administration	X		
5	290				Resolve Contract Claims	X		
5	295				Accept Contract, Prepare Final Construction Estimate, and Final Report	X		
4	300				FINAL RIGHT OF WAY ENGINEERING	X		

FUNDING SUMMARY Number 1

Project Number: 0800000621

Agreement: 08-1573

Part II – Billing and Payment Details

Cost: CONSTRUCTION SUPPORT

1. Each PARTNER listed below will do work for CONSTRUCTION SUPPORT as described in the SCOPE SUMMARY of this Agreement:

- CALTRANS

Therefore, based on the funding types displayed in the FUNDING SUMMARY table for this PROJECT COMPONENT:

- No invoicing will occur for this PROJECT COMPONENT.

Cost: CONSTRUCTION CAPITAL

2. CALTRANS is the IMPLEMENTING AGENCY for CONSTRUCTION CAPITAL as described in the Responsibilities section of this Agreement.

Therefore, based on the funding types displayed in the FUNDING SUMMARY table for this PROJECT COMPONENT:

- No invoicing will occur for this PROJECT COMPONENT.

FUNDING SUMMARY Number 1

Project Number: 0800000621

Agreement: 08-1573

Part III – Signature Page

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

APPROVED

By _____
Basem E. Muallem, P.E.
District Director

Date _____

Lisa Pacheco
District Budget Manager

HQ Accounting

SAN BERNARDINO ASSOCIATED
GOVERNMENTS, a Council of
Governments, acting in its capacity as
the San Bernardino County
Transportation Commission

APPROVED

By _____
W.E. Jahn
Board President

Date _____



- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
- San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 7

Date: February 21, 2014

Subject: Amendment to Construction Funding Agreement for Yucca Loma Bridge

Recommendation:* That the Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

1. Approve additional allocation of \$192,951.81 in Measure I Victor Valley Subarea - Major Local Highway Program funds to the Town of Apple Valley for the Yucca Loma Bridge Project.
2. Approve Amendment No. 1 to Funding Agreement C12227 with the Town of Apple Valley to increase the commitment from \$14,071,401.73 to \$15,992,951.81 for the Yucca Loma Bridge Project, with \$9,585,951.81 funded by Measure I Victor Valley Subarea – Major Local Highway Program funds and \$6,407,000 funded by State Local Partnership Program funds previously allocated.

Background: **This is an amended agreement.** On September 25, 2009, the Mountain/Desert Policy Committee approved the Yucca Loma Bridge project as eligible for an allocation of Victor Valley Major Local Highway (MLH) Program funds as they became available. On April 4, 2012, the SANBAG Board approved an allocation of \$15.8 million in Victor Valley MLH funds and approved Construction Funding Agreement C12227. On October 3, 2012, the SANBAG Board approved the

*

Approved
Mountain/Desert Policy Committee

Date: _____

Moved: _____ *Second:* _____

In Favor: _____ *Opposed:* _____ *Abstained:* _____

Witnessed: _____

COG	CTC	CTA	X	SAFE	CMA
-----	-----	-----	---	------	-----

Check all that apply.

MDC1402a-ep

<http://portal.sanbag.ca.gov/mgmt/APOR-Mgmt/Shared%20Documents/C12227-1.doc>

substitution of \$6,407,000 in State-Local Partnership Program (SLPP) funds for the Yucca Loma Bridge project.

The Town of Apple Valley released a Request for Bids for the Yucca Loma Bridge/Yates Road Construction Project with bid opening on October 10, 2013. The contract was awarded on November 12, 2013, to Security Paving in the amount of \$37,265,833.50 plus a 10% contingency, for a total of \$40,992,416.85.

For the Yucca Loma Bridge portion of the awarded contract, adding together the proposed costs for construction, contingency, construction management, constructability review, and construction support costs, the total for the project is \$35,539,892.91. Per the Nexus Study, the public share of the project is 45%, or \$15,992,951.81. The Town of Apple Valley's share is 55% of the project, or \$19,546,941.10.

This Amendment to the Construction Funding Agreement C12227 will cover the additional costs needed to complete the construction of the project. Per the terms of Section III of the Agreement, the parties acknowledge that final construction costs may increase and will be divided according to the Nexus Study shares.

Financial Impact: This item does not impact the adopted SANBAG Budget.

Reviewed By: This item is not scheduled for review by any other policy committee or technical advisory committee. SANBAG General Council has reviewed this item and a draft of the amended agreement.

Responsible Staff: Ellen Pollema, Transportation Planning Analyst

CONTRACT SUMMARY SHEET

Contract No. C 12227 Amendment No. 1

By and Between

Town of Apple Valley

and San Bernardino County Transportation Authority

Contract Description Construction Funding Agreement for Yucca Loma Bridge

Board of Director's Meeting Date: 3/5/14
Overview of BOD Action: Approval of Funding Allocation and Funding Agreement
Is this a Sole-Source procurement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

CONTRACT OVERVIEW					
Original Contract Amount	\$	14,071,401.73	Original Contingency Amount	\$	
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$		Revised Contingency Amount <i>Inclusive of prior amendments</i>	\$	
Current Amendment Amount	\$	-4,485,449.92	Contingency Amendment	\$	
TOTAL CONTRACT VALUE	\$	9,585,951.81	TOTAL CONTINGENCY VALUE	\$	
TOTAL BUDGET AUTHORITY (contract value + contingency)					\$ 9,585,951.81

Contract Start Date 3/5/14	Current Contract Expiration Date 12/31/15	Revised Contract Expiration Date 12/31/16
Has the contract term been amended? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes - please explain. Construction was delayed and additional time is needed to complete project.		

FINANCIAL INFORMATION					
<input checked="" type="checkbox"/> Budget authority for this contract currently exists in Task No. <u>0516</u> .					
<input type="checkbox"/> A Budget Amendment is required.					
How are we funding current FY? \$3,195,317 in Victor Valley Subarea Bond Funds #6310					
<input type="checkbox"/> Federal Funds	<input type="checkbox"/> State Funds	<input type="checkbox"/> Local Funds	<input type="checkbox"/> TDA Funds	<input checked="" type="checkbox"/> Measure I Funds	
Provide Brief Overview of the Overall Funding for the duration of the Contract: \$9,585,951.81 Victor Valley MLH Bond Funds (\$6,407,000 SLPP to fully fund Authority commitments does not go through SANBAG budget)					
<input checked="" type="checkbox"/> Payable <input type="checkbox"/> Receivable					

CONTRACT MANAGEMENT INFORMATION	
Check all applicable boxes:	
<input type="checkbox"/> Retention? If yes, indicate % _____.	
<input type="checkbox"/> Disadvantaged Business Enterprise (DBE) Goal _____ %	

Ellen Pollema
Project Manager (Print Name)

Andree Unreich
Task Manager (Print Name)

Andree Unreich
Dir. of Fund Admin. & Programming (Print Name)

Contract Administrator (Print Name)

Chief Financial Officer (Print Name)

Ellen Pollema 2/13/14
Signature Date

Andree Unreich 2/13/14
Signature Date

Andree Unreich 2/13/14
Signature Date

Signature Date

Signature Date

CONSTRUCTION FUNDING AGREEMENT C12227-1

BETWEEN

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

AND

TOWN OF APPLE VALLEY

FOR

**CONSTRUCTION PHASE OF THE YUCCA LOMA BRIDGE, A MOJAVE RIVER
BRIDGE CROSSING FROM TERMINUS OF YUCCA LOMA ROAD TO YATES
ROAD, TOWN OF APPLE VALLEY**

THIS AMENDMENT NO. 1 to the Cooperative Agreement No. C12227 (“Agreement”) is made and entered into by and between the TOWN OF APPLE VALLEY (hereinafter referred to as “TOWN ”) and the SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY, a public entity, referred to herein as “AUTHORITY.” AUTHORITY and TOWN are each a “Party” and collectively “Parties.

RECITALS

- A. WHEREAS, the Parties entered into Agreement on April 4, 2012, to construct a new bridge over the Mojave River at the terminus of Yucca Loma Road in the Town of Apple Valley (“PROJECT”) as described in this Amendment No. 1 Attachment A; and
- B. WHEREAS, the PROJECT is identified in the Victor Valley Subarea Major Local Highway Program Project List and the SANBAG Nexus Study and the PROJECT will be carried out in accordance with the policies of the Measure I 2010-2040 Strategic Plan (“Strategic Plan”), including the use of Development Impact Fees by TOWN to pay its share of PROJECT costs. The PROJECT CONSTRUCTION WORK costs were estimated to be \$31,269,781.62 as identified in Attachment B of the Agreement; and
- C. WHEREAS, the Agreement identifies the TOWN as the lead agency for this PROJECT, to undertake and lead the advertisement, award, administration and construction management of PROJECT CONSTRUCTION WORK; and

- D. WHEREAS, the TOWN has awarded contracts for PROJECT for construction, contingency, construction management, constructability review, and construction support costs as noted in this Amendment No. 1 Attachment B totaling \$35,539,892.91; and
- E. WHEREAS, in accordance with the Strategic Plan, the AUTHORITY is to be responsible for 45% of the total eligible PROJECT CONSTRUCTION WORK expenses incurred by TOWN, for an amount not to exceed \$14,071,401.73, as shown in Attachment B of the Agreement; and
- F. WHEREAS, AUTHORITY authorized a maximum contribution of \$15,800,000 for reimbursement of eligible expenses; and
- G. WHEREAS, it was anticipated that a future amendment(s) to this Agreement would be necessary to reconcile any outstanding payments and each Party's overall contribution for all phases of the work.
- H. NOW, THEREFORE, the Parties desire to increase the overall PROJECT funding requirements from \$31,269,781.62 to \$35,539,892.91 and to increase the AUTHORITY share from a maximum of \$15,800,000 to \$15,992,951.81 as shown in this Amendment No. 1 Attachment B.

AGREEMENT

In consideration of the mutual promises herein and the above Recitals that are incorporated into this Amendment No. 1, the Parties agree as follows:

- 1. The Agreement is amended in the following particulars:
 - a. Paragraph 1 of Section I (AUTHORITY RESPONSIBILITIES) is deleted and replaced with the following:

“In accordance with the Strategic Plan, to be responsible for 45% of the total estimated CONSTRUCTION costs, for an amount not to exceed \$15,992,951.81 as shown in Attachment B, which is attached hereto and by this reference made part of this Agreement.”
 - b. Paragraph 2 of Section II (TOWN RESPONSIBILITIES) is deleted and replaced with the following:

“In accordance with the Strategic Plan, to be responsible for 55% share of the estimated CONSTRUCTION costs in an amount not to exceed \$19,546,541.10 as shown in Attachment B, attached hereto and made part of this Agreement. TOWN will use funds in its discretion for its local share in accordance with the provisions of Measure I. In accordance with the Strategic Plan, TOWN is able to use alternative funds, provided that TOWN reimburses those funds from development impact fees as development occurs.”

c. Paragraph 2 of Section III (IT IS MUTUALLY AGREED) is deleted and replaced with the following:

“The total CONSTRUCTION costs have been determined to be \$35,539,892.91 as identified in Attachment B.”

d. Paragraph 9 of Section III (IT IS MUTUALLY AGREED) is deleted and replaced with the following:

“This Agreement shall continue in full force and effect through December 31, 2016.”

e. Paragraph 21 of Section III (IT IS MUTUALLY AGREED) is deleted and replaced with the following:

“If to AUTHORITY: Andrea Zureick
Director of Programming and Fund Administration
San Bernardino Associated Governments
1170 West 3rd Street, Second Floor
San Bernardino, CA 92410-1715
(909) 884-8276

If to TOWN: Frank Robinson, Town Manager
Town of Apple Valley
14955 Dale Evans Parkway
Apple Valley, CA 92307
(760) 240-7000”

f. Attachment A to Cooperative Agreement C12227 is deleted and replaced with Attachment A (Project Description) that is attached to and incorporated into this Amendment No. 1.

g. Attachment B to Cooperative Agreement C12227 is deleted and replaced with Attachment B (Construction Funding Plan) that is attached to and incorporated into this Amendment No. 1.

2. All other terms and conditions of Cooperative Agreement C12227 shall remain in full force and effect.

3. This Amendment No. 1 is incorporated into and made a part of Construction Funding Agreement C12227.

4. This Amendment No. 1 shall be effective on the date executed by AUTHORITY.

-----SIGNATURES ON FOLLOWING PAGE-----

In witness whereof, the Parties have executed this Amendment No. 1 by their authorized signatories below.

**SAN BERNARDINO TOWN
TRANSPORTATION AUTHORITY**

TOWN OF APPLE VALLEY

By: _____
W. E. Jahn
President, Board of Directors

By: _____
Curt Emick
Mayor

Date: _____

Date: _____

APPROVED AS TO FORM

APPROVED AS TO FORM AND
PROCEDURE:

By: _____
Eileen Monaghan Teichert
AUTHORITY General Counsel

By: _____
John Brown
TOWN Counsel

Date: _____

CONCURRENCE:

By: _____
Jeffery Hill
Contract Administrator

Date: _____

Attachment A

Project Description

Yucca Loma Bridge, a Mojave River Bridge Crossing from the Terminus of Yucca Loma Road to Yates Road in the Town of Apple Valley

The project is located primarily in the Mojave River between the terminus of Yucca Loma Road near Kasanka Trail in the Town of Apple Valley and the terminus of Yates Road in the County of San Bernardino. The project will construct a 13-span, approximately 1600 ft. long by 100 ft. wide bridge, approach roadways to the east at Yucca Loma Road and to the west at Yates Road, the construction of a new regional storm water outfall and interim drainage facilities, and bridge lighting. The bridge will be a cast-in-place, prestressed, post-tension concrete box girder, supported on reinforced concrete column bents and seat type abutments and founded on large diameter cast-in-drilled hole deep pile foundations.

The construction is expected to commence December 2013 and end in December 2015.

Attachment B

Construction Funding Plan

(Amendment No. 1 to Cooperative Agreement C12227)

Yucca Loma Bridge, a Mojave River Bridge Crossing
from the Terminus of Yucca Loma Road to Yates Road
in the Town of Apple Valley

	Total Construction Costs*	Town of Apple Valley	Town Share	San Bernardino County Transportation Authority**	Public Share
Security Paving Bid (includes 10% contingency)	\$32,229,380.31	\$17,726,159.17	55%	\$14,503,221.14	45%
Proposed Construction Mgt. Costs (Parsons)	\$ 2,756,947.00	\$ 1,516,320.85		\$ 1,240,626.15	
Proposed Constructability Review Costs (Parsons)	\$ 62,704.00	\$ 34,487.20		\$ 28,216.80	
Proposed Construction & Bidding Support Costs (Dokken)	\$ 490,861.60	\$ 269,973.88		\$ 220,887.72	
CONSTRUCTION SHARES BY AGENCY	\$35,539,892.91	\$19,546,941.10	55%	\$15,992,951.81	45%
Funding Agreement C12227				\$14,071,401.73	
Funding Agreement C12227-1 <i>(includes amount allocated in C12227)</i>				\$15,992,951.81	

* The Yucca Loma Bridge and Yates Road projects were combined together into one construction project. This Agreement covers only the Yucca Loma Bridge portion of the project and the proposed construction costs reflect only that project's portion of the Security Paving Bid plus the additional costs for work performed by Parsons and Dokken.

** AUTHORITY's Share can be from sources under control of AUTHORITY including, but not limited to, Measure I Major Local Highway Program (MLHP), State Transportation Improvement Program (STIP), Surface Transportation Program (STP), or State/Local Partnership Program (SLPP) funds without necessitating an amendment of this AGREEMENT.



- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
- San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergences

Minute Action

AGENDA ITEM: 8

Date: February 21, 2014

Subject: Draft SANBAG Freight Strategy

Recommendation:* That the Committee receive information and provide comments on the draft SANBAG Freight Strategy provided in Attachment 1.

Background: Attachment 1 provides a working draft of a freight strategy that could guide SANBAG in both its own freight-related initiatives and in its collaborative efforts with other agencies and the private sector. It is intended as a means to foster discussion among SANBAG technical and policy committees and external stakeholders as well.

Part of the basis of the working paper is a series of interviews with a cross-section of public and private entities with involvement in the freight and logistics industry and environmental community. Interviews were conducted in late Summer and Fall 2013, covering a range of topics, with a slightly different focus based on the sector being interviewed.

The overarching question asked of interviewees was: "What could or should SANBAG be doing to support the economic vitality of the County as it relates to the logistics sector, while also seeking to minimize the impacts the sector can have on the population in general?" Information was also gathered from freight

*

Approved
 Mountain/Desert Policy Committee

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

COG		CTC		CTA	X	SAFE		CMA	
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Check all that apply.

MDC1402b-ss

<http://portal.sanbag.ca.gov/mgmt/committee/desert/mdc2014/mdc1402/AgendaItems/MDC1402b1-ss.pdf>

studies, research, and freight-related conferences sponsored by regional agencies in 2013.

The working paper in Attachment 1 is a draft intended for review and discussion by SANBAG policy and technical committees and by interested stakeholders across the spectrum of freight-related issues. SANBAG staff will be receiving input and comments on the working paper through approximately April 2014. A revised draft will be submitted for approval to SANBAG policy committees and the Board in approximately June 2014. The SANBAG Freight Strategy will become a consideration in the Countywide Transportation Plan being developed for San Bernardino County and ultimately in the SCAG 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

Financial Impact: This item has no financial impact on the SANBAG Fiscal Year 2013/2014 Budget.

Reviewed By: This item is also scheduled for review by the Metro Valley Board of Directors Study Session on February 13, 2014. Information in this agenda item was presented to the Transportation Technical Advisory Committee on February 3, 2014.

Responsible Staff: Steve Smith, Director of Planning

**SAN BERNARDINO ASSOCIATED GOVERNMENTS (SANBAG)
- DRAFT FREIGHT STRATEGY WORKING PAPER -
JANUARY 29, 2014**

SAN BERNARDINO COUNTY – HISTORICAL GATEWAY TO SOUTHERN CALIFORNIA

San Bernardino County has long been a gateway to the Southland. The Cajon Pass from the north and the San Geronio Pass (also known as the Banning Pass) from the east were logical locations for the establishment of transnational routes into and out of the Southern California region in the 1800s.

In 1829, traders opened a route between Los Angeles and Santa Fe via the Cajon Pass, providing a vital economic link between the two Mexican cities of that day. The trade route was later used by the American adventurer John C. Frémont and his guide, Kit Carson, who named the corridor the Old Spanish Trail and advertised it as a link between the coast and the interior of the new American West. This later became known as part of the National Old Trails Road, which was designated Route 66 in 1926. After coming down Cajon Pass, Route 66 generally followed the alignment of today's Interstate 215 to downtown San Bernardino and then turned due west toward Los Angeles and Santa Monica. Route 66 and U.S. 395 at one time merged in Hesperia and diverged in San Bernardino as U.S. 395 headed south toward San Diego. Interstate 15 (the Mojave Freeway) was built over the Cajon Summit in 1969 and together with Interstate 40 is now one of the primary truck corridors to and from the Midwest.

The California Southern Railroad, a subsidiary of the Atchison, Topeka and Santa Fe Railway, built the first rail line to use the Cajon Pass as a route through the mountains. The line was built in the early 1880s as part of a connection between the present day cities of Barstow and San Diego. The Southern Pacific Railroad Company built its own track, known as the Palmdale-Colton Cutoff, through the pass in 1966/1967.

In terms of the eastern gateway, the first stagecoach line came through the Banning Pass in 1862. The pass is named for Phineas Banning, stagecoach line owner, founder of Wilmington, and known as the "Father of Los Angeles Harbor." The east-west U.S. Route 99 was built in 1923, generally following the route of today's Interstate 10. The Southern Pacific railroad followed in the late 1870s, eventually purchased by the Union Pacific railroad of today.

This legacy as a gateway has lived on today, shaping not only the San Bernardino Valley, but the High Desert communities as well. The growth of freight movement in San Bernardino County has generally tracked the growth of the Ports of Los Angeles and Long Beach, together the largest port complex in the United States. The significance of the gateway through San Bernardino County has increased as the ports have grown.

The combination of geographic location, relationship to the ports, and world-class transportation infrastructure continue to provide San Bernardino County with economic opportunities into the future. But these opportunities must be managed well, if the County is to continue to benefit from its ongoing strategic advantages as the gateway to Southern California.

PURPOSE OF THIS WORKING PAPER

This paper provides a working draft of a freight strategy that could guide SANBAG in both its own freight-related initiatives and in its collaborative efforts with other agencies and the private sector. It is intended as a means to foster discussion among SANBAG technical and policy committees and external stakeholders as well. It will be a living document that can be modified from year to year as issues and conditions change over time.

It is not the intent of this paper to provide detailed statistics on the operation of the supply chain that runs within and through San Bernardino County, although a statistical overview is provided for context. The details of current operations are well explained in other reports and analyses such as the Southern California Association of Governments (SCAG) report “*Comprehensive Regional Goods Movement Plan and Implementation Strategy*” dated February 2013. Rather, the purpose is to articulate those things SANBAG can and should focus on with regard to the freight and logistics enterprise in San Bernardino County. It primarily addresses the question: “what can SANBAG do, within the freight-related portion of its partnership with other stakeholders, to help San Bernardino County’s citizens and businesses succeed?”

GOODS MOVEMENT IN SAN BERNARDINO COUNTY – AN OVERVIEW

Freight Flows Through San Bernardino County

The introductory section highlighted the importance of San Bernardino County as a gateway and of the relationship between the County’s logistics sector and the Ports of Los Angeles and Long Beach. Approximately 40% of the nation’s containerized freight flows through the ports, and 80% of that funnels through San Bernardino County by rail and truck. The County is home to some 200 million square feet of warehouse facilities, or approximately 25% of the regional total. Many of these are large high-cube facilities designed to meet demands for automation and adaptability to the dynamics of today’s supply chains. Some of the most well-known players in wholesaling, retailing, and e-commerce are housed here, examples of which include: Amazon, Ashley Furniture, Best Buy, Coca-Cola, COSTCO, Dr. Pepper, Kohls, Mattel, Pep Boys, Pepsi, Stater Brothers, Target, and Walmart. Both UPS and FedEx run major operations out of Ontario International Airport. Figure 1 shows the extent of developed industrial/warehousing land use in the Valley and Victor Valley.

The Network

San Bernardino County is host to a truly world-class multimodal transportation network for passengers and freight. Two Class 1 railroads (Burlington Northern/Santa Fe and Union Pacific) carry freight to the rest of the U.S. through the Cajon and Banning passes, as previously discussed. There are 450 centerline miles of freeways in the County (I-10, I-15, I-40, SR-60, SR-210, and I-215), all of which carry substantial truck traffic. SR-60 carries the highest volumes, almost 35,000 trucks per day near Ontario Airport. The total daily east-west truck volume on the 10, 60, and 210 freeways is over 75,000 through the west Valley. Figure 2 shows a map of the highway and freight rail network in the Valley and Victor Valley.

The freeway system is supported by a high-capacity arterial system connecting the freeways to warehouse/logistics centers, trucking facilities, and airports. San Bernardino County has three airports with large capacity for cargo: LA/Ontario International Airport (ONT), San Bernardino International Airport (SBIA), and Southern California Logistics Airport (SCLA). A major BNSF intermodal facility, handling 600,000 container lifts per year, is located in San Bernardino, and a large UP switching yard is located in Colton. The fact that so many logistics firms have located in the Inland Empire attests to the mobility and access that the rail and highway systems provide.

Employment

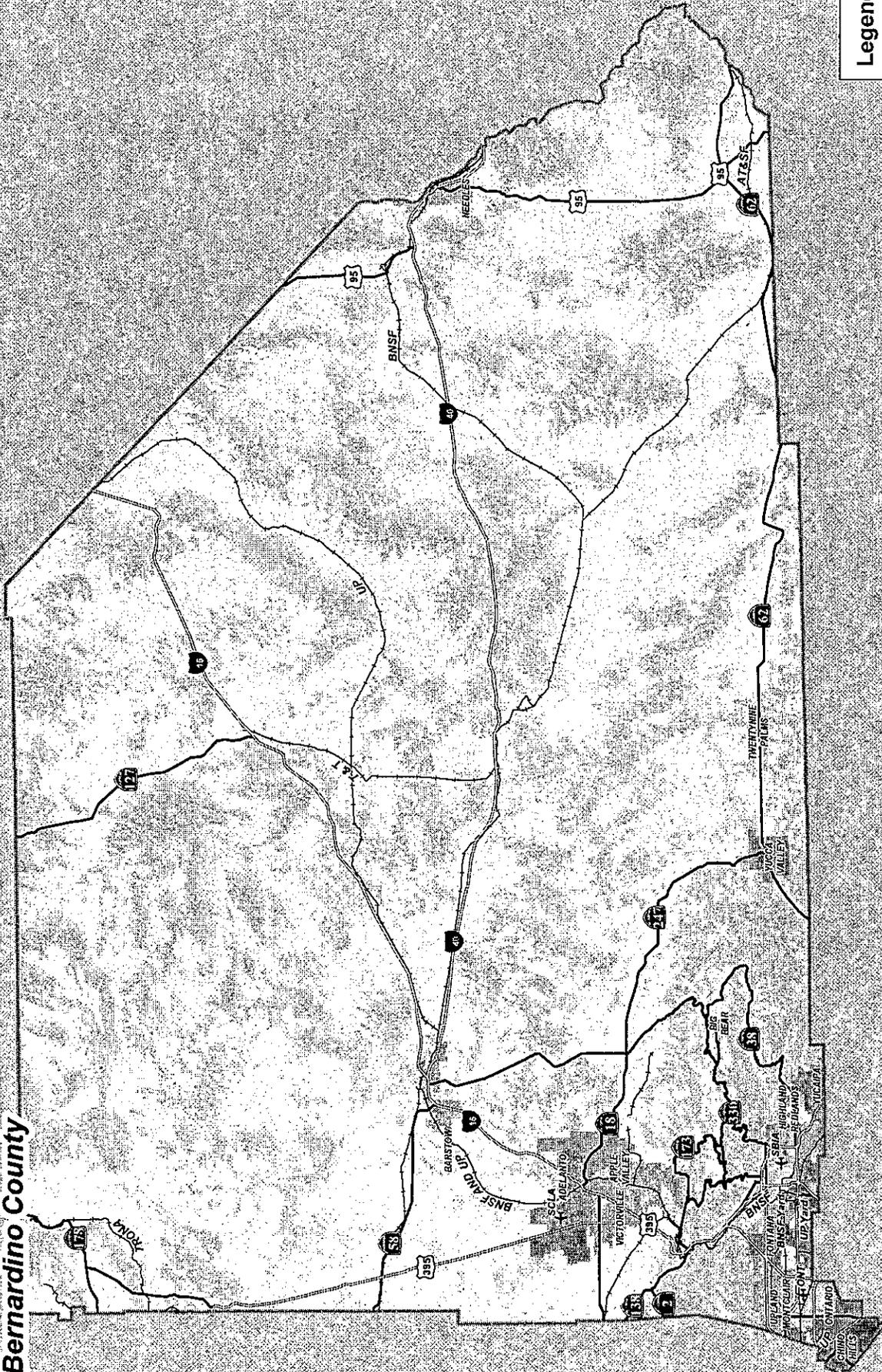
The distribution and logistics sector employs 123,000 workers in San Bernardino County and is currently the fastest growing sector, representing approximately 20% of the County's employment. However, the economic recovery is lagging behind that of coastal areas, with unemployment still almost 10% as of the end of 2013.

The poverty rate in San Bernardino County has risen from about 12% in 1990 to 20% today. Logistics jobs are an important point of entry into the job market for blue collar workers and for eventual movement into the middle class. This is a reminder that a thriving economy, including a thriving logistics sector, is critical to the future of San Bernardino County.

Environment

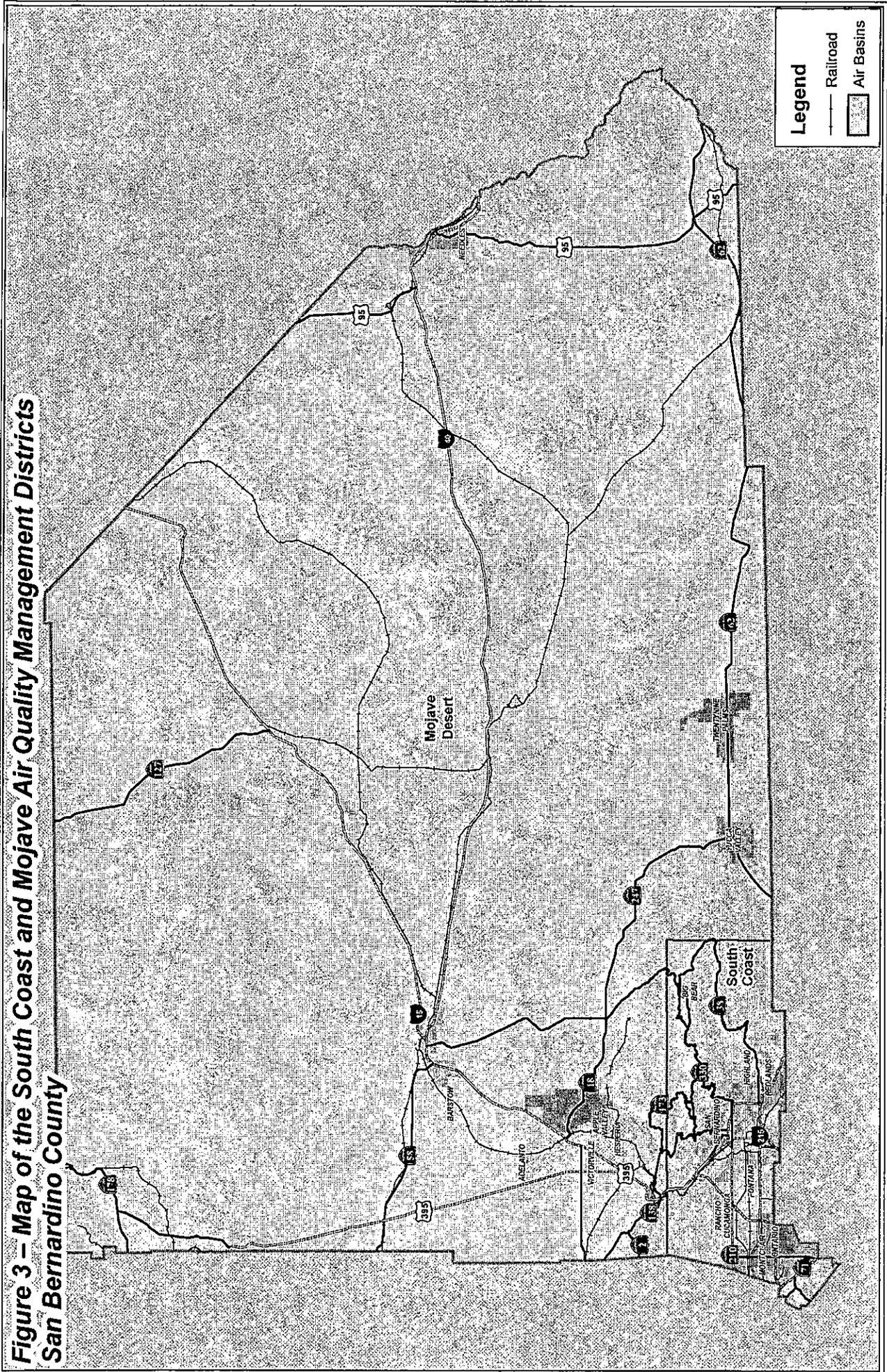
San Bernardino County is covered by both the South Coast and Mojave Air Quality Management Districts (AQMDs). Figure 3 shows the coverage of the two districts. The South Coast AQMD is a federally designated "extreme non-attainment area." The South Coast AQMD portion of San Bernardino County suffers from the worst 24-hour PM 2.5 concentrations and worst 1-hour and 8-hour ozone concentrations in Southern California – between 130 and 180 percent of federal standards, with a significant portion of this impact stemming from goods movement activities.

**Figure 2 - Freeways, Rail lines, and Intermodal facilities
San Bernardino County**



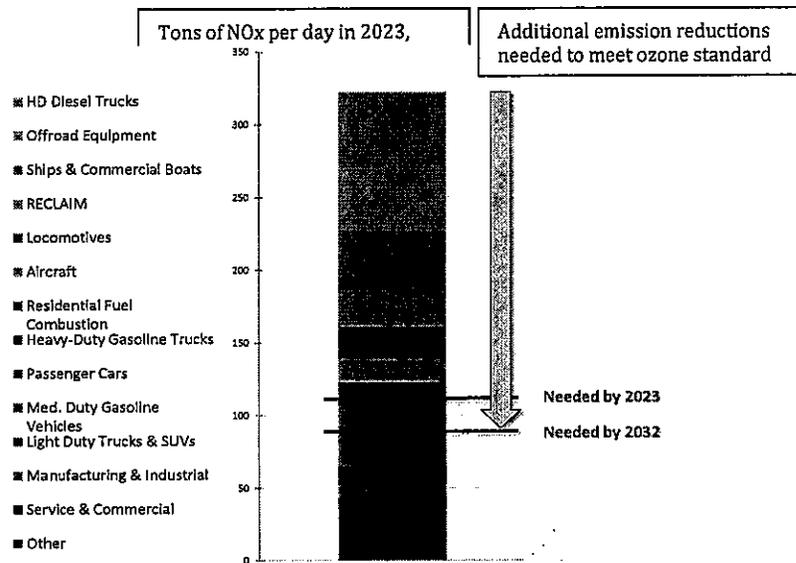
Legend
 Freeway
 Railroad

**Figure 3 – Map of the South Coast and Mojave Air Quality Management Districts
San Bernardino County**



Southern California will need to reduce NOx emissions by two-thirds by 2023 and three-quarters by 2032 to meet federal ozone standards. Projected emissions of NOx from three goods movement sources alone – ships, trains and heavy duty diesel trucks – will be above what is needed to achieve the federal 8-hour ozone standard by 2023, under existing regulations. See Figure 4.

Figure 4. NOx Emission Reductions Needed to Meet Federal Ozone Standards



* Source: Ambient ozone modeling conducted by SCAQMD, 2012; final data

Tremendous progress has been made on air quality over the last several decades. For example, maximum levels of ozone, one of the South Coast’s worst smog problems, have been cut to less than one quarter of what they were in the 1950s, even though today the region has nearly three times as many people and four times as many vehicles. In the past decade, Stage I smog alerts have been eliminated, which previously occurred 100-120 times a year. The South Coast has not reached Stage II levels since the 1980s.

However, the freight sector (ships, intermodal facilities, trains, and trucks) will require further advances for the region to reach federal attainment goals for particulates and ozone. This will require a balanced approach to maintain regional and national competitiveness in manufacturing/logistics while at the same time cleaning up the freight sector from an air quality standpoint. San Bernardino County, although it has some of the worst air quality in the region, cannot afford to lose the jobs associated with the logistics industry while this transition occurs.

Conflicts between industrial/warehouse development and residential communities are of concern as well. Impacts include noise from trucks and trains, localized traffic congestion, and visual impacts, among others.

Freight-Related Investments

SANBAG and Caltrans, in partnership with local governments, have invested approximately \$2.5 billion in the County's transportation network since 2000, significantly benefitting freight mobility. Noteworthy investments include:

Freeways:

- SR-210 from LA County line to I-215 (\$714 million - new freeway completed in 2007, providing substantial traffic relief to Interstate 10 and SR-60)
- Widening of I-215 in San Bernardino, completed in early 2014 (\$830 million)
- Devore Junction (I-15/I-215 interchange) - \$323 million in construction initiated in 2013

I-10 Interchanges:

- Cherry, Citrus, Riverside, and Tippecanoe/Anderson Avenues (\$250 million)

Rail/Highway Grade Separations:

- UP at Ramona Avenue, Hunts Lane, N. Milliken Avenue, S. Milliken Avenue, Vineyard Avenue (\$255M)
- BNSF at State Street., Glen Helen Parkway, Palm Avenue, Laurel Avenue (\$144M)
- Colton Crossing – Grade separation of the east-west UP and north-south BNSF lines that had existed as an at-grade crossing since the 1800s (\$103M)

This represents almost \$2.5 billion in investment in projects benefitting San Bernardino County's freight corridors since year 2000. The largest source of funds for the above projects (40%) has been from local Measure I sales tax revenue. Federal funds comprise 25% and state funds the remaining 35%. This speaks to the serious commitment SANBAG and its local and state partners have made to building and maintaining the highway network for both passenger car traffic and trucks.

INTERVIEWS WITH STAKEHOLDERS

In the late summer and fall of 2013 SANBAG staff conducted interviews with a cross-section of public and private entities with involvement in the freight and logistics industry and environmental community. The interviews covered a range of topics, with a slightly different focus based on the sector being interviewed. The overarching question asked of interviewees was: "What could or should SANBAG be doing to support the economic vitality of the County as it relates to the logistics sector, while also seeking to minimize the impacts the sector can have on the population in general?"

The sectors for which interviews were conducted include:

- Local economic development and planning directors
- State and local air quality agencies
- Railroads
- Trucking interests (including a sample of individual truck drivers)
- Environmental advocates
- Warehouse development interests

Economic development directors were asked about their strategy toward attracting and retaining logistics businesses and concerns they have about business retention. The railroads, trucking representatives, and logistics companies were asked about concerns and issues they have in running their businesses and remaining competitive. Regional and state air quality agencies and environmental advocates were queried with respect to what SANBAG could do to promote the attainment of air quality objectives and minimizing other freight-related impacts.

Additional insights were derived from freight, air quality, and health-related conferences and panels held in 2013, including: AQMD freight technology symposium (April), freight panel for Mobility 21 (October); Sustainable Goods Movement Symposium, Palm Desert (November); SCAG Economic Summit (December); California Economic Summit (November); and San Bernardino County's Live Well, Age Well Summit (November).

Some of the observations from these interviews and supplemental research included the following:

Infrastructure

- Economic development directors indicated that SANBAG should continue its investments in highway construction that benefit the freight industry. The importance of the logistics industry to the County's economy was heavily emphasized, although concern was expressed about the reduced number of jobs per unit of floor area as automation increases.
- Trucking interests supported the addition of highway lanes and improvement of interchanges, but had concerns about safety issues in construction zones. They stated that auto drivers are not sensitive to the limitations in truck maneuverability. They indicated that dedicated lanes for trucks could be beneficial, but were concerned about the costs. Congestion can be severe in Los Angeles, but trips from LA easterly to other states are not greatly affected by congestion. Pavement maintenance problems were noted on local truck routes.
- Economic development directors noted that information on SANBAG's prior and planned investments would be helpful as a supplement to local agency marketing material.
- Public agencies acknowledged that the trucks are hard on local roads.
- Trucking interests indicate that greater clarity and local education is needed regarding Surface Transportation Assistance Act (STAA) truck definition and routes. STAA trucks may travel up to 1.5 miles off the national network, but network maps have been described as being like a

giant jigsaw puzzle of where trucks may and may not travel. There is a need to develop well-defined and clear national, regional and local truck route maps. Enforcement of STAA truck routes is currently difficult for both industry and law enforcement.

Environment

- Air quality agencies restated that they are required to adopt plans that lead to attainment of air quality goals.
- The SCAQMD stated a recognition that the District needs to make the business case for the freight industry to embrace initiatives to clean up their fleets, which is one of the reasons AQMD is investing heavily in technology research.
- Trucking interests acknowledged that compliance with emission regulations is part of the cost of doing business and indicated that some companies do not do business in California because of those costs.
- Small trucking companies and owner/operators find that new regulations are coming on line faster than they can deal with them, and that retrofits of their trucks are just not affordable with the margins on which they operate.
- The environmental community stated that zero and near-zero emission technology is essential to address our air quality problem. Agencies should require trucks serving rail yards to have clean trucks. In addition, better buffers are needed between warehousing/trucking areas and residential communities. They believe agencies have been too pro-warehouse in the past, and that these developments are not necessarily the best use of scarce land resources.
- Some researchers have cited the diminishing returns of tighter regulations and question the benefit of further regulation compared to the harm it will likely cause to the economy. Air quality agencies have documented the benefits of improved air quality to the economy, in terms of lower health costs, fewer lost work days, and improved productivity. Other research has also been cited indicating that the environment is a relatively minor factor in health outcomes and that socio-economic conditions (e.g. income, education, poverty, and unemployment) are by far the most important contributors to an area's public health.

Economy

- Economic development directors expressed grave concerns that over-regulation of business, including logistics businesses, will continue to impact the San Bernardino County economy. San Bernardino County's high unemployment rate and slow recovery from the recession were cited.
- The need was cited for job growth in sectors that are easier to enter from an educational standpoint and that provide employment opportunities for migration to the middle class. Logistics is cited as one of those sectors.
- Trucking interests indicated that air quality regulations are driving small operators out of business. Large, multi-state corporations can usually absorb it with turnover in their truck fleets, but small operators cannot.

- Private warehouse developers cited the challenges of development in California and the relative ease of comparable development in other states.
- Private logistics operators expressed concerns that students coming out of schools today are not equipped with some of the basic skills to make them able to perform the jobs that are available. Private companies can train for their positions, but they cannot afford to do all the remedial work needed.
- The logistics industry has generally indicated that it is willing to pay for cost-effective infrastructure improvements that directly benefit their business.

AN EVALUATION OF SAN BERNARDINO COUNTY'S CURRENT AND FUTURE ROLE IN GOODS MOVEMENT

San Bernardino County has benefitted from its location advantages and the overall growth of the logistics sector. Although many opportunities remain, future success is not assured. The Great Recession of the late 2000s demonstrates how fragile the economy can be, as San Bernardino County still lags behind the pace of recovery of coastal counties. A critical review of assets, liabilities, and opportunities is needed to assess what actions SANBAG should take in the future in the areas of freight and logistics.

One useful way to structure this evaluation is a “SWOT analysis” with respect to freight – What **Strengths** does the County have, what are its **Weaknesses**, what **Opportunities** are likely to be available in the future, and what are the **Threats** to future success?

Below is a summary of the “SWOTs” derived from interviews, technical studies, conferences, and other data.

Strengths

- Location advantages as a gateway – San Bernardino County is both proximate to the ports and is on the way to and from the rest of America, as described in the introduction.
- Presence of distribution facilities for thousands of businesses, large and small, including most of the high-profile wholesalers and retailers in the U.S. Examples include: Amazon, Ashley Furniture, Best Buy, Coca-Cola, COSTCO, Dr. Pepper, Kohl's, Mattel, Pep Boys, Pepsi, Stater Brothers, Target, Walmart, There is a critical mass of activity here that sends a message to other prospective businesses that San Bernardino County is a great place to locate.
- World-class multimodal transportation network (two Class 1 railroads, extensive freeway network and high-capacity arterial system, three airports with large capacity for cargo, BNSF intermodal facility and major UP rail switching yard in Colton) – The fact that so many logistics firms have located in the Inland Empire speaks to the mobility and access that the rail and highway systems provide.
- Proactive local economic development agencies – Economic development departments are working hard to attract and retain quality businesses.

- A substantial labor force. A pool of labor is available for many of the jobs that the logistics sector needs to fill, though the educational system could be better preparing those potential workers.
- Excellent regional partners. SANBAG is working extensively with its 25 local jurisdictions, the private sector, SCAG, the air quality management districts (South Coast and Mojave), Metrolink, the environmental community, and other agencies on multiple fronts. The communications channels for partnerships don't need to be created – they already exist.
- Substantial funding for infrastructure through the County's half-cent sales tax (Measure I), state, and federal funding.
- A substantial supply of developable land that is more affordable than locations closer to the coast.

Weaknesses

- The K-12 educational system is not yet adequately equipping students for some of the jobs the County is capable of attracting. Although logistics employers can train new employees in the skills needed for specific jobs, there is a sense that many students come through the K-12 environment needing remediation in basic skills such as reading, writing, and math.
- Impacts of the logistics sector have not always been managed well. Lack of foresight in planning has resulted in trucks passing by or through neighborhoods, with spillover noise, pollution, and impacts on residential communities at the edges of warehousing districts. This makes it more difficult for other proposed projects to be approved.
- Difficulty competing with coastal communities for the more attractive jobs. The Inland Empire must compete largely on the basis of lower costs and its location advantages for logistics. It is more difficult to attract high-tech jobs.
- Land for logistics facility development, though still available, is becoming more scarce.
- The extent of industrial/warehouse/logistics development and the associated trucks, trains, and air quality problems sometimes casts a negative image of San Bernardino County in general.

Opportunities

- International trade is poised to expand further – despite the Panama Canal expansion and increased competition from other North American ports, forecasts show a near tripling of container volume through the ports in the next 25 years. Experts indicate that some of the lower value and less time-sensitive freight from Asia may divert to the expanded canal, but that transport across the country by land (rail or truck) still provides significant time and cost advantages coming through Southern California.
- The Inland transportation network is, so far, keeping pace with expansion of the logistics sector. The extensive network continues to be one of the County's major assets. The transportation system can continue to be used as a major marketing point for the county.

- Southern California is a stable and growing market for products and services that county businesses can provide. San Bernardino County can be a beneficiary from the goods that are manufactured here and shipped to both local and national markets as well as from freight that stops in the county, even momentarily, for value-added features with subsequent shipping by rail or truck through the gateways.
- If local control of Ontario International Airport is obtained, this area can become an even greater economic engine, particularly for the Valley subarea. Local entities will be in a better position to make business decisions that increase the potential for growth in passenger travel and the flow of goods through the Inland Empire.
- Over time, it can be expected that the cost advantages of production in eastern Asia will lessen, creating more opportunities for production and manufacturing in North America, including Southern California.

Threats

- State and regional regulation. California is near the bottom of the national list of states in terms of friendliness for business. There are a number of factors involved, but regulation is a major one, with both direct and indirect impacts on the cost and speed of doing business.
- Other states are eager to capture Southern California's logistics jobs. Although the Panama Canal expansion is not projected to substantially alter the economic advantages Southern California holds as the dominant port of entry and distribution center for most products from the Pacific Rim, other states will seize whatever additional advantages they can. Some diversion of business to Mexico must also be anticipated. Southern California cannot assume its inherent cost and time advantages will last forever.
- Although the region, including the logistics sector, has made enormous strides in cleaning up the air, achievement of National Ambient Air Quality Standards remains a daunting and expensive challenge. Overly aggressive regulatory timelines, though well-intentioned, could undermine the very economy that would enable the necessary air quality investments to occur.
- The supply of affordable land is not inexhaustible. Failure to plan well for the land we have could result in a backlash of public opinion against the further expansion of logistics.
- Trucks are hard on roadway infrastructure, and with declining revenue streams, funding is projected to fall far short of maintenance needs in the future. Sustainable sources of funding for both maintenance and capital projects are needed.
- Automation could lessen the job-creation benefits of portions of the logistics sector. Automation is vital to productivity and competition on the global stage. Though a threat to some of the traditional jobs, it brings with it also an opportunity for technology jobs. But the County must better position itself to be a player in the technology arena.
- Attaining the federal ozone standards is likely to require a complete transformation of our transportation and energy sectors. Based on a joint

visioning exercise by ARB, SCAQMD, and San Joaquin Valley Unified APCD, one path to attainment requires a nearly complete transformation of passenger vehicles to zero-emission technologies, approximately 80 percent of the truck fleet to zero-or near-zero technology, and nearly all locomotives operating in the South Coast Air Basin to be using some form of zero-emission technology. Such dramatic changes will inevitably require huge investment in and fundamental change to the regional transportation and energy infrastructure. It is questionable whether these transformational changes are physically and economically feasible within the timeframes defined by the federal government.

- San Bernardino County welcomes the improvements in air quality that would result from these investments, but is highly concerned that this will undermine the economic growth associated with the logistics industry, which the County desperately needs. The livelihood of truck owner-operators and other logistics-related businesses, particularly small businesses, is threatened unless there is a business-friendly approach, substantial financial assistance, and possible forgiveness in timelines at the federal level. Southern California should not be disadvantaged from an economic development perspective because of the uniquely difficult challenges in meeting air quality requirements here in our region.

In summary, San Bernardino County and its logistics-driven economy exist in a highly competitive environment. We live within a dynamic world economy with intense competition for the jobs and revenue that are derived from the flow of goods. All the environmental advances we seek cannot be achieved without a strong economy to finance them. SANBAG and its regional agency partners must pursue environmental objectives in ways that do not undermine the economic means to achieve them. At the same time, we must thoughtfully plan for continued expansion of logistics capacity in ways that insulate communities from their impacts. This will require collaboration across multiple disciplines and more comprehensive approaches than in the past.

THE STRATEGY

In light of this analysis, how then should SANBAG respond? In large part, SANBAG plays a support role in what is a private logistics enterprise. The following are proposed as priorities or initiatives that SANBAG could pursue in the context of the agency's role as transportation authority, county transportation commission, and council of governments.

1. **Infrastructure** - Continue to build the highway infrastructure needed to support efficient freight movement. An effective supply chain consists of many parts, one of which involves building and maintaining the infrastructure. Cost-effective transportation system upgrades improve productivity and competitiveness. Continued expansion is needed for freeway mainlines, freight-serving freeway interchanges, and rail/highway grade separations.
2. **Land Use Planning** - Encourage proper planning by local jurisdictions at the interfaces of residential areas with warehouse/distribution areas through wise land

use decisions, buffering, and effective truck routing. Improper planning leads to later problems for all concerned. The logistics sector needs to grow to keep up with demand, but it can still be a good neighbor as it grows.

3. **Promotion** - Promote the merits of San Bernardino County's world-class transportation system by providing information to economic development departments regarding SANBAG, Caltrans, and local jurisdiction investments in infrastructure.
4. **Economic Development and Air Quality** - Work with other regional agencies to structure economic development and air quality initiatives as a "win-win." Advances in air quality are important, but they can only be afforded when the economy is also strong. The region must be careful not to undermine the economic means to solve the air quality problem by trying to impose upon industry requirements they cannot afford. SANBAG should participate in regional conversations on how to strike a balance between maintaining jobs and cleaning the air. The air quality successes of the last several decades have taught us that air quality goals are best achieved through incentivizing adoption of advances in clean vehicles and fuels, not by regulating land use. The great strides in air quality improvement over the last several decades have been made at the same time that regional vehicle miles of travel (VMT) have more than doubled.
5. **Incentives/Grants for Air Quality Improvement** - Seek grants and provide information on opportunities for financial assistance to San Bernardino County trucking companies and truck owner/operators in maintaining compliance with air quality requirements.
6. **Anticipate Future Trends** - Technology is changing rapidly, and the ability to adapt to those changes will keep San Bernardino County competitive. For example, trends in automation of warehousing should be monitored to assess their impact on the economic value and local costs of permitted warehouse development. Partnerships with the private sector will become ever more important as the region seeks to keep pace with competition in the global economy.
7. **Education and Employment** - Through the Countywide Vision, improve employment pathways to the logistics industry. This will take guidance from the industries and the primary/secondary educational systems upon which they depend for their labor pool. There are a number of reasons why poverty rates have increased in San Bernardino County, but the logistics industry can be part of the solution as a relatively stable and growing source of jobs with pathways to the middle class.
8. **Truck Routes** - Work with State and local partners to provide greater clarity and local education regarding Surface Transportation Assistance Act (STAA) truck routes and clear national, regional and local truck route maps.
9. **Funding** - With regional, state, and federal partners, seek equitable ways to continue to fund freight-related infrastructure and its maintenance. The logistics industry has generally indicated that it is willing to pay for cost-effective infrastructure improvements that directly benefit their business.

10. **Airports** - Work with local jurisdiction partners to define policies that will lead to greater use of the three airports in San Bernardino County by freight-related businesses. Continue to support local control of Ontario International Airport.
11. **Project Readiness** - Position SANBAG for state and federal funding opportunities by developing as many freight-related projects as possible through the Project Approval and Environmental Documentation (PA&ED) stage. Include clearance under the National Environmental Policy Act (NEPA) where there are opportunities for substantial federal funds.
12. **Awareness** - Create and maintain greater awareness about goods movement issues affecting San Bernardino County among the SANBAG Board of Directors, state and federal elected and appointed officials, local agency technical staff, and the public.

NEXT STEPS

This working paper is a draft intended for review and discussion by SANBAG policy and technical committees and by interested stakeholders across the spectrum of freight-related issues. SANBAG staff will be receiving input and comments on the working paper through approximately April 2014. A revised draft will be submitted to SANBAG policy committees and the Board for approval in approximately June 2014. The SANBAG Freight Strategy will become a consideration in the Countywide Transportation Plan being developed for San Bernardino County and ultimately in the SCAG 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).



- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
- San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 9

Date: February 21, 2014

Subject: Process for Review of the Measure I 2010-2040 Expenditure Plan in 2015

- Recommendation:***
1. That the Committee receive information on the process for review of the Measure I 2010-2040 Expenditure Plan in 2015.
 2. That the committee consider and comment on a preliminary recommendation by the City/County Managers' Technical Advisory Committee (CCMTAC) that it is premature to entertain amendments to the Measure I 2010-2040 Expenditure Plan in 2015 because SANBAG is still in the initial years of a 30-year Measure, and experience with the Measure is limited. It is recommended that the Expenditure Plan be reviewed in the 2017-2018 timeframe, pending the outreach required by the Measure I Ordinance.
 3. That the Committee recommend the Board authorize an outreach process by SANBAG staff based on the requirement in Section XIV of San Bernardino County Transportation Authority Ordinance No. 04-01 that the Measure I 2015 review process "shall consider recommendations from local governments, transportation agencies and interest groups, and the general public." Following input from this outreach, a determination would be made by the SANBAG Board regarding whether to pursue Expenditure Plan amendments in 2015.

*

Approved
Mountain/Desert Policy Committee

Date: _____

Moved: _____ *Second:* _____

In Favor: _____ *Opposed:* _____ *Abstained:* _____

Witnessed: _____

COG	CTC	CTA	X	SAFE	CMA
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Check all that apply.

MDC1402a-ss

<http://portal.sanbag.ca.gov/mgmt/committee/desert/mdc2014/mdc1402/AgendaItems/MDC1402a1-ss.pdf>

4. That the Committee recommend the Board direct staff to proceed with analysis of interchange priorities for the Valley subarea consistent with the direction provided by the SANBAG Board on November 3, 2010 and in conjunction with the interchange phasing analysis authorized by the Board on October 3, 2012.

Background:

The purpose of this agenda item is to explain the process of considering amendments to the Measure I 2010-2040 Expenditure Plan, as required in 2015 by Section XIV of San Bernardino County Transportation Authority Ordinance No. 04-01 and to obtain initial input from the committee. Section XIV states:

SECTION XIV. EXPENDITURE PLAN AMENDMENTS. The Expenditure Plan may only be amended by the following process:

1. Beginning in 2015, and at least every ten years thereafter, the Authority shall review and, where necessary, propose revision to the Expenditure Plan. Such review shall consider recommendations from local governments, transportation agencies and interest groups, and the general public.
2. The Authority shall notify the cities/towns and Board of Supervisors of the proposed revision and initiation of an amendment, reciting findings of necessity.
3. Actions of the city/town councils and Board of Supervisors to approve or to oppose the amendment shall be formally communicated to the Authority within 60 days of notice of initiation of amendment.
4. The boundaries of subareas shall be amended only by unanimous approval of all the jurisdictions in the subareas where an amendment is proposed to include or exclude territory.
5. Approval of the amendment by a majority of the cities/towns constituting a majority of the incorporated population provided, however, that any amendment of the Victor Valley Expenditure Plan (Schedule E) shall also require a two-thirds vote of the jurisdictions within the Victor Valley subarea.
6. Approval of the amendment by the Board of Supervisors.
7. Approval of the amendment by the Authority.

The complete Measure I Expenditure Plan is included as Attachment 1. The Transportation Expenditure Plan sets forth requirements for how Measure I revenue is to be allocated by subarea and program and how the revenue is to be expended. Modifications to this allocation and expenditure process are subject to the amendment procedures described above.

Overall Concept for Consideration of Amendments

The approval of Measure I 2010-2040 by the voters of San Bernardino County in 2004 set in motion subsequent activities to implement the Measure I Expenditure Plan. The inaugural version of the Development Mitigation Nexus Study was adopted by the SANBAG Board in October 2005. The Nexus Study documents the development mitigation commitments for Valley and Victor Valley jurisdictions necessary to match Measure I funds for the Valley Freeway

Interchange Program, Valley Major Street Program, and Victor Valley Major Local Highways Program. The Measure I Strategic Plan was adopted by the SANBAG Board in April 2009 and contains the policies by which Measure I expenditures are governed.

As evident from the steps described in Section XIV of the ordinance, amendment of the Expenditure Plan is not a trivial process. However, modifications might be made to the Measure I Strategic Plan or Nexus Study that could achieve certain objectives the Board desires to accomplish, and amendments to these documents are much easier than amendment of the Expenditure Plan.

Therefore, SANBAG staff proposes to consider potential modifications to the Measure I Expenditure Plan, Measure I Strategic Plan policies, and Nexus Study together in integrated fashion. The reason for this is to demonstrate what can be achieved without modification of the Expenditure Plan and what actions would require the Expenditure Plan to be changed. Measure I Strategic Plan policies and Nexus Study policies may be modified by the Board without the much more elaborate process required to amend the Measure I Expenditure Plan. Some “early action” changes to Measure I Strategic Plan policy and the Nexus Study could come out of this process.

An Ad Hoc committee of the City/County Managers Technical Advisory Committee has already made some recommendations for changes to the Nexus Study and the Strategic Plan. These will be taken through the SANBAG policy committees in the near future once they are developed in sufficient detail and reviewed by other technical advisory committees. In addition, after discussing the amendment process, the Ad Hoc Committee has made a preliminary recommendation to SANBAG staff that it is premature to entertain amendments to the Measure I 2010-2040 Expenditure Plan in 2015, given that SANBAG is still in the initial years of a 30-year Measure and experience with the Measure is limited. This recommendation was confirmed by the full City/County Manager Technical Advisory Committee at its meeting on January 30, 2014. However, “recommendations from local governments, transportation agencies and interest groups, and the general public” will still be solicited as required by Section XIV.1 of the Measure I Ordinance. Methods by which these recommendations could be solicited include e-mail notifications to stakeholder groups on SANBAG’s extensive contact lists and posting of the comment opportunity on the SANBAG website.

Following this input, a determination would be made by the SANBAG Board regarding whether to pursue Expenditure Plan amendments in 2015. It should be noted that amendments to the Expenditure Plan may be considered at any time

following 2015. The CCMTAC suggested that 2017-2018 would be a reasonable timeline for consideration of such amendments, rather than 2015.

Possible Schedule

The following is proposed as a working schedule to obtain input and make recommendations on the 2015 review of the Expenditure Plan required by the Measure I ordinance:

- Initial discussions with the Transportation Technical Advisory Committee (TTAC) and City/County Managers Ad Hoc Committee in December 2013 and January 2014
- Presentation to SANBAG Metro Valley Study Session and Mountain/Desert Policy Committee in February 2014, initiating discussions on the Expenditure Plan amendment process
- February through March 2014 - Solicit input from “local governments, transportation agencies, interest groups and the public,” per the directive in the Measure I Ordinance. Input would likely be solicited through a structured e-mail request to a range of stakeholders. A public workshop could be held, if the SANBAG Board deems it to be appropriate.
- By the end of March 2014 – Prepare a Measure I/Nexus Study “Issues Paper” based on initial policy committee, TTAC, and City/County Manager TAC input on possible modifications to the Expenditure Plan, Measure I Policies, and Nexus Study.
- April/May, 2014 - Review Measure I/Nexus Study Issues Paper with TTAC and City/County Manager TAC. The Ad Hoc Committee will continue to provide advice throughout these review periods.
- May/June 2014 – Provide recommendations to SANBAG policy committees and Board regarding whether/when potential amendments to the Expenditure Plan should be evaluated and brought back to the SANBAG policy committees. This would be the “go/no-go decision” regarding whether to pursue one or more formal Expenditure Plan amendments. Include specific recommendations on changes to the Measure I Strategic Plan policies and Nexus Study, if applicable.
- Fall 2014 – If the SANBAG Board determines that one or more formal Expenditure Plan amendments should move forward, discuss specific approach with SANBAG policy committees. Define milestone schedule, prepare materials, and organize education/outreach program.
- Early 2015 – Make presentations to city/town councils and Board of Supervisors regarding amendments and the amendment approval process. Provide sample resolutions and support materials. Track progress on city council approvals.

Input Being Sought at this Time

SANBAG staff is seeking input from the committee regarding the following questions:

1. Does the approach and schedule outlined above seem reasonable?
2. Does the committee concur with recommendation No. 2 above?
3. If not, are there specific changes in the Expenditure Plan Board members would like to have considered as part of the 2015 review process?
4. In addition to e-mail and website notifications, are there any other stakeholder outreach methods the committee would want staff to consider?
5. What information is needed about Measure I implementation thus far to better inform decision makers as changes to the Expenditure Plan, Measure I policies, and Nexus Study are considered?
6. What other comments do Board members have about the amendment process?

Additional Notes on Valley Interchange Issues

Recommendation No. 4 references the need to re-evaluate interchange priorities in the Valley Freeway Interchange Program, per Measure I Strategic Plan Policy 40005/VFI-15. The policy states that:

“The prioritization list shall be considered for updates in conjunction with the reviews of the Expenditure Plan required in SECTION XIV. EXPENDITURE PLAN AMENDMENTS of the Measure I 2010-2040 ordinance. However, the SANBAG Board may request a re-evaluation of the prioritization list at any time.”

In addition, staff is engaged in a Valley interchange phasing analysis as authorized by the Board on October 3, 2012. The intent of the phasing analysis is to identify constructible portions of interchanges, leaving construction of the ultimate design to a later date. The phasing analysis was initiated because revenues anticipated for the interchange program were not projected to be sufficient to construct all the interchanges in the Nexus Study list to their ultimate configuration. Building individual phases could be a way to maximize the public benefit of the funding projected to be available. The phasing analysis and options for prioritization will be considered in an integrated fashion.

It should also be noted that 30 out of the 38 Valley interchanges listed in the Nexus Study were originally listed in the Measure I Expenditure Plan. Although Paragraph D (Freeway Interchange Projects) of the San Bernardino Valley portion of the Measure I Expenditure Plan states that the 30 interchanges constitute the *“projects to be constructed with Freeway Interchange Projects*

funds,” funding projections show that funds will not be sufficient to construct even the original Expenditure Plan list of projects. That said, it is important to note the progress that has already been made. Seven of the Valley interchanges in the original Expenditure Plan list have either already been constructed or are under construction, and project development is underway for 7 more. This progress is a credit to jurisdictions that took the initiative to begin project development well prior to the initiation of Measure I 2010-2040.

The scope of work for the phasing analysis approved by the SANBAG Board on December 5, 2012 indicated that the top nine interchanges in the priority list would be exempt from examination of phasing options. However, it should be noted that, even for these highest priority interchanges, SANBAG staff is working with local jurisdictions to identify project scopes that address traffic needs while also minimizing cost to both Measure I and local funding shares. SANBAG is making an effort to work simultaneously on the cost management, phasing, and fund management fronts to obtain the greatest level of public benefit from the funds available for the interchange program. Current funding scenarios assume no additional state and federal funds, beyond what is currently committed, going to the Freeway Interchange Program because of other needs in the freeway and rail programs, as reflected in Strategic Plan policy. This will be discussed further in the update of the 10-Year Delivery Plan. It is conceivable that other state/federal funding opportunities could become available as they did for several of the interchanges recently constructed or in construction. Future extensions of Measure I could also be contemplated to fully complete the entire set of interchanges in the program.

The phasing analysis, combined with a re-evaluation of the priority list, will position SANBAG to make best use of Measure I dollars available to the Valley interchange program. The original priority list for Valley interchanges was based on relief of existing congestion and total interchange cost. In the re-evaluation, options will be considered to include future growth within interchange areas and alternate methods of considering cost. Options for the re-evaluation of interchange priorities could include: re-prioritizing complete interchanges based on modified criteria; prioritizing based on individual interchange phases; moving forward on a phased program while maintaining the current priority list, or some combination of the above. Staff is at the initial stage of developing options for reconsidering the priority list, and will provide information on the various options to technical and policy committees in 2014.

Financial Impact: This item has no financial impact on the SANBAG Fiscal Year 2013/2014 Budget.

Reviewed By: This item is also scheduled for review by the Metro Valley Board of Directors Study Session on February 13, 2014. Information in this agenda item was presented to the Transportation Technical Advisory Committee on February 3, 2014, to the City/County Manager Technical Advisory Committee on January 30, 2014, and to the Measure I/Nexus Study Ad Hoc Committee of the CCMTC on December 3, 2013, January 7, 2014, and January 21, 2014.

Responsible Staff: Steve Smith, Director of Planning

MEASURE "I"

**SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
ORDINANCE NO. 04-01**

**AN ORDINANCE PROVIDING FOR THE CONTINUATION OF A ONE-HALF OF ONE
PERCENT RETAIL TRANSACTIONS AND USE TAX BY THE SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY FOR LOCAL TRANSPORTATION PURPOSES AND THE
TRANSPORTATION EXPENDITURE PLAN**

PREAMBLE

This one-half of one percent retail transactions and use tax is statutorily dedicated for transportation planning, design, construction, operation and maintenance only in San Bernardino County and cannot be used for other governmental purposes or programs. There are specific safeguards in this Ordinance to ensure that funding from the Measure "I" one-half of one percent transactions and use tax is used in accordance with the specified voter-approved transportation project improvements and programs. These safeguards include:

- The specific projects and programs included in the Expenditure Plan will be funded by revenue raised by this transactions and use tax. The transportation Expenditure Plan can be changed only upon approval by a majority of all cities in the County representing a majority of the incorporated population and approval by the San Bernardino County Board of Supervisors.
- An Independent Taxpayer Oversight Committee is created to provide for citizen review to ensure that all Measure "I" funds are spent in accordance with provisions of the Expenditure Plan and Ordinance.
- Continuation of San Bernardino County's one-half of one percent transactions and use tax is for transportation programs only and is not intended to replace traditional revenues generated through locally-adopted development fees and assessment districts. Collection of the one-half of one percent transactions and use tax will start upon the expiration of the Existing Tax.
- The San Bernardino County Transportation Authority will continue to seek maximum funding for transportation improvements through State and federal programs. The Authority will not provide transactions and use tax revenue to any city or to the County unless all transportation revenues currently used by that agency are continued to be used for transportation purposes.

The San Bernardino County Transportation Authority ordains as follows:

SECTION I. SUMMARY. This Ordinance provides for the continued imposition of a retail transactions and use tax of one-half of one percent for local transportation purposes for a period of thirty (30) years, the authority to issue limited tax bonds secured by such taxes, the administration of the tax proceeds and a county transportation Expenditure Plan.

SECTION II. MANDATED TAXPAYER SAFEGUARDS.

A. Independent Taxpayer Oversight Committee. Beginning on April 1, 2010, an Independent Taxpayer Oversight Committee will be established as specified in Exhibit B of this Ordinance to provide citizen review and to ensure that all Measure "I" funds are spent in accordance with provisions of the Expenditure Plan and Ordinance. Exhibit B contains the specific terms and conditions for an Independent Taxpayer Oversight Committee and its review of periodic independent financial audits.

B. Administrative Costs. The Authority shall expend only that amount of funds generated from the tax that is necessary and reasonable to carry out its responsibilities for audit, administrative expenses, staff support, and contract services. In no case shall the funds expended for salaries and benefits exceed one percent (1%) of the annual net amount of revenue raised by the tax.

C. Maintenance of Effort. The Authority, by the enactment of this Ordinance, intends the additional funds provided government agencies by this measure to supplement existing local revenues being used for street and highway purposes. Transactions and use tax revenue shall not be used to replace existing road funding programs or to replace requirements for new development to provide for its own road needs. Under this Measure, funding priorities should be given to addressing current road needs, easing congestion, and improving roadway safety.

The government agencies shall maintain their existing commitment of transportation funds for street, highway and public transit purposes, and the Authority shall enforce this provision by appropriate actions, including fiscal audits of the local agencies.

SECTION III. DEFINITIONS. The following definitions shall apply in this Ordinance:

A. "The Expenditure Plan" means the San Bernardino County Transportation Authority Expenditure Plan (attached as Exhibit A and adopted as part of this Ordinance) including any future amendments thereto.

B. "County" means the County of San Bernardino.

C. "Authority" means the San Bernardino County Transportation Authority. The San Bernardino County Transportation Commission has been designated to serve as the Authority under the provisions of Public Utilities Code Section 180050.

D. "Existing Tax" means the one-half of one percent retail transactions and use tax adopted pursuant to Ordinance No. 89-01 and Ordinance No. 90-01.

SECTION IV. AUTHORITY. This Ordinance is enacted, pursuant to the provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code, and Section 7252.16 of the Revenue and Taxation Code.

SECTION V. CONTINUED IMPOSITION OF RETAIL TRANSACTIONS AND USE TAX.

Upon voter approval of Measure "I," the Authority shall continue to impose, in the incorporated and unincorporated territory of the County of San Bernardino, a transactions and use tax for transportation purposes (referred to as "the tax") at the rate of one-half of one percent (0.5%) for a period of thirty (30) years beginning April 1, 2010. There shall be no coincidental assessment of the current tax (which will expire on March 31, 2010) and the tax to be imposed pursuant to this Ordinance. The tax shall be imposed by the Authority in accordance with Section 180201 of the

Public Utilities Code and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code. The provisions of Revenue and Taxation Code Sections 7261 and 7262 are incorporated herein by reference as though fully set forth herein. The tax shall be in addition to any other taxes authorized by law, including any existing or future state or local sales tax or transactions and use tax.

SECTION VI. PURPOSES. Revenues from the tax shall be used for transportation purposes only and may include, but are not limited to, the administration of this division, including legal actions related thereto and costs of the initial preparation and election, the construction, maintenance, improvements, and operation of local streets, roads, and highways, state highways and freeways, public transit systems including rail, and related purposes. These purposes include expenditures for planning, environmental reviews, engineering and design costs, and related right-of-way acquisition. Expenditures also include, but are not limited to, debt service on bonds and expenses in connection with issuance of bonds.

SECTION VII. RETURN TO SOURCE. After deduction of required Board of Equalization fees and authorized administrative costs, revenues generated from each specified subarea within San Bernardino County as outlined in the Expenditure Plan will be expended on projects of direct benefit to that subarea. Revenues will be accounted for separately for each subarea and then allocated to specified project categories in each subarea. Decisions on how revenues are expended within the subareas will be made by the Authority Board of Directors, based upon recommendations of local representatives. Other than the projects identified in the Cajon Pass Expenditure Plan, revenues generated within a subarea shall be expended outside of that subarea only upon approval of two-thirds (2/3) of the jurisdictions within the affected subarea.

SECTION VIII. CONTRIBUTIONS FROM NEW DEVELOPMENT. No revenue generated from the tax shall be used to replace the fair share contributions required from new development. Each local jurisdiction identified in the Development Mitigation Program must adopt a development financing mechanism within 24 months of voter approval of this Measure "I" that would:

1. Require all future development to pay its fair share for needed transportation facilities as a result of the development, pursuant to California Government Code Section 66000 et seq. and as determined by the Congestion Management Agency.
2. Comply with the Land Use/Transportation Analysis and Deficiency Plan provisions of the Congestion Management Program pursuant to California Government Code Section 65089.

The Congestion Management Agency shall require fair share mitigation for regional transportation facilities through a Congestion Management Program update to be approved within 12 months of voter approval of this Measure "I."

SECTION IX. ADMINISTRATION OF PLANS. The Authority shall impose and collect the tax, and shall administer the Expenditure Plan consistent with the provisions and priorities of the Expenditure Plan and consistent with the authority cited herein.

SECTION X. BONDING AUTHORITY. Upon voter approval of Measure "I", the Authority shall have the power to sell or issue, from time to time, on or before the collection of taxes, bonds, or other evidence of indebtedness, including, but not limited to, capital appreciation bonds, in the aggregate principal amount at any one time outstanding of not to exceed the estimated proceeds of the tax, as determined by the Expenditure Plan, and to secure such indebtedness solely by

way of future collection of taxes, for capital outlay expenditures for the purposes set forth in Section V hereof, including the carrying out of transportation projects described in the Expenditure Plan.

SECTION XI. ANNUAL APPROPRIATIONS LIMIT. The annual appropriations limit has been established pursuant to Ordinance 89-01 pursuant to Section 4 of Article XIII B of the California Constitution and Section 180202 of the Public Utilities Code. The appropriations limit has and shall be subject to adjustment as provided by law.

SECTION XII. EFFECTIVE AND OPERATIVE DATES. Subject to voter approval, this Ordinance shall become operative on the first day of the first calendar quarter commencing more than 110 days after adoption of this Ordinance. Prior to the operative date of this Ordinance, the Authority shall contract with the State Board of Equalization to perform all functions incidental to the administration and operation of this Ordinance.

SECTION XIII. ELECTION. The Authority requests the Board of Supervisors to call an election for voter approval of the attached proposition Measure "I" (Exhibit C), which election shall be held on November 2, 2004, and consolidated with other elections to be held on that same date, that the measure retains its designation as Measure "I," and that it appear first in order on the local San Bernardino County ballot before all other local measures. The election shall be called and conducted in the same manner as provided by law for the conduct of elections by a county. The sample ballot to be mailed to the voters shall be the full proposition as set forth in this Ordinance, and the voter information handbook shall include the entire Expenditure Plan. Approval of the attached proposition and the imposition of the tax shall require the affirmative vote of 2/3rds of the electors voting on the attached proposition at the election described in this section.

SECTION XIV. EXPENDITURE PLAN AMENDMENTS. The Expenditure Plan may only be amended by the following process:

1. Beginning in 2015, and at least every ten years thereafter, the Authority shall review and, where necessary, propose revision to the Expenditure Plan. Such review shall consider recommendations from local governments, transportation agencies and interest groups, and the general public.
2. The Authority shall notify the cities/towns and Board of Supervisors of the proposed revision and initiation of an amendment, reciting findings of necessity.
3. Actions of the city/town councils and Board of Supervisors to approve or to oppose the amendment shall be formally communicated to the Authority within 60 days of notice of initiation of amendment.
4. The boundaries of subareas shall be amended only by unanimous approval of all the jurisdictions in the subareas where an amendment is proposed to include or exclude territory.
5. Approval of the amendment by a majority of the cities/towns constituting a majority of the incorporated population provided, however, that any amendment of the Victor Valley Expenditure Plan (Schedule E) shall also require a two-thirds vote of the jurisdictions within the Victor Valley subarea.
6. Approval of the amendment by the Board of Supervisors.
7. Approval of the amendment by the Authority.

SECTION XV. SEVERABILITY. If any tax or provision of this Ordinance is for any reason held invalid or unenforceable by a court of competent jurisdiction, that holding shall not affect the validity or enforceability of the remaining taxes or provisions, or the existing tax and the Authority declares that it would have passed each part of this Ordinance irrespective of the validity of any other part.

SECTION XVI. THE EXISTING TAX. Nothing in the Ordinance is intended to modify, repeal, alter or increase the Existing Tax. The provisions of this Ordinance shall apply solely to the retail transactions and use tax adopted herein and not to the collection or administration of the Existing Tax.

APPROVED AND ADOPTED by the San Bernardino County Transportation Authority at its meeting on June 2, 2004 by the following vote:

AYES: Alexander, Burgnon, Dale, Hertzmann, Ulloa, Norton-Perry, Chastain, Nuaimi, Cortes, Lindley, McCallon, Christman, Eaton, Valentine, Ovitt, Gilbreath, Wilson, Bagley, Rothschild, Riddell, Cook, Biane, Hansberger, Postmus, Aguiar, Young

NOES: None

ABSENT: Nehmens, Valles, Pomierski

ABSTENTION: None

By: _____
William J. Alexander, Chairman
San Bernardino County Transportation Authority

Attested: _____
Vicki Watson
Clerk of the Board

Exhibit A

Transportation Expenditure Plan

Revenue Estimates and Distribution. Allocation of revenue authorized by Ordinance No. 04-01 is established within this Expenditure Plan. Funds shall be allocated by percentage of the actual revenue received. An estimate of revenues and allocation among categories is reflected in Schedule A – Transportation Improvement Program. The estimated revenue is based upon 2004 value of money and is not binding or controlling.

Return to Source. After deduction of required Board of Equalization fees and authorized costs, revenues generated from each specified subarea within San Bernardino County will be expended on projects of direct benefit to that subarea. Revenues will be accounted for separately for each subarea and then allocated to specified project categories. Decisions on how revenues are expended within the subareas will be made by the Authority Board of Directors, based upon recommendation of local representatives.

Subarea Identification. The San Bernardino Valley Subarea will include the cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland and Yucaipa and unincorporated areas in the east and west portions of the San Bernardino valley urbanized area. The Mountain-Desert area will include the following subareas: (1) The North Desert Subarea, which includes the City of Barstow and surrounding unincorporated areas; (2) The Colorado River Subarea, which includes the City of Needles and the surrounding unincorporated areas of the East Desert; (3) The Morongo Basin Subarea, which includes the City of Twentynine Palms, Town of Yucca Valley, and surrounding unincorporated areas; (4) The Mountain Subarea, which includes the City of Big Bear Lake and surrounding unincorporated areas of the San Bernardino Mountains; and (5) the Victor Valley Subarea, which includes the Cities of Adelanto, Hesperia, and Victorville; the Town of Apple Valley; and surrounding unincorporated areas including Wrightwood.

Contribution from New Development. No revenue generated from the tax shall be used to replace the fair share contributions required from new development.

Requirement for Annual Financial and Compliance Audits of Measure "I" Funds. The San Bernardino County Transportation Authority and each agency receiving an allocation of Measure "I" revenue authorized in this Expenditure Plan shall undergo an annual financial audit performed in accordance with generally accepted auditing standards and government auditing standards issued by the Comptroller General of the United States. Compliance audits also shall be conducted to ensure that each agency is expending funds in accordance with the provisions and guidelines established for Measure "I" revenue.

Cajon Pass Expenditure Plan. Three percent of the revenue generated in the San Bernardino Valley Subarea and the Victor Valley Subarea will be reserved in advance of other allocations specified in this plan in an account for funding of the I-15/I-215 Interchange in Devore, I-15 widening through Cajon Pass, and truck lane development. Cajon Pass serves as the major transportation corridor connecting the two urbanized areas within San Bernardino County and is in need of the identified improvements. These improvements are critical components to intra-county travel for residents of both the Victor Valley and San Bernardino Valley. Projects to be constructed from the Cajon Pass Expenditure Plan are listed in Schedule C.

San Bernardino Valley Subarea Expenditure Plan. In that area described as the Valley Subarea, project categories shall be established as specified below. The San Bernardino Valley Subarea Expenditure Plan is illustrated in Schedule D.

A. State and Federal Transportation Funds. A proportional share of projected state and federal transportation funds shall be reserved for use solely within the Valley subarea.

B. Revenue Estimates. Tax revenues generated by Ordinance No. 04-01 for the Valley subarea over a thirty year period are estimated to be **\$4,520 million**. Approximately **\$881 million** in state and federal funds and approximately **\$777 million** in contributions from new development are projected for the area over this period, for an estimated total Valley area revenue of **\$6,178 million** for transportation improvements. Revenue estimates are not binding or controlling.

C. Freeway Projects. 29% of revenue collected in the San Bernardino Valley Subarea shall fund freeway projects within the San Bernardino Valley Subarea. Projects to be constructed with Freeway Projects funds are listed in Schedule D1. Cost estimates for such projects are not binding or controlling.

D. Freeway Interchange Projects. 11% of revenue collected in the Valley Subarea shall fund Freeway Interchange Projects. Projects to be constructed with Freeway Interchange Projects funds are listed in Schedule D2. Equitable geographic distribution of projects shall be taken into account over the life of the program.

E. Major Street Projects. 20% Over the thirty-year life of Measure "I," the Major Street Projects category will accrue approximately 18% of revenue collected in the Valley. Upon initial collection of revenue, the Major Street Projects category will receive 20% of revenue collected in the Valley. Effective ten years following initial collection of revenue, the Major Street Projects allocation shall be reduced to no more 17% but to not less than 12% upon approval by the Authority Board of Directors and the Express Bus/Bus Rapid Transit Service allocation shall be increased by a like amount. Amendments beyond those authorized in this section shall require a formal amendment as provided in the Measure "I" Ordinance.

Major Street Projects are defined as congestion relief and safety improvements to major streets that connect communities, serve major destinations, and provide freeway access. The Major Street Projects portion of the San Bernardino Valley program shall be expended pursuant to a five-year project list to be annually adopted by the Authority after being made available for public review and comment. Funding priorities shall be given to improving roadway safety, relieving congestion, street improvements at rail crossings and shall take into account equitable geographic distribution over the life of the program.

F. Local Street Projects. 20% of revenue collected in the Valley Subarea shall be distributed among local jurisdictions in the Valley Subarea for Local Street Projects. Allocations to local jurisdictions shall be on a per capita basis using the most recent State Department of Finance population estimates for January 1, with the County's portion based upon unincorporated population in the Valley Subarea. Estimates of unincorporated population within the Valley Subarea shall be determined by the County Planning Department, reconciled with the State Department of Finance population estimate for January 1 of each year.

Local Street Projects are defined as local street and road construction, repair, maintenance and other eligible local transportation priorities. Local Street Project funds can be used flexibly for any eligible transportation purpose determined to be a local priority, including local streets, major highways, state highway improvements, transit, and other improvements/programs to maximize use of transportation facilities. Expenditure of Local Street Project funds shall be based upon a Five Year Plan adopted annually by the governing body of each jurisdiction after being made

available for public review and comment. Local Street Project funds shall be disbursed to local jurisdictions upon receipt of the annually adopted Five Year Plan. The local adopted Five Year Plan shall be consistent with local, regional, and state transportation plans.

G. Metrolink/Rail Service. 8% of revenue collected in the Valley Subarea shall fund Metrolink/Rail Service. Eligible expenditures of Metrolink/Rail Service funds include purchase of additional commuter rail passenger cars and locomotives for use on Metrolink lines serving San Bernardino County; construction of additional track capacity necessary to operate more passenger trains on Metrolink lines serving San Bernardino County; construction of additional parking spaces at Metrolink stations in San Bernardino County; and provision of funds to match State and Federal funds used to maintain the railroad track, signal systems, and road crossings for passenger rail service in San Bernardino County, construction and operation of a new passenger rail service between the cities of San Bernardino and Redlands, and construction and operation of an extension of the Gold Line to Montclair Transit Center for San Bernardino County passengers traveling to San Gabriel Valley cities, Pasadena, and Los Angeles. Projects to be funded by Metrolink/Rail Service funds are listed in Schedule D5.

H. Senior and Disabled Transit Service. 8% of revenue collected in the Valley Subarea shall fund Senior and Disabled Transit Service. 6% of revenue collected in the Valley Subarea in this category shall be expended to reduce fares and enhance service for senior citizens and persons with disabilities. Eligible expenditures in the Senior and Disabled Transit Service category shall include: (1) The provision of funding to off-set a portion of future senior and disabled fare increases that would apply to fixed route, Community Link and complementary paratransit services. (2) The provision of local funds to help off-set operating and capital costs associated with special transit services provided by transit operators, cities and non-profit agencies for seniors and persons with disabilities. (3) At least 2% of the revenue collected in the Valley Subarea in this category will be directed to the creation of a Consolidated Transit Service Agency which will be responsible for the coordination of transit services provided to seniors and persons with disabilities.

I. Express Bus/Bus Rapid Transit Service. 2% Over the thirty-year life of Measure "I," the Express Bus/Bus Rapid Transit Service category will accrue approximately 4% of revenue collected in the Valley. Upon initial collection of revenue, the Express Bus/Bus Rapid Transit Service category will receive 2% of revenue collected in the Valley. Effective ten years following initial collection of revenue, the Express Bus/Bus Rapid Transit Service category shall be increased to at least 5%, but no more than 10% upon approval by the Authority Board of Directors. The Major Street Projects category shall be reduced by a like amount. Amendments beyond those authorized in this section shall require a formal amendment as provided by the Measure "I" Ordinance.

Funds in this category shall be expended for the development, implementation and operation of express bus and bus rapid transit service, to be jointly developed by the Authority and transit service agencies serving the Valley Subarea. Eligible projects to be funded by Express Bus/Bus Rapid Transit Service funds shall include contributions to operating and capital costs associated with implementing high-speed, express-type bus service in high-density travel corridors.

J. Traffic Management Systems. 2% of revenue collected in the Valley Subarea shall fund traffic management systems. Eligible projects under this category shall include signal synchronization, systems to improve traffic flow, commuter assistance programs, freeway service patrol, and projects which contribute to environmental enhancement associated with transportation facilities.

Mountain/Desert Expenditure Plan. In that area described as the Mountain/Desert Area, the following Expenditure Plan requirements shall apply. Schedules E, F, G, H, I illustrate estimated revenue and projects to be constructed in each Mountain/Desert subarea.

A. State and Federal Transportation Funds. A proportional share of projected state and federal transportation funds shall be reserved for use solely within the Mountain/Desert subareas.

B. Revenue Estimates. Tax revenues generated by Ordinance No. 04-01 for the Mountain/Desert region over a thirty year period are estimated to be **\$1,250 million**. Approximately **\$165 million** in state and federal funds and approximately **\$369 million** in contributions from new development are projected for the area over this period, for an estimated total Mountain-Desert area revenue of **\$1,784 million** for transportation improvements. Revenue estimates are not binding or controlling.

C. Local Street Projects. 70% of revenue collected within each subarea shall be apportioned for Local Street Projects within each subarea. 2% of revenue collected within each subarea shall be reserved in a special account to be expended on Project Development and Traffic Management Systems. Eligible Project Development and Traffic Management Systems projects may include, at the discretion of local subarea representatives, costs associated with corridor studies and project study reports, projects to improve traffic flow and maximize use of transportation facilities, congestion management, commuter assistance programs, and projects which contribute to environmental enhancement associated with highway facilities. Expenditure of Project Development and Traffic Management Systems funds shall be approved by the Authority Board of Directors, based upon a recommendation of subarea representatives and the Mountain/Desert Committee. If, after five years of revenue collection and every five years thereafter, the local representatives and the Mountain/Desert Committee make a finding that Project Development and Traffic Management Systems funds are not required for improvements of benefit to the subarea, then revenue in the Project Management and Traffic Management Systems category may be returned to the general Local Street Projects category. Such return shall be allocated and expended based upon the formula and requirements established in the general Local Street Projects category.

After reservation of 2% collected in each subarea for Project Development and Traffic Management Systems, the remaining amount of funds in the general Local Street Projects category shall be allocated to local jurisdictions based upon population (50 percent) and tax generation (50 percent). Population calculations shall be based upon the most current State Department of Finance estimates for January 1 of each year. Estimates of unincorporated population within each subarea shall be determined by the County Planning Department, reconciled with the State Department of Finance population estimate. Tax generation calculations shall be based upon State Board of Equalization data. Schedules E, F, G, H, I reflect the estimate of revenue available for Local Street Projects in each Mountain/Desert subarea.

Projects in the general Local Street Projects category are defined as local street and road construction, repair, maintenance and other eligible local transportation priorities. Local Transportation Project funds may be used flexibly for any eligible transportation purpose determined to be a local priority, including local roads, major streets, state highway improvements, transit, including but not limited to, fare subsidies and service enhancements for seniors and persons with disabilities, and other improvements/programs to maximize use of transportation facilities. Expenditure of Local Transportation Project Funds shall be based upon the Five Year Plan adopted annually by resolution of the governing body of each jurisdiction after being made available for public review and comment. Local Street Project funds shall be disbursed to local jurisdictions upon receipt of the annually adopted Five Year Plan. The locally adopted Five Year Plans shall be consistent with other local, regional, and state transportation plans.

D. Major Local Highway Projects. 25% of revenue collected within each subarea shall be reserved in a special account to be expended on Major Local Highway Projects of benefit to the subarea. Major Local Highway Projects are defined as major streets and highways serving as primary routes of travel within the subarea, which may include State highways and freeways, where appropriate. Major Local Highway Projects funds can be utilized to leverage other state and federal funds for transportation projects and to perform advance planning/project reports. Expenditure of Major Local Highway Projects funds shall be approved by the Authority Board of Directors, based upon a recommendation of subarea representatives and the Mountain/Desert Committee. If, after five years of revenue collection and every five years thereafter, the local representatives and the Mountain/Desert Committee make a finding that Major Local Highway Projects funds are not required for improvements of benefit to the subarea, then revenue in the Major Local Highway Projects category may be returned to jurisdictions within the subarea. Such return shall be allocated and expended based upon the formula and requirements established in the general Local Street Projects category.

E. Senior and Disabled Transit Service. 5% of revenue collected within each subarea shall be reserved in an account for Senior and Disabled Transit Service. Senior and Disabled Transit is defined as contributions to transit operators for fare subsidies for senior citizens and persons with disabilities or enhancements to transit service provided to seniors and persons with disabilities. In the Victor Valley subarea, the percentage for Senior and Disabled Transit Service shall increase by .5% in 2015 with additional increases of .5% every five years thereafter to a maximum of 7.5%. Such increases shall automatically occur unless each local jurisdiction within the subarea makes a finding that such increase is not required to address unmet transit needs of senior and disabled transit users. In the North Desert, Colorado River, Morongo Basin, and Mountain Subareas, local representatives may provide additional funding beyond 5% upon a finding that such increase is required to address unmet transit needs of senior and disabled transit services. All increases above the 5% initial revenue collected for Senior and Disabled Transit Service shall come from the general Local Street Projects category of the subarea.

Expenditure of Senior and Disabled Transit Service funds shall be approved by the Authority Board of Directors, based upon recommendation of subarea representatives and the Mountain/Desert Committee.

F. Mountain/Desert Committee. The Mountain-Desert Committee of the Authority shall remain in effect and provide oversight to implementation of the Mountain/Desert Expenditure Plan.

Measure "I" Transportation Expenditure Plan Schedules

SCHEDULE A

Countywide Measure "I" Revenue and Distribution

Estimated Countywide Measure "I" Distribution	Amount
Cajon Pass Expenditure Plan (3% of San Bernardino Valley Subarea and Victor Valley Subarea Revenues - See Schedule C)	\$ 170 Million
Total San Bernardino Valley Subarea Expenditure Plan (See Schedule D)	\$ 4,520 Million
Total Mountain-Desert Expenditure Plan	\$ 1,250 Million
Victor Valley Subarea (See Schedule E)	\$ 852 Million
North Desert Subarea (See Schedule F)	\$ 95 Million
Mountains Subarea (See Schedule G)	\$ 119 Million
Morongo Basin Subarea (See Schedule H)	\$ 125 Million
Colorado River Subarea (See Schedule I)	\$ 59 Million

SCHEDULE B

Transportation Improvement Revenues

Total Countywide Transportation Revenues	Amount
Estimated Countywide Measure "I" Revenue	\$ 6,120 Million
(Less 1% Administration and 2% Board of Equalization Collection Charge)	<u>(\$ 180) Million</u>
Countywide Measure "I" Revenue Available for Transportation Projects (See Schedule A)	\$ 5,940 Million
Estimated State and Federal Revenues	\$ 1,106 Million
Estimated Contributions from New Development	<u>\$ 1,146 Million</u>
Total Estimate Revenue Available for Transportation Projects	\$ 8,192 Million

SCHEDULE C

Cajon Pass Expenditure Plan

Project Description	Amount
<i>I-15 Widening and Improvement through Cajon Pass</i>	<i>\$ 170 Million</i>
<i>Devore Interchange Widening and Improvements at I-15/I-215</i>	<i>\$ 40 Million</i>
<i>I-15 Dedicated Truck Lane Development</i>	<i>\$ 20 Million</i>
<i>Total Cajon Pass Projects Cost</i>	<i>\$ 230 Million</i>
Cajon Pass Measure "I" Revenue	\$ 170 Million
State and Federal Revenues	<u>\$ 60 Million</u>
Total Cajon Pass Projects Revenues	\$ 230 Million

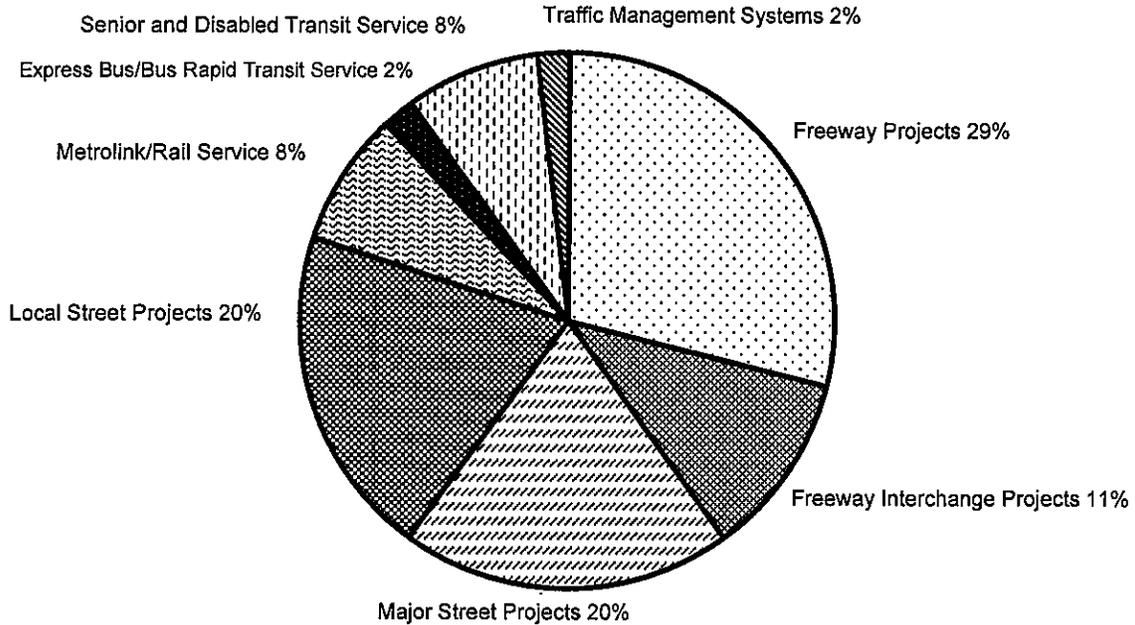
SCHEDULE D

San Bernardino Valley Subarea Expenditure Plan

Project Category	Measure "I" Percentage	Amount
Freeway Projects (See Schedule D1)	29%	\$ 1,311 Million
Freeway Interchange Projects (See Schedule D2)	11%	\$ 497 Million
Major Street Projects* (See Schedule D3)	20%	\$ 814 Million
Local Street Projects (See Schedule D4)	20%	\$ 904 Million
Metrolink/Rail Service (See Schedule D5)	8%	\$ 362 Million
Express Bus/Bus Rapid Transit Service* (See Schedule D6)	2%	\$ 180 Million
Senior and Disabled Transit Service	8%	\$ 362 Million
Traffic Management Systems	<u>2%</u>	<u>\$ 90 Million</u>
Total San Bernardino Valley Subarea Measure "I" Revenue	100%	\$4,520 Million

* Percentage distribution adjusts to serve transportation needs. Amount shown is average over 30-year Measure.

FIGURE D
San Bernardino Valley Subarea Expenditure Plan



SCHEDULE D1

San Bernardino Valley Expenditure Plan Freeway Projects Detail

Freeway Projects	Amount
<i>I-10 Widening from I-15 to Riverside County Line</i>	\$ 610 Million
<i>I-15 Widening from Riverside County Line to I-215</i>	\$ 180 Million
<i>I-215 Widening from Riverside County Line to I-10</i>	\$ 300 Million
<i>I-215 Widening from SR-30/210 to I-15</i>	\$ 120 Million
<i>SR-30/210 Widening from I-215 to I-10</i>	\$ 140 Million
<i>Carpool Lane Connectors</i>	\$ 90 Million
Total Freeway Projects Cost	\$ 1,440 Million
Freeway Projects Measure "I" Revenue	\$ 1,311 Million
State and Federal Revenues	\$ 129 Million
Total Freeway Projects Revenues	\$ 1,440 Million

SCHEDULE D2

San Bernardino Valley Expenditure Plan Freeway Interchange Projects Detail

Freeway Interchange Projects	Amount
<i>Improvements including but not limited to:</i>	
<i>I-10 Interchanges at Monte Vista, Grove/Fourth St, Vineyard, Cherry, Citrus, Cedar, Riverside, Mt. Vernon, Tippecanoe, Mountain View, California, Alabama, Wabash, Live Oak Canyon, Wildwood Canyon</i>	
<i>I-15 Interchanges at 6th St/Arrow, Baseline, Duncan Canyon, Sierra</i>	
<i>SR-60 Interchanges at Ramona, Central, Mountain, Grove, Vineyard</i>	
<i>I-215 Interchanges at University Parkway and Palm</i>	
<i>SR-30/210 Interchanges at Waterman, Del Rosa, Highland, 5th St, and Baseline</i>	
Freeway Interchange Projects Measure "I" Revenue	\$ 497 Million
State and Federal Revenues	\$ 32 Million
Contribution from New Development	<u>\$ 333 Million</u>
Total Interchange Projects Revenues	\$ 862 Million

SCHEDULE D3

San Bernardino Valley Expenditure Plan Major Street Projects Detail

Major Street Projects	Amount
<i>Improvements to major streets that connect communities, serve major destinations, and provide freeway access, such as but not limited to:</i>	
<i>Edison, Pine, Central, Mountain, Grove</i>	
<i>Foothill/Fifth, Baseline, Valley, Slover, Jurupa</i>	
<i>Tippecanoe, Anderson, University, Palm</i>	
<i>Lugonia, Barton, improvements to relieve traffic on Yucaipa Blvd</i>	
<i>Railroad Crossing Improvements, such as but not limited to Milliken and Hunts Ln</i>	
Major Street Projects Measure "I" Revenue	\$ 814 Million
State and Federal Revenues	\$ 82 Million
Contribution from New Development	<u>\$ 444 Million</u>
Total Major Street Projects Revenues	\$ 1,340 Million

SCHEDULE D4

San Bernardino Valley Expenditure Plan Local Street Projects Detail

<u>Local Street Projects</u>	<u>Amount</u>
<i>Distribution to cities and County for street repair and improvements</i>	
Local Street Projects Measure "I" Revenue	\$ 904 Million
State and Federal Revenues	\$ 187 Million
Total Local Street Projects Revenues	\$ 1,091 Million

SCHEDULE D5

San Bernardino Valley Expenditure Plan Metrolink/Rail Service Detail

<u>Metrolink/Rail Service</u>	<u>Amount</u>
<i>Contributions to the following projects:</i>	
<i>Metrolink</i>	
<i>Redlands Extension</i>	
<i>Gold Line Extension</i>	
Metrolink/Rail Service Measure "I" Revenue	\$ 362 Million
State and Federal Revenues	\$ 330 Million
Total Metrolink/Rail Service Revenues	\$ 692 Million

SCHEDULE D6

San Bernardino Valley Expenditure Plan Express Bus/Bus Rapid Transit Service Detail

<u>Express Bus/Bus Rapid Transit Service</u>	<u>Amount</u>
Express Bus/Bus Rapid Transit Service Measure "I" Revenue	\$ 180 Million
State and Federal Revenues	\$ 121 Million
Total Express Bus/Bus Rapid Transit Service Revenues	\$ 301 Million

SCHEDULE E

Victor Valley Subarea Expenditure Plan

Project Category	Measure "I" Percentage	Amount
Local Street Projects	70%	\$ 596 Million
Major Local Highway Projects	25%	\$ 213 Million
Senior and Disabled Transit Service	5%	<u>\$ 43 Million</u>
Total Victor Valley Subarea Measure "I" Revenue	100%	\$852 Million
<hr/>		
Victor Valley Expenditure Plan Detail		
Local Street Projects		
<i>Distribution to cities and County for street repair and improvements</i>		
<i>New construction to relieve Bear Valley Rd, Ranchero Rd, new east/west roadways</i>		
Local Street Projects Measure "I" Revenue		\$ 596 Million
State and Federal Revenues		\$ 39 Million
Contribution from New Development, Major Streets		<u>\$ 281 Million</u>
Total Local Street Projects Revenues		\$ 916 Million
<hr/>		
Major Local Highway Projects		
<i>Contributions to Projects including but not limited to:</i>		
<i>New Interchanges at I-15 and Ranchero, Eucalyptus, LaMesa/Nisqualli</i>		
<i>High Desert Corridor</i>		
<i>I-15 Widening through Victor Valley</i>		
<i>SR-138 Widening and Improvements</i>		
<i>US-395 Widening and Improvements</i>		
Major Local Highway Projects Measure "I" Revenue		\$ 213 Million
State and Federal Revenues		\$ 112 Million
Contribution from New Development, Freeway Interchanges		<u>\$ 88 Million</u>
Total Major Local Highway Projects Revenues		\$ 413 Million
<hr/>		
Senior and Disabled Transit Service		\$ 43 Million

SCHEDULE F

North Desert Subarea Expenditure Plan

Project Category	Measure "I" Percentage	Amount
Local Street Projects	70%	\$ 66 Million
Major Local Highway Projects	25%	\$ 24 Million
Senior and Disabled Transit Service	5%	<u>\$ 5 Million</u>
Total North Desert Subarea Measure "I" Revenue	100%	\$ 95 Million
<hr/>		
North Desert Expenditure Plan Detail		
Local Street Projects		
<i>Distribution to cities and County for street repair and improvements</i>		
<i>Improvements including but not limited to Lenwood Rd, Armory Rd, Rimrock Rd and Main St</i>		
Local Street Projects Measure "I" Revenue		\$ 66 Million
State and Federal Revenues		<u>\$ 2 Million</u>
Total Local Street Projects Revenues		\$ 68 Million
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Major Local Highway Projects		\$ 24 Million
<i>Contributions to Projects including but not limited to:</i>		
<i>SR-58 Widening and Improvements</i>		
<i>US-395 Widening and Improvements</i>		
<i>Lenwood Rd and Vista Rd Grade Separations in Barstow</i>		
<hr/>		
Senior and Disabled Transit Service		\$ 5 Million

SCHEDULE G

Mountains Subarea Expenditure Plan

Project Category	Measure "I" Percentage	Amount
Local Street Projects	70%	\$ 83 Million
Major Local Highway Projects	25%	\$ 30 Million
Senior and Disabled Transit Service	5%	\$ 6 Million
Total Mountains Subarea Measure "I" Revenue	100%	\$119 Million
<hr/>		
Mountains Expenditure Plan Detail		
Local Street Projects		
<i>Distribution to cities and County for street repair and improvements</i>		
Local Street Projects Measure "I" Revenue		\$ 83 Million
State and Federal Revenues		\$ 5 Million
Total Local Street Projects Revenues		\$ 88 Million
<hr/>		
Major Local Highway Projects		\$ 30 Million
<i>Contributions to Projects including but not limited to:</i>		
<i>SR-18 & SR-38 Safety and Traffic Flow Improvements</i>		
<i>SR-330 Safety and Traffic Flow Improvements</i>		
<i>SR-138 Safety and Intersection Improvements</i>		
<i>SR-18 Safety and Intersection Improvements</i>		
<i>Realignment and Rehabilitation of Daley Canyon Rd and Kuffel Canyon Rd</i>		
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Senior and Disabled Transit Service (5%)		\$ 6 Million

SCHEDULE H

Morongo Basin Subarea Expenditure Plan

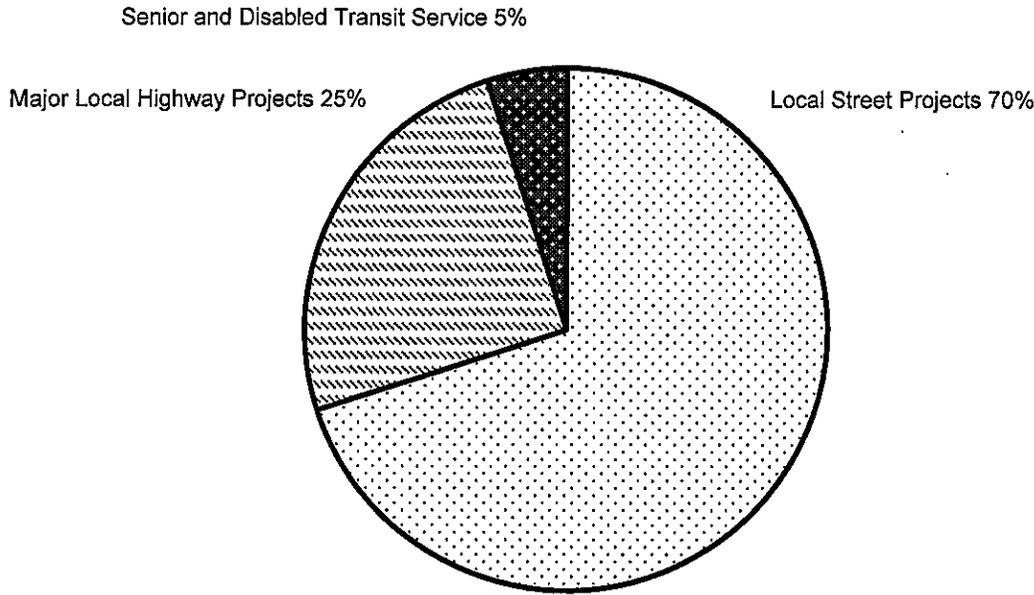
Project Category	Measure "I" Percentage	Amount
Local Street Projects	70%	\$ 88 Million
Major Local Highway Projects	25%	\$ 31 Million
Senior and Disabled Transit Service	5%	\$ 6 Million
Total Morongo Basin Subarea Measure "I" Revenue	100%	\$ 125 Million
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Morongo Basin Expenditure Plan Detail		
Local Street Projects		
<i>Distribution to cities and County for street repair and improvements</i>		
Local Street Projects Measure "I" Revenue		\$ 88 Million
State and Federal Revenues		<u>\$ 5 Million</u>
Total Local Street Projects Revenues		\$ 93 Million
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Major Local Highway Projects		\$ 31 Million
<i>Contributions to Projects including but not limited to:</i>		
<i>SR-62 & SR-247 Widening and Safety Improvements</i>		
<i>SR-62 Widening and Safety Improvements between the Morongo Basin and the Coachella Valley</i>		
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Senior and Disabled Transit Service		\$ 6 Million

SCHEDULE I

Colorado River Subarea Expenditure Plan

Project Category	Measure "I" Percentage	Amount
Local Street Projects	70%	\$ 41 Million
Major Local Highway Projects	25%	\$ 15 Million
Senior and Disabled Transit Service	5%	\$ 3 Million
Total Colorado River Subarea Measure "I" Revenue	100%	\$ 59 Million
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Colorado River Expenditure Plan Detail		
Local Street Projects		
<i>Distribution to cities and County for street repair and improvements</i>		
Local Street Projects Measure "I" Revenue		\$ 41 Million
State and Federal Revenues		\$ 2 Million
Total Local Street Projects Revenues		\$ 43 Million
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Major Local Highway Projects		\$ 15 Million
<i>Contributions to Projects including but not limited to:</i>		
<i>Needles Highway Widening and Realignment from I-40 to the Nevada State Line</i>		
<i>Reconstruction of J Street and Construction of new Bridge in Needles connecting I-40 to Arizona</i>		
<hr/>		
Senior and Disabled Transit Service (5%)		\$ 3 Million

FIGURE J
Mountain/Desert Expenditure Plan





- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
- San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 10

Date: February 21, 2014

Subject: Congestion Management Program Cost Allocation

Recommendation:* That the Committee recommend the Board, acting as the San Bernardino County Congestion Management Agency:

1. Approve the 2012/2013 Congestion Management Program Cost Allocation.
2. Approve Mountain/Desert Subarea Jurisdiction Invoicing for Shares.

Background: Congestion Management Program (CMP), Task No. 0203 in the SANBAG Budget, accumulates expenses related to the general activities and updates of the countywide CMP. Examples of these activities include updates to the Development Mitigation Nexus Study (which applies to the Valley and Victor Valley), further development of SANBAG travel demand forecasting capabilities, and review of traffic studies as related to the CMP network.

Expenses related to the CMP for Fiscal Year 2012/2013 have been compiled and allocated between the Valley and Mountain/Desert subareas. Those expenses related to the Mountain/Desert subarea are further divided by formula and billed annually to the various jurisdictions on a per capita basis. This provides for the sharing of general and administrative expenses associated with the administration of this program.

The item includes three attachments. Attachment 1 provides an overview of the CMP and its role within San Bernardino County. Attachment 2 provides the

*

Approved
 Mountain/Desert Policy Committee

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

COG	<input type="checkbox"/>	CTC	<input type="checkbox"/>	CTA	<input type="checkbox"/>	SAFE	<input type="checkbox"/>	CMA	<input checked="" type="checkbox"/>	X
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Check all that apply.

Fiscal Year 2012/2013 Cost Allocation Schedule of the costs to be reimbursed by the Mountain/Desert jurisdictions. Attachment 3 provides for comparison the Fiscal Year 2011/2012 Cost Allocation Schedule approved by the Board of Directors on April 11, 2013.

Financial Impact: This item will result in a reimbursement to two funding sources, General Fund-Congestion Management Plan (CMP) and MSI 1990-Valley Fund-Traffic Management Environmental Enhancement Fund (TMEE).

Reviewed By: This item is not scheduled for review by any other policy committee or technical advisory committee.

Responsible Staff: Steve Smith, Director of Planning

Attachment 1

CONGESTION MANAGEMENT PROGRAM

Assembly Bills 471, 1791, and 3093, first implemented in 1990 by Proposition 111, require adoption and biennial updating of Congestion Management Programs (CMPs) for each county with an urbanized area of more than 50,000 population. In San Bernardino County, San Bernardino Associated Governments (SANBAG) was designated the Congestion Management Agency by the local governments, and is charged with developing and monitoring compliance with the program. Implementation of the program, and local compliance, are required to gain access to transportation funding through the Regional Transportation Improvement Program. The State controller is required to withhold local gas tax subventions from local jurisdictions which are not in conformance with the adopted CMP.

The CMP for San Bernardino County was developed by SANBAG through technical and policy committees with representation from all local jurisdictions, Caltrans, and the private sector. It was adopted by the Congestion Management Agency Board of Directors on November 4, 1992, and was updated in November 1993 and every odd-numbered year thereafter.

WHAT IS THE INTENT OF THE CMP?

The CMP is intended to strengthen the nexus between transportation and land use decisions, with consideration for air quality. It has resulted in more consistent analysis and a better understanding of regional or multi-jurisdictional transportation consequences of local actions.

HOW DOES IT ACCOMPLISH THIS?

The CMP requires definition of the regional multimodal transportation system, maintenance of level of service standards on regional roads, and implementation of measures to maximize the efficiency of the existing system. It also provides mechanisms to objectively identify and prioritize improvements to the regional system, and is the vehicle through which various state and federal transportation funds are accessed. The statutory CMP requirements are described below.

REQUIRED CMP ELEMENTS

1. **Establishment of Level of Service (LOS) Standards, as calculated by a uniform LOS methodology, for the system of highways and principal arterial roadways within the county.** Once designated, no roadway can be removed from the system. All new highways and principal arterials must be added to the system. The LOS standard must be LOS E or better, except on links or intersections which currently operate at LOS F. Deficiency plans must be completed and adopted for facilities which fail to meet the standard. Deficiency plans are described below.

2. **Standards for public transit service including frequency and routing, and for coordination among separate transit operators.**
3. **A trip reduction and travel demand element** that promotes carpools, vanpools, transit, bicycles, park-n-ride, jobs/housing balance, flextime, and parking management.
4. **A program to analyze the impacts of local land use decisions on the regional transportation system**, including an estimate of the costs to mitigate the identified impacts. This has been implemented through preparation of Traffic Impact Analyses. However, following the passage of Measure I 2010-2040, this requirement will be met in urban parts of the County through locally implemented development mitigation programs that are consistent with the SANBAG Development Mitigation Nexus Study.
5. **A capital improvements program (CIP) to maintain or improve the traffic level of service and transit performance standards, and mitigate the regional transportation impacts of further development.** The capital improvements program must conform to transportation-related vehicle emissions air quality mitigation measures. The actions identified within deficiency plans, traffic impact analyses, or other transportation master plans to mitigate the impacts of development and growth will serve as bases for the CIP.

MODELING REQUIREMENTS

SANBAG, with cooperation from SCAG, the cities, and the County, is required to develop a uniform data base on traffic impacts for use in transportation computer models or compatible analytical tools. The CMA must approve the consistency of local modeling efforts that are used to determine the impacts of development on the circulation system. Local modeling is to be compatible with CMP models, which in turn are to be consistent with regional models. The data base used in the County is to be consistent with the data base used by SCAG. The CMP model(s) for San Bernardino County are more locally detailed versions of the SCAG Regional model, and are maintained at SCAG's Inland Office.

MONITORING

SANBAG must monitor implementation of all elements of the CMP, and is required to make an annual determination of conformance with the CMP for each city and the County. Conformance criteria include:

1. Consistency with LOS and performance standards. Exceptions are segments or intersections for which deficiency plans for implementation of needed improvements have been adopted.
2. Adoption and implementation of a program to analyze the impacts of land use decisions by each local jurisdiction, including documentation of the costs associated with impact mitigation. Within the Valley and Victor Valley areas, their requirement is met by local implementation of development mitigation programs consistent with the SANBAG Development Mitigation Nexus Study. In non-urban areas, it is met by preparation of TIA Reports on qualifying projects.

In addition, traffic levels of service on the CMP roads are to be determined annually. Within San Bernardino County, the owner/operator of each facility has been responsible for monitoring the performance of the facility.

CONFORMANCE

If the Congestion Management Agency determines, following a public hearing, that a jurisdiction has not conformed to the requirements of the CMP, it will notify that city or the County in writing of the specific areas of nonconformance. If the city or County has not reached conformance within 90 days, the SANBAG Board is required to make a finding of nonconformance and submit the finding to the State Controller. The Controller then withholds apportionment of funds otherwise apportioned to the jurisdiction under Section 2105 of the Streets and Highways Code. If, within the 12-month period following receipt of the notice of nonconformance, the Controller is notified by the CMA that the local jurisdiction is again in conformance, the withheld monies will be provided to that jurisdiction. If the local jurisdiction continues to be out of conformance beyond the 12-month period, the apportionments withheld from that jurisdiction are to be returned to the CMA to be expended for capital projects of regional significance. Apportionments returned to the CMA cannot be expended for administration or planning purposes.

Attachment 2
2012-2013 CMP COST ALLOCATION SUMMARY
MOUNTAIN-DESERT SUBAREA

JURISDICTION	Regular Full-Time Employees 1093.20.0203.51010	Regular Part-Time Employees 1093.20.0203.51015	Fringe Allocation- General 1093.20.0203.51990	Indirect Allocation- General 1093.20.0203.58110	CMP Total by Agency
COLORADO RIVER SUBAREA					
Needles	\$46.18	\$0	\$42.23	\$58.35	\$146.76
San Bernardino County	\$20.39	\$0	\$18.65	\$25.76	\$64.80
MOUNTAINS SUBAREA					
Big Bear Lake	\$48.05	\$0	\$43.94	\$60.71	\$152.70
San Bernardino County	\$422.21	\$0	\$386.12	\$533.44	\$1,341.77
MORONGO BASIN SUBAREA					
Twentynine Palms	\$245.23	\$0	\$224.27	\$309.83	\$779.33
Yucca Valley	\$233.42	\$0	\$213.47	\$294.91	\$741.80
San Bernardino County	\$233.42	\$0	\$213.47	\$294.91	\$741.80
NORTH DESERT SUBAREA					
Barstow	\$217.81	\$0	\$199.19	\$275.20	\$692.20
San Bernardino County	\$312.10	\$0	\$285.42	\$394.32	\$991.85
VICTOR VALLEY SUBAREA					
Adelanto	\$294.16	\$0	\$269.02	\$371.66	\$934.84
Apple Valley	\$662.20	\$0	\$605.59	\$836.66	\$2,104.46
Hesperia	\$859.30	\$0	\$785.84	\$1,085.68	\$2,730.81
Victorville	\$1,131.64	\$0	\$1,034.90	\$1,429.77	\$3,596.31
San Bernardino County	\$658.63	\$0	\$602.33	\$832.15	\$2,093.11
GRAND TOTAL	\$5,384.76	\$0.00	\$4,924.43	\$6,803.36	\$17,112.56

Attachment 3
CONGESTION MANAGEMENT PROGRAM COSTS 2011/2012
COST ALLOCATION

JURISDICTION	Regular Full-Time Employees 1093.20.0203.51010	Regular Part-Time Employees 1093.20.0203.51015	Fringe Allocation- General 1093.20.0203.51990	Indirect Allocation- General 1093.20.0203.58110	CMP Total by Agency
COLORADO RIVER SUBAREA					
Needles	\$70.30	\$1.99	\$68.88	\$110.08	\$251.26
San Bernardino County	\$31.03	\$0.88	\$30.40	\$48.59	\$110.89
MOUNTAINS SUBAREA					
Big Bear Lake	\$73.09	\$2.07	\$71.61	\$114.45	\$261.22
San Bernardino County	\$642.27	\$18.20	\$629.25	\$1,005.65	\$2,295.36
MORONGO BASIN SUBAREA					
Twentynine Palms	\$369.38	\$10.47	\$361.89	\$578.37	\$1,320.11
Yucca Valley	\$355.07	\$10.06	\$347.87	\$555.96	\$1,268.97
San Bernardino County	\$355.07	\$10.06	\$347.87	\$555.96	\$1,268.97
NORTH DESERT SUBAREA					
Barstow	\$330.68	\$9.37	\$323.98	\$517.77	\$1,181.80
San Bernardino County	\$474.78	\$13.45	\$465.16	\$743.40	\$1,696.79
VICTOR VALLEY SUBAREA					
Adelanto	\$446.28	\$12.64	\$437.23	\$698.77	\$1,594.93
Apple Valley	\$1,006.06	\$28.51	\$985.67	\$1,575.26	\$3,595.49
Hesperia	\$1,307.74	\$37.05	\$1,281.23	\$2,047.62	\$4,673.63
Victorville	\$1,710.35	\$48.46	\$1,675.67	\$2,678.01	\$6,112.49
San Bernardino County	\$1,001.92	\$28.39	\$981.61	\$1,568.78	\$3,580.71
GRAND TOTAL	\$8,174.03	\$231.60	\$8,008.33	\$12,798.66	\$29,212.61



- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
- San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 11

Date: February 21, 2014

Subject: Review Financial Audits for Transit Operators

Recommendation:* That the Committee recommend the Board review and receive the following Operator financial reports for Fiscal Year 2011/2012: Barstow Area Transit (BAT).

Background: Public Utility Code 99245.2, Single Audit Act, and the U.S. Office of Management and Budget (OMB) require an annual audit be conducted of SANBAG and affiliated organizations: Barstow Area Transit (BAT), Mountain Area Regional Transit Authority (MARTA), Morongo Basin Transit Authority (MBTA), Needles Area Transit (NAT), Omnitrans, Valley Transportation Services (Vtrans) and Victor Valley Transit Authority (VVTA).

This item presents the results of Barstow Area Transit (BAT) financial audit for Fiscal Year 2011/2012, completed October 2013. The financial statements audits were completed by Vavrinek Trine and Day Co., LLC.

The financial statements for BAT includes an Independent Auditors' Report included as Attachment A. The full financial package report is included as supplemental material with the board packet. It includes the following reports:

1. Audit of Operators Basic Financial Statements
2. Statement on Auditing Standards 114 (SAS 114).

The financial statements for BAT include an Independent Auditors' Report with an unqualified opinion, meaning without material misstatements or omissions.

Approved
 Mountain/Desert Policy Committee

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

COG		CTC	X	CTA	X	SAFE		CMA	
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Check all that apply.

Report/Letter	BAT
TDA/Prop IB Financial Statements	X
SAS 114 Letter	X

The following is a summary of the audit reports along with any findings or recommendations for BAT:

- **TDA Report:** Unmodified opinion issued.
- **SAS 114 Letter:** Management corrected payroll accrual and salaries expense.

Effective Audit Fiscal Year 2011/2012, SANBAG procured Vavrinek Trine and Day Co., LLC as the new auditor for the transit operators. The previous auditor Miers & Miers provided audit services since 1992 (excluding Omnitrans). This change created challenges for the operators since it was a new process for them. Typically the audits are completed within 180 days after the end of the fiscal year. The transition to the new auditor required a 90 day extension. BAT was not able to meet this extension deadline.

Needles Area Transit is still in the process of completing their financial reports and will have FY2011/2012 audits combined with FY2012/2013. Once these reports are completed, SANBAG staff will present and report them to SANBAG Board.

Financial Impact: This item has no financial impact to the SANBAG Fiscal Year 2013/2014 budget.

Reviewed By: Barstow Area Transit has or is scheduled to take these financial reports to their board. This item is scheduled for review by the Transit and Rail Policy Committee on February 13, 2014. The Finance department has reviewed and approved this item.

Responsible Staff: Monica Morales, Transit Specialist
 Hilda Flores, Chief of Accounting and Procurement

CITY OF BARSTOW, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUNDS
Financial Statements
Year Ended June 30, 2012

CITY OF BARSTOW, CALIFORNIA

TRANSPORTATION DEVELOPMENT ACT FUNDS

Financial Statements

Year Ended June 30, 2012

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Vavrinek, Trine, Day & Co., LLP

Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
San Bernardino Associated Governments
San Bernardino, California

We have audited the accompanying financial statements of the Transportation Development Act (TDA) Article 8 Fund (Fund) of the City of Barstow, California (City), as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present the TDA Fund of the City only and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2012, and the changes in financial position, or, where applicable, its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of the TDA Fund of the City as of June 30, 2012, and the changes in financial position and its cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 2, 2013 on our consideration of the City's internal control over financial reporting for the TDA Fund, and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Attachment A

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

Vourmile, Trini, Day, Co., LLP

Rancho Cucamonga, California
October 2, 2013



- San Bernardino County Transportation Commission ■ San Bernardino County Transportation Authority
- San Bernardino County Congestion Management Agency ■ Service Authority for Freeway Emergencies

Minute Action

AGENDA ITEM: 12

Date: February 21, 2014

Subject: Review Financial Audits for Transit Operators

Recommendation:* That the Committee recommend the Board review and receive the following Operator financial reports for Fiscal Year 2012/2013 for:

- Mountain Area Regional Transit Authority (MARTA)
- Morongo Basin Transit Authority (MBTA)
- Victor Valley Transit Authority (VVTA)

Background: Public Utility Code 99245.2, Single Audit Act, and the U.S. Office of Management and Budget (OMB) require an annual audit be conducted of SANBAG and its affiliated organizations: Barstow Area Transit (BAT), Mountain Area Regional Transit Authority (MARTA), Morongo Basin Transit Authority (MBTA), Needles Area Transit (NAT), Omnitrans, Valley Transportation Services (Vtrans), and Victor Valley Transit Authority (VVTA).

This item presents the results of audits performed on MARTA, MBTA and VVTA. The audit of the financial statements for Fiscal Year 2012/2013 was completed by Vavrinek Trine and Day Co., LLC.

The financial statements for the transit operators include an Independent Auditors' Report included as MARTA Attachment A, MBTA Attachment B and

Approved
 Mountain/Desert Policy Committee

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: _____

Witnessed: _____

COG	CTC	X	CTA	X	SAFE	CMA
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Check all that apply.

VVTA Attachment C. Each transit operator received an unmodified opinion, meaning no material misstatements or omissions.

The full financial package report for each operator is included as supplemental material with the board packet. It includes a combination of the following reports:

1. Audit of Operators Basic Financial Statements and Annual Financial Report.
2. Single Audit Compliance Reports in accordance with Budget and Management (OMB) Circular A-133.
3. Statement on Auditing Standards 114 (SAS 114).
4. GAGAS (Generally Accepted Government Auditing Standards) Report.

The table below represents the financial reports applicable to each transit operator.

Report/Letter	MARTA	MBTA	VVTA
Basic Financial Report	X	X	X
Single Audit Report		X	
SAS 114 Letter	X	X	
GAGAS Report	X		

The following is a summary of the audit reports along with any findings or recommendations for each transit agency.

MARTA:

- **Basic Financial Report:** Unmodified opinion issued.
- **SAS 114 Letter:** No findings reported.
- **GAGAS Report:** No findings reported. The report describes scope of internal control testing and compliance.

MBTA:

- **Basic Financial Report:** Unmodified opinion issued.
- **SAS 114 Letter:** Depreciation expense was understated by \$106,419 and was corrected by Management.
- **Management Letter:** MBTA to include controls to review the report on compensated absences to exclude terminated employees.
- **Single Audit:** Unmodified opinion issued. Finding is to include closing procedures to properly review formulas and balances related to depreciation expense to mitigate the risk of errors.

VVTA:

- **Basic Financial Report:** Unmodified opinion issued.
- **SAS 114 Letter:** No findings reported.
- **Single Audit:** Anticipated to be issued prior to March 31, 2014.

Effective Audit Fiscal Year 2011/2012, SANBAG procured Vavrinek Trine and Day Co., LLC as the new auditor for the transit operators (excluding Omnitrans). The previous auditor Miers & Miers provided audit services since 1992. This change created challenges for the operators during the first year of audits because of the new process. However, this fiscal year audits constituted the second year for Vavrinek Trine and Day Co., LLC and the audits were completed within 180 days of the end of the fiscal year. The transition to the audit firm, Vavrinek, Trine, & Day is effective for audit (FY2012/2013). A 90 day extension was required for BAT, NAT, and Omnitrans. Barstow Area Transit, Needles Area Transit and Omnitrans are still in the process of completing their financial reports and should be completed by the end of January 2014. Once these reports are completed, SANBAG staff will present and report them to SANBAG Board.

Financial Impact: This item has no financial impact to the SANBAG Fiscal Year 2013/2014 budget.

Reviewed By: Each Operator has or is scheduled to take these financial reports to their respective board. This item is scheduled for review by the Commuter Rail and Transit Policy Committee on February 13, 2014. The Finance department has reviewed and approved this item.

Responsible Staff: Monica Morales, Transit Specialist
Hilda Flores, Chief of Accounting and Procurement

**MOUNTAIN AREA REGIONAL
TRANSIT AUTHORITY**

**BASIC FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

Attachment A

MOUNTAIN AREA REGIONAL TRANSIT AUTHORITY

JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mountain Area Regional Transit Authority
Big Bear Lake, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Mountain Area Regional Transit Authority (MARTA) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise MARTA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MARTA as of June 30, 2013, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, MARTA adopted Statement of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as of July 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2013, on our consideration of MARTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MARTA's internal control over financial reporting and compliance.

Vourmile, Tami, Day, Co., LLP

Rancho Cucamonga, California
December 11, 2013

**MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2013

Attachment B
MORONGO BASIN TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Morongo Basin Transit Authority
Joshua Tree, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Morongo Basin Transportation Authority (MBTA), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise MBTA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MBTA as of June 30, 2013, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, MBTA adopted Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective July 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2013, on our consideration of MBTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MBTA's internal control over financial reporting and compliance.

Vermate, Tami, Day, Co., LLP

Rancho Cucamonga, California
December 12, 2013

**VICTOR VALLEY
TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**BASIC FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Victor Valley Transit Authority
Hesperia, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Victor Valley Transit Authority (Authority) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2013, and the changes in financial position, and, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the City adopted Statement of Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net Position*, effective July 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Vermile, Trini, Day, Co., LLP

Rancho Cucamonga, California
December 18, 2013

This list provides information on acronyms commonly used by transportation planning professionals. This information is provided in an effort to assist SANBAG Board Members and partners as they participate in deliberations at SANBAG Board meetings. While a complete list of all acronyms which may arise at any given time is not possible, this list attempts to provide the most commonly-used terms. SANBAG staff makes every effort to minimize use of acronyms to ensure good communication and understanding of complex transportation processes.

AB	Assembly Bill
ACE	Alameda Corridor East
ACT	Association for Commuter Transportation
ADA	Americans with Disabilities Act
ADT	Average Daily Traffic
APTA	American Public Transportation Association
AQMP	Air Quality Management Plan
ARRA	American Recovery and Reinvestment Act
ATMIS	Advanced Transportation Management Information Systems
BAT	Barstow Area Transit
CALACT	California Association for Coordination Transportation
CALCOG	California Association of Councils of Governments
CALSAFE	California Committee for Service Authorities for Freeway Emergencies
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CMAQ	Congestion Mitigation and Air Quality
CMIA	Corridor Mobility Improvement Account
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COG	Council of Governments
CPUC	California Public Utilities Commission
CSAC	California State Association of Counties
CTA	California Transit Association
CTC	California Transportation Commission
CTC	County Transportation Commission
CTP	Comprehensive Transportation Plan
DBE	Disadvantaged Business Enterprise
DEMO	Federal Demonstration Funds
DOT	Department of Transportation
EA	Environmental Assessment
E&D	Elderly and Disabled
E&H	Elderly and Handicapped
EIR	Environmental Impact Report (California)
EIS	Environmental Impact Statement (Federal)
EPA	Environmental Protection Agency
FHWA	Federal Highway Administration
FSP	Freeway Service Patrol
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
FTIP	Federal Transportation Improvement Program
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
HOV	High-Occupancy Vehicle
ICTC	Interstate Clean Transportation Corridor
IIEP	Inland Empire Economic Partnership
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991
IIP/ITIP	Interregional Transportation Improvement Program
ITS	Intelligent Transportation Systems
IVDA	Inland Valley Development Agency
JARC	Job Access Reverse Commute
LACMTA	Los Angeles County Metropolitan Transportation Authority
LNG	Liquefied Natural Gas
LTF	Local Transportation Funds

MAGLEV	Magnetic Levitation
MARTA	Mountain Area Regional Transportation Authority
MBTA	Morongo Basin Transit Authority
MDAB	Mojave Desert Air Basin
MDAQMD	Mojave Desert Air Quality Management District
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
MSRC	Mobile Source Air Pollution Reduction Review Committee
NAT	Needles Area Transit
NEPA	National Environmental Policy Act
OA	Obligation Authority
OCTA	Orange County Transportation Authority
PA&ED	Project Approval and Environmental Document
PASTACC	Public and Specialized Transportation Advisory and Coordinating Council
PDT	Project Development Team
PNRS	Projects of National and Regional Significance
PPM	Planning, Programming and Monitoring Funds
PSE	Plans, Specifications and Estimates
PSR	Project Study Report
PTA	Public Transportation Account
PTC	Positive Train Control
PTMISEA	Public Transportation Modernization, Improvement and Service Enhancement Account
RCTC	Riverside County Transportation Commission
RDA	Redevelopment Agency
RFP	Request for Proposal
RIP	Regional Improvement Program
RSTIS	Regionally Significant Transportation Investment Study
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agencies
SB	Senate Bill
SAFE	Service Authority for Freeway Emergencies
SAFETEA-LU	Safe Accountable Flexible Efficient Transportation Equity Act – A Legacy for Users
SCAB	South Coast Air Basin
SCAG	Southern California Association of Governments
SCAQMD	South Coast Air Quality Management District
SCRRA	Southern California Regional Rail Authority
SHA	State Highway Account
SHOPP	State Highway Operations and Protection Program
SOV	Single-Occupant Vehicle
SRTP	Short Range Transit Plan
STAF	State Transit Assistance Funds
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
TAC	Technical Advisory Committee
TCIF	Trade Corridor Improvement Fund
TCM	Transportation Control Measure
TCRP	Traffic Congestion Relief Program
TDA	Transportation Development Act
TEA	Transportation Enhancement Activities
TEA-21	Transportation Equity Act for the 21 st Century
TMC	Transportation Management Center
TMEE	Traffic Management and Environmental Enhancement
TSM	Transportation Systems Management
TSSDRA	Transit System Safety, Security and Disaster Response Account
USFWS	United States Fish and Wildlife Service
VCTC	Ventura County Transportation Commission
VVTA	Victor Valley Transit Authority
WRCOG	Western Riverside Council of Governments

San Bernardino Associated Governments



MISSION STATEMENT

To enhance the quality of life for all residents, San Bernardino Associated Governments (SANBAG) will:

- Improve cooperative regional planning

- Develop an accessible, efficient, multi-modal transportation system

- Strengthen economic development efforts

- Exert leadership in creative problem solving

To successfully accomplish this mission, SANBAG will foster enhanced relationships among all of its stakeholders while adding to the value of local governments.

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