



**Anaheim Transportation Network
Board of Directors and General Membership
Meeting Minutes
Wednesday, April 23, 2014
3:00 P.M. – 5:00 P.M.**

**Anaheim Convention Center
Mezzanine Conference Room
800 West Katella Avenue, Anaheim, CA 92802**

ATN Board Members in Attendance:

Jerry Alder, Anaheim Gardenwalk
Sergio Bocci, Hilton Anaheim
Fred Brown, Desert Palms Hotel & Suites
Jay Burgess, AOCVCB
Tom Morton, City of Anaheim
Ron Kim, Prospera
Kyndell Paine, Disneyland Resort
Paul Sanford, Anabella Hotel

ATN Staff Present:

Diana Kotler, ATN
Lita Aguilar, ATN
DeAndre McCall, ATN
Belinda Trani, ATN

ATN Legal Counsel:

Fred Whitaker, Cummins & White, LLP

Ex-Officio Members:

Robert Johnson, MV Transportation

ATN Members Present:

None

Members of the Public Present:

Jamie Lai, City of Anaheim
Linda Johnson, City of Anaheim
Todd Priest, CP&A
Curt Pringle, CP&A
Sue Zulke, OCTA
Charles Love, Clean Energy
Derek Turbine, Clean Energy
Brian Rippie, Clean Energy

AGENDA



The ATN Board of Directors meeting was called to order at 3:03 pm

WELCOME & INTRODUCTIONS

ADDITIONS/DELETIONS TO THE AGENDA

None

PUBLIC COMMENTS

None

SPECIAL CALENDAR:

1. Presentation of a Resolution to Normajeon Price for the Anaheim Resort Transportation Operator for the Month of March 2014.

CONSENT CALENDAR

Items 2 – 8 on the consent calendar will be acted on by one roll call vote unless members of the ATN Board of Directors, staff or the public request the item to be discussed and/or removed from the consent calendar for separate action:

2. Receive and approve minutes of the ATN Board of Directors meeting held on Wednesday, March 26, 2014
3. Receive and file status report pertaining to the Anaheim Transportation Network operations
4. ATN Focus Area Reports – March 2014
5. Receive and file ART Operating Reports through March 2014
6. Receive and close financial reports for the period of January 31, 2014 and February 28, 2014. File draft financial reports for the period of March 31, 2014
7. Receive and file ATN membership report for March 2014
8. Receive and file customer service summary for March 2014
9. Receive and file sales report summary for March 2014

By Motion, Sanford/Morton the ATN Board of Directors approved the consent calendar

Ayes: Alder, Bocci, Brown, Burgess, Morton, Kim, Paine, Sanford

Noes: None

OPERATIONAL REPORT:

10. ART operational update – monthly report provided by MV Transportation, Inc.



Robert Johnson, General Manager, MV Transportation reported that ART service over Spring Break proceeded without incidents. Staffing levels were adequate to accommodate ATN's request for service.

BOARD WORKSHOP:

Anaheim Regional Transportation Intermodal Center (ARTIC) Update
Presentation by the City of Anaheim

Jamie Lai of the City of Anaheim, provided an update to the ATN Board of Directors regarding progress of the construction and proposed operations ARTIC. Based on the projections developed by the City of Anaheim, over 10,000 daily passengers are anticipated to use the facility.

Construction of the facility is proceeding on schedule. Soft opening is slated for late November, with tenant move-in planned for the month of December and official opening of the facility in early 2015.

The ATN will have a physical presence at ARTIC. Lease arrangements are being discussed between the ATN, City of Anaheim and Lincoln Properties Company (LPC). LPC was recently awarded a property management contract by the City of Anaheim to oversee all on-site functions on behalf of the City of Anaheim.

Ms. Lai also mentioned that all activities at ARTIC are being memorialized through a 24-hr video. ATN staff will forward the video link to all ATN Board of Directors and will arrange a tour of the ARTIC facility for the May ATN Board of Directors meeting.

ATN staff reported that work has been ongoing with the technical communications consultant, the Faith Group, to ensure that real-time bus arrival sign and communications are integrated for facilitate ART operations. Preliminary discussions with the AOCVCB were held to discuss opportunity to share the Information/Welcome Booth operations at ARTIC to ensure "Anaheim Welcome" to all ARTIC patrons. The only item that will require further preparations, and will not be ready for ARTIC opening, is the concierge luggage program. Director Sanford advised to work with Disneyland Resort staff to research luggage program logistics in Orlando, FL.

ACTION CALENDAR:

- 11.** Authorize ATN to submit a grant application to the Mobile Source Air Pollution Reduction Review Committee (MSRC) to expand Anaheim Resort Transportation Angels and Ducks Express Special Event Transportation Service.

In April 2013, the ATN was awarded \$153,000 to begin Angels and Ducks Express Special Event Service to provide connectivity between The Anaheim Resort® and Platinum Triangle. Due to the success of the current Angels and Ducks Express Special Event Service, the ATN is submitting a grant



application to the expand the service from its current model of weekend/holiday games only, to service provision for all home games.

Customer service questionnaires indicated that over 90% of the individuals would continue to use the service upon their return visit to Anaheim. In addition, the ATN established a strong partnership with Angels and the Honda Center would further grow Angels and Ducks Express Special Event Service ridership through expanded wholesale and local concierge programs.

The proposed grant application for \$220,000 to MSRC requests funding for two years and through 2016, and would begin with Anaheim Ducks 2014/15 NHL season.

The grant request includes:

1. Service expansion for all Angels & Ducks home games
2. ART service deviation to include ARTIC terminus
3. ART service expansion to include RBI and transportation service for the local community from eight local elementary schools and community centers such as Edison, Henry, Jefferson, Lincoln, Olive Street, Palm Lane, Ponderosa, and Revere elementary schools. Service would be open to the public, using RBI ridership as a baseline to expand transit services Anaheim residents
4. Provide service connectivity for Metrolink rail patrons

By Motion, Sanford/Brown, the ATN Board of Directors authorized ATN to submit a grant application to the Mobile Source Air Pollution Reduction Review Committee (MSRC) to expand Anaheim Resort Transportation Angels and Ducks Express Special Event Transportation Service.

Ayes: Alder, Bocci, Brown, Burgess, Morton, Kim, Paine, Sanford

Noes: None

- 12.** Authorize Executive Director to commence work with the ATN's current validating farebox and ticketing vendor, GFI GenFare, in partnership with CooCoo, to develop an electronic web-based and e-ticket solution for ART service. Mobile ticketing application shall be developed in a two-phase approach authorizing ATN to expend \$30,000 toward software development, with the remaining \$100,000 to be appropriated upon completion of the first phase of the project and toward installation of e-ticket readers on the fleet of ART buses *_Continued from January 22 and March 26, 2014, Board of Directors Meetings*

At its January and March 26, 2014, ATN Board of Directors meetings, Board members discussed and deliberated regarding best alternatives for the initiation of the electronic ticketing program using Smart Phone and/or Android phone technologies.



Upon further deliberation, the ATN Board of Directors authorized staff to proceed with the project based on the following conditions:

1. First Phase of the project should concentrate on software development for the application. Upon completion of the software development phase and deployment of the web-based application only, the project would move to the second, and final, phase of the implementation;
2. The second phase of the project would involve installation of hardware readers, Genaro Fare-e-devices, on the fleet of ART buses dedicated to core ART service routes 1-19; and
3. Interface with the Anaheim Convention Center and Anaheim/Orange County Visitor and Convention Bureau shall be included as part of phase one process. An option to include the name of the property, to allow for the allocation of appropriate credits, should be included as part of the initial implementation phase.

By Motion, Sanford/Brown, the ATN Board of Directors authorized Executive Director to commence work with the ATN's current validating ticketing vendor, GFI Genfare, in partnership with CooCoo, to develop an electronic web-based and e-ticket solution for ART service and to expend \$30,000 toward software development with the remaining \$100,000 to be appropriated upon completion of the first phase of the project and toward installation of e-ticket readers on the fleet of ART buses.

Ayes: Alder, Bocci, Brown, Burgess, Morton, Kim, Paine, Sanford

Noes: None

- 13.** Review and approve release of Request for Proposals (RFP #14-007) to refinance ATN's administrative facilities at 1354 South Anaheim Boulevard, Anaheim

This agenda item, requests ATN Board of Directors approval to release a request for proposals to refinance ATN's administrative facilities at 1354 South Anaheim Boulevard, Anaheim.

The developed RFP #14-007 was reviewed and approved by the ATN legal counsel and requests financial institutions to submit proposals to refinance ATN's administrative facilities at 1354 South Anaheim Boulevard, requests financial institutions to submit refinancing for a combined loan amount of \$2,187,500. The RFP requests a loan proposal for a 25/10 amortization schedule, no pre-payment penalties, and a fixed interest rate.

Director Sanford inquired as to the number of financial institutions on the ATN bidder's lists. Staff informed the Board that current bidders list includes 12 financial institutions. Staff did considerable research to include financial institutions who qualify under DBE status to ensure that triennial audit corrections/recommendations to work with DBE banks were satisfied.



By Motion, Sanford/Alder, the ATN Board of Directors approved release of Request for Proposals (RFP #14-007) to refinance ATN's Administrative facilities at 1354 South Anaheim Boulevard, Anaheim.

Ayes: Alder, Bocci, Brown, Burgess, Morton, Kim, Paine, Sanford

Noes: None

14. Approve recommendation for award of Liquefied Natural Gas (LNG) fueling agreement to Clean Energy, Inc., in response to RFP #14-004 – Transit Fleet Bulk Fuel Supply, Delivery and Mobile Fueling Infrastructure. Authorize Executive Director to execute agreement with Clean Energy, with concurrence of legal counsel, to begin activities necessary for the deployment on mobile LNG fueling station at ATN's new location at 1354 South Anaheim Blvd., Anaheim, CA.

With the slated assumption of maintenance service for 35 LNG buses from the Orange County Transportation Authority (OCTA) later this year, the ATN needs to make preparation for fueling of the LNG bus fleet. On January 22, 2014, ATN Board of Directors authorized release of RFP# 14-004 – Transit Fleet Bulk Fuel Supply, Delivery and Mobile Fueling Infrastructure.

To select the LNG fuel provider, the ATN distributed RFP #04-004 to eight (8) qualified LNG fuel suppliers. In response to RFP #04-004, the ATN received only one proposal, which came from Clean Energy (CE). CE will supply fuel to the ATN from its plant located in Boron, CA. In case of an emergency, LNG fuel will be supplied from Ehrenberg, AZ.

Installation and construction of the ATN's mobile LNG station will be handled by Clean Energy's engineering and construction team. ATN staff met with the City of Anaheim Planning and Fire departments to discuss permitting requirements, which will be streamlined since the proposed location will be mobile, and not permanent, in nature, since the ATN foresees a need for the LNG fueling facility for the next five (5) years.

A two-phase solution is proposed by Clean Energy to expedite deployment of a mobile LNG fueling solution for the ATN. The first phase would include installation of a 6,000-gallon LNG tank with tethered tanker, requiring fuel deliveries every 4-5 days. The second phase of the process and the long-term proposed solution would include installation of 16,000-gallon LNG tank, requiring delivery schedule once every two weeks. Under either scenario, dispensing of the LNG fuel will be at a rate of 36 gallons per minute to fuel each bus in 2-3 minutes.

The cost and price comparison analysis was conducted using OCTA LNG fuel cost per gallon equivalent information presented below.



(Platt Index)	Fixed Price Margin	Freight Charges	Price per Gallon	Tax	Anticipated Price per Gallon
\$0.31	\$0.80	\$0.17	\$1.28	8%	\$1.38

The pricing for LNG fuel will be hedged to the NYMEX natural gas index. Itemized LNG fuel cost is presented in Table 1.

TABLE 1 –LNG FUEL COST STRUCTURE_CLEAN ENERGY

PRICE CATEGORY	COST PER LNG GALLON
Natural Gas Commodity Index	\$0.374
LNG Delivery Cost	\$0.646
CA Fuel Tax	\$0.600
CA Sales Tax Bulk Fuel (8%)	\$0.072
FUEL COST PER GALLON	\$1.152
Fixed Mobile Station Cost	\$0.480
CA Sales Tax Station Capital (8%)	\$0.038
MOBILE FUEL STATION COST	\$0.518
TOTAL FUEL COST	\$1.670

Through the installation of its own mobile LNG fueling station, the ATN estimates fuel savings to be approximately \$0.50 per gallon equivalent. These savings will be passed on to the ATN partners, as currently called for in the operating agreement.

By Motion, Sanford/Alder, the ATN Board of Directors approved staff recommendation for award of Liquefied Natural Gas (LNG) agreement to Clean Energy, Inc. in response to RFP #14-004 – Transit Fleet Bulk Supply, Deliver and Mobile Fueling Infrastructure and authorize Executive Director to execute agreement with CleanEnergy, with concurrence of legal counsel, to begin activities necessary for the deployment on mobile LNG fueling station at ATN’s new location at 1354 South Anaheim Blvd., Anaheim, CA

Ayes: Adler, Bocci, Bruno, Burgess, Morton, Kim, Lai, Paine, Sanford

Noes: None

Director Morton left the ATN Board of Directors meeting at 4:30 p.m.

15. Approve recommendation for award of a tire lease agreement to Michelin North America, Inc., Michelin Fleet Solutions (Michelin) in response to RFP #14-003 as the lowest and best qualified



service provider. Authorize Executive Director to execute agreement with Michelin, with concurrence of legal counsel, and begin activities necessary for the initiation of a tire lease program for 35 Liquefied Natural Gas (LNG) transit buses

As final step for the assumption of the LNG bus fleet of 35 buses, the ATN needs to obtain a vendor to provide transit tire lease services. At the January 22, 2014, ATN Board of Directors authorized release of RFP# 14- 003 to consider a Transit Tire Lease Program. Upon review of proposal submitted by Michelin Fleet Solutions and Bridgestone America's Tire Operations LLC, staff the recommendation is to award an agreement for the fleet of 35 LNG buses only.

The ATN already buys, installs and maintains tires for its fleet of Compressed Natural Gas (CNG) and Liquefied Propane gas (LPG) buses. Total cost for the purchase and replacement of tires for this fleet of 41 buses is approximately \$36,000 per year, not including staff time associated with mounting, repair and replacement of the tires. The proposed tire lease program for this fleet of 41 buses would not be in the best interest of the ATN, at this time. Staff discussed options with the tire lease companies the ability to expand their tire lease programs, should the ATN decide, at a later date, to include this fleet and class of buses.

To select the best qualified service provider, in February 2014, the ATN issued a Request for Proposal to over 17 tire leasing companies. In response to this solicitation, the ATN receive two (2) proposals - Michelin North America Fleet Services, Inc. and Bridgestone Americas Tire Operations LLC.

Based on the evaluation of the received proposals, staff recommendation is to award a three-year, with two one-year options, agreement to Michelin North America Fleet Services Inc., as the lowest and best qualified proposer. Even through RFP 14-003 sought proposals for the entire fleet of 76 buses, the recommendation is to award the Transit Tire Lease program for the fleet of LNG buses only. It is not advantageous to the ATN, at this time, to start a tire lease program for its fleet of CNG and LPG buses at this time.

The cost for the tire lease program is based on the projected bus mileage on a Fixed Tire Mile Rate. Services will include initial start-up to transition the fleet of LNG buses from OCTA to ATN, provision of new tires for the front two wheels and re-treaded tires for the four back wheels in accordance with the industry operating and safety standards. Costs associated with the disposition of tires will be the responsibility of Michelin and are included in the Fixed Tire Mile Rate.



TABLE 1 – COST COMPARISON – TIRE LEASE FOR CNG & LPG FLEET

	Year 1	Year 2	Year 3	Year 4	Year 5
ATN	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518
MICHELIN	\$53,484	\$61,714	\$71,357	\$74,962	\$78,690
BRIDGESTONE	\$52,708	\$59,580	\$68,175	\$70,882	\$73,740

TABLE 2 – LNG FLEET TIRE LEASE PROGRAM

	Year 1	Year 2	Year 3	Year 4	Year 5
MICHELIN	\$56,262	\$64,991	\$56,333	\$59,170	\$62,146
BRIDGESTONE	\$59,936	\$68,563	\$58,852	\$61,205	\$63,648

**TABLE 3 – COST PER TIRE MILE
ORIGINAL 46,000 MILES AND 35,000 RE_TREAD MILES**

	Year 1	Year 2	Year 3	Year 4	Year 5
MICHELIN	\$.00738	\$.00775	\$.00814	\$.00855	\$.00898
BRIDGESTONE	\$.007862	\$.008176	\$.008504	\$.008844	\$.009197

At the request of ATN staff, and based on need, on-site assistance to mount and service tires could be available at an hourly rate of \$75.00. ATN intends to use our current maintenance staff to manage and administer LNG transit tire lease program.

By motion, Sanford/Kim, the ATN Board of Directors approved staff recommendation for award of a tire lease agreement to Michelin North America, Inc., Michelin Fleet Solutions (Michelin) in response to RFP #14-003 as the lowest and best qualified service provide and authorize Executive Director to execute agreement with Michelin with concurrence of legal counsel, and begin activities necessary for the initiation of a tire lease program for 35 Liquefied Natural Gas (LNG) transit buses.

Ayes: Alder, Bocci, Brown, Burgess, Kim, Paine, Sanford

Noes: None

16. Other Business:

- a. Staff informed the ATN Board of Directors that Relocation of ATN Administrative Offices is proceeding on schedule. To officially open ATN’s new home, an Open House is planned for Thursday, June 12, 2014. Official invitations will be distributed shortly.

Adjourn ATN Board of Directors Meeting at 5:05 pm