



**Anaheim Transportation Network
Board of Directors and General Membership
Meeting Minutes
Monday, September 28, 2015
3:00 P.M. – 5:00 P.M.
Anaheim Regional Transportation Intermodal Center
2nd Floor Conference Room
2626 East Katella Avenue, Anaheim, CA 92806**

ATN Board Members in Attendance:

Tom Morton, City of Anaheim
Fred Brown, Desert Palms Hotel & Suites
Jeffrey Runsten, Hilton Anaheim
Bharat Patel, Castle Inn & Suites
Grant Dawdy, Disneyland Resort
Ron Kim, Prospera Hotels
Jay Burress, Visit Anaheim
Jerry Alder, GardenWalk

ATN Staff Present:

Diana Kotler, ATN
DeAndre McCall, ATN
Cristina Montoya, ATN

ATN Legal Counsel:

Fred Whitaker, Cummins & White, LLP

Ex-Officio Members:

Felicia Adams, First Transit

Members of the Public Present:

James Holtz, BYD Coach and Bus
Adam Wood, Curt Pringle & Associates
Sue Zuhlke, OCTA
Steve Wilks, IBI Group
Dan Lee, City of Anaheim
Rick Baligalcupo, OCTA



The ATN Board of Directors meeting was called to order at 3:06 pm

WELCOME & INTRODUCTIONS

No Welcome or Introductions

ADDITIONS/DELETIONS TO THE AGENDA

No additions/deletions to the Agenda

PUBLIC COMMENTS

None

SPECIAL CALENDAR:

1. Presentation of a Resolution to:

a. Stuart Kiyabu – Operator for the Month of August 2015

Director Diana informed the Board of Directors that Mr. Stuart Kiyabu could not make it to the Meeting.

CONSENT CALENDAR

Items 2 – 9 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 held on Wednesday, August 26, 2015**
- 3. Receive and file status report pertaining to the Anaheim Transportation Network operations -- ATN Focus Area Reports – August 2015**
- 4. Receive and file ART Operating Reports:**
 - a. Maintenance: Mileage & Road Call Reports for August 2015**
 - b. Safety & Training: Safety & Security Report for August 2015**
 - c. Contract Payment Adjustments: Liquidated Damages Report for June & July 2015**
 - d. Key Indicators Reports as of July & August 2015 to be presented in the October Meeting**
- 5. Receive and file ATN membership report for August 2015**
- 6. Receive and file financial reports for the period of July 2015 and electronic payment for the period of August 2015**
- 7. Receive and file custom service summary for August 2015**
- 8. Receive and file sales report summary for August 2015**
- 9. Receive and file status report for Anaheim Tourism Improvement District**



Consent calendar items approved by Motion Morton/Patel.
Ayes: Morton, Brown, Runsten, Patel, Dawdy, Burress, Kim, Alder
Noes: None

END OF CONSENT CALENDAR

OPERATIONAL REPORT:

10. ART operational update – monthly report provided by First Transit, Inc. *Jan Strickland – General Manager*

*Felicia Adams, Operations Manager, announced that First Transit has a new safety manager;
Norma Zamora.*

Director Kotler: starting tomorrow we will begin negotiations with Local 952.

ACTION CALENDAR:

11. Authorize ATN Executive Director to:

- a. With consultation and approval by ATN legal counsel execute a finance agreement for four (4) Zero Emission Bus (ZEB) Build Your Dream (BYD) buses;**
- b. Amend Anaheim Transportation Network Fiscal Year 2015/16 Operating Budget;
and**
- c. Approve sole source justification for acquisition of four (4) Zero Emission BYD buses.**

Director Diana Kotler mentioned how in the June 2015 Board of Directors meeting, opportunities related to the Zero Emission Bus (ZEB) strategy were discussed. As part of this Board Workshop, ATN staff was directed to further investigate and evaluate options for the deployment of ZEB technologies for the Anaheim Resort Transportation (ART) fleet.

The ATN's involvement in with Long Beach Transit (LBT) Company, procurement of zero emission buses, presented an option to consider a ZEB purchase, through a long-term lease, with an option to buy, four (4) Build Your Dream (BYD) K9 Model 40-foot buses at a forty seven percent (47%) discount. Buses available for purchase by the ATN were displayed at trade shows and operated in limited demonstrations and have less than 10,000 miles. The discounted price for the available BYD buses is \$497,500 per bus. The full cost for the same bus is \$934,818. A twelve-year or a seven-year lease, with an option to buy, could be structured to allow for this purchase. The purchase price includes a 12-year bus and battery warranty.



At the June Board of Directors Workshop, a purchase alternative through ten available (10) LBT options was presented; however, upon further consideration, a sole source option could be more advantageous to the ATN as two upcoming grant-funding opportunities will be available this fall:

1. LoNo Federal Transit Administration (FTA) Call for Projects will be available in September/October timeframe. ATN will be submitting a funding proposal for ten (10) ZEB buses;
2. Later in the fall 2015, California Air Resources Board (CARB) will be releasing a call for projects for its ZEB program. ATN will be submitting a funding proposal for ten (10) ZEB buses

With the upcoming funding available, it would in the best interest of the ATN to reserve available purchase options through the LBT's procurement and consider acquisition of the available BYD demonstration buses through a sole-source option.

Director Kotler's recommendation was to pursue financing outside of the manufacturer's financing options as ATN current banker, Bank of America, offer more competitive finance options. Director Brown inquired if the ATN is looking to choose one of these options? Upon further discussion, the ATN Board of Directors, with recommendations of Director Morton suggested to investigate other financing options with the condition that the interest rate would not exceed 4.5%.

Director Brown inquired if anyone on the ATN Board has any objections towards purchasing the buses? Director Kotler advised the Board that the current agreement with BYD is structured to begin on December 1, 2015, allowing staff to inquire about other financing options. Legal counsel Whitaker and Director Brown advised the Board to move forward with the research for alternative financing options in order to move forward with the purchase of four ZEB BYD buses.

Director Morton inquired if there were any other costs associated with the acquisition, i.e. fuel and infrastructure and if the ATN is planning to bill these fuel-related costs to the appropriate parties to make sure that the ATN is breaking even and generates sufficient cash flow.

Director Kotler advised the Board that since we have to look further and talk to additional financial institutions, staff could bring additional financial analysis to the table into consideration additional service needs for the Toy Story line and new developments in the City of Garden Grove.

Director Brown asked counsel if the ATN Board could move forward is a motion? Legal counsel advised the Board that two motions can move forward:



1. Sole Source justifications and;
2. Authorization to staff to move forward with a Request for Proposals (RFP) to seek additional requests for financing terms.

By motion (Brown/Morton) the ATN Board of Directors approved Sole Source justification, authorized release of RFP for financing of ATN's assets, and directed staff to bring back chase flow analysis and overview of the OCTA LNG bus buy-out option for consideration at its October ATN Board of Directors meeting

Ayes: Morton, Brown, Runsten, Patel, Dawdy, Burress, Kim, Alder

Noes: None

12. Authorize Executive Director to prepare and submit the following grant applications for the (10) Zero Emission Buses (ZEB):

- a. **Federal Transit Administration Low or No Emission Vehicle Deployment Program (LoNo Program); and**
- b. **California Air Resources Board (CARB) Low Carbon Transportation Greenhouse Gas Reduction Fund (GGRF) Investments Program**

Director Kotler presented information on the Anaheim Transportation Network (ATN) work effort for submission of two (2) grant applications for the upcoming funding cycle later this fall. Grant applications will be submitted to the Federal Transit Administration Low or No Emission Vehicle Deployment Program (LoNo) and California Air Resources Board (CARB) Low Carbon Transportation Greenhouse Gas Reduction Fund (GGRF) Investments Program.

1. Federal Transit Administration Low or No Emission Vehicle Deployment Program (LoNo) Program

Pending approval for the federal Fiscal Year 2016 budget, \$22.5 million will be available through the LoNo program to provide funding for proven and tested, but not widely deployed low or zero emission transit fleet applications. Available funding can be used for purchase of transit buses as well as acquisition, construction, and leasing of required facilities, i.e. recharging, refueling and maintenance. For the subsequent funding cycles, the LoNo Program funding may be increased to \$55 million annually.

2. California Air Resources Board (CARB) Low Carbon Transportation Greenhouse Gas Reduction Fund (GGRF) Investments Program



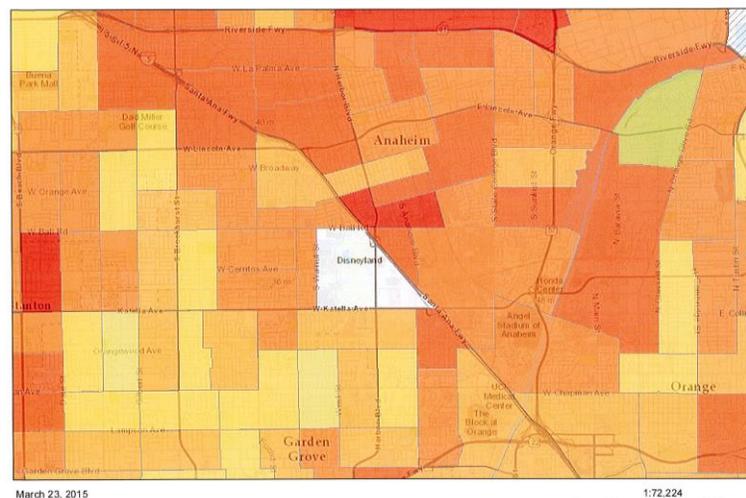
Anaheim Resort Transportation

1354 South Anaheim Blvd. • Anaheim, CA 92805 888-364-ARTS • RideArt.org

The State of California, through the California Air Resources Board (CARB) Low Carbon Transportation Greenhouse Gas Reduction Fund (GGRF) Investments Program, is seeking large deployments which include comprehensive workforce training programs, infrastructure and technology promotion, as well as robust public awareness and education programs. Potential for fleet expansion and transferability are encouraged. Vehicles must have ZEV approval from CARB and have a full manufacturer warranty.

A total of \$84 million will be available in grant funding for pilot projects, with up to \$64 million available for transit projects, pending budget adoption and final guidance on disadvantage community requirements. For the purpose of definition of Disadvantaged Community (DAC) requirements, CARB will continue to use criteria identified through the census tract maps based on the air quality impacts to the community that is disproportionately burdened by and vulnerable to multiple sources of pollution. The program requires that the project be located in a DAC, or serve populations located in a DAC. Most funding must go to near or within DAC areas (Exhibit 1). The proposed grant application meets this criterion, as depicted in Exhibit 1.

EXHIBIT 1 – CITY OF ANAHEIM CENSUS TRACT MAP
CalEnviroScreen 2.0 results



Upon release of solicitations later this fall, ATN will have approximately 120 days to prepare submissions, with preliminary project selection slated for early 2016.

The ATN is planning to submit two grant applications to deploy zero emission battery electric buses along heavily travelled routes to reduce its fleet emissions by replacing older low emission technologies with zero emission technologies. ATN will be seeking funding to replace six (6) 2006



Liquefied Propane Gas (LPG) buses with zero emission battery electric buses and add 14 buses to the fleet (assuming successful funding requests through both programs).

The proposed project will include the following team members:

- Anaheim Transportation Network (ATN) will own, operate, and maintain the project vehicles
- Calstart will manage the project and provide technical assistance on the specification, evaluation, inspection, and deployment of the buses and charging equipment. Calstart will also analyze the route, charging profiles, and operating costs, and assist in developing the most efficient charging strategies. Finally, Calstart will collect operational data, analyze the information, and report on the results
- Walt Disney Company as a key stakeholder will participate in project deployment, evaluation, public relations and awareness
- The Anaheim Public Utilities (APU) is providing \$500,000 in local match toward charging infrastructure. APU will also participate in rate modeling and cost analysis to help determine the most efficient charging strategy and most cost-effective rate structure
- Build Your Dreams (BYD), as the selected bus manufacturer, will join the team and obtain applicable state voucher funding
- Southern California Regional Transit Training Consortium (SCR TTC) will develop and provide staff training. SCR TTC will also make these training materials available throughout its membership network

A minimum 25 percent funding match is required. Match is considered as, both, cash and in-kind contributions. Total anticipated project cost for 20 ZEB buses is \$19,370,000 -- each grant-funding request would be for approximately half of the total amount at \$9,685,000.

Anaheim Resort Transportation

1354 South Anaheim Blvd. • Anaheim, CA 92805 888-364-ARTS • RideArt.org



Budget Line Item	Project Est. Budget
EXPENDITURES:	
Buses	\$18,870,000
Training	\$100,000
Infrastructure (electrical supply)	\$200,000
Project Management (Calstart)	<u>\$200,000</u>
TOTAL FUNDING REQUEST	19,370,000
MATCHING FUNDS:	
Manufacturer Vouchers	\$2,220,000
City of Anaheim	\$500,000
Fuel Supply (Five Years)	\$3,840,000
Maintenance Personnel Staff Time	\$1,747,200
Other Local Grants	\$500,000
Bus Wraps & Marketing	\$140,000
In-Kind Public Outreach/PR Service	<u>\$500,000</u>
TOTAL LOCAL MATCH	\$9,447,200 (49%)
REQUIRED MATCH	\$4,792,500 (25%)

ATN plans to use participation in a competitive procurement process with Long Beach Transit (LBT) and exercise ten of its options toward a purchase of BYD ZEB buses. Should the ATN be successful in obtaining grant funding under both grant-funding opportunities, a separate procurement and/or investigation of option availabilities, through other transit agencies, will need to be explored.

Mark Gaughan from Genesee Group entered the meeting at 3:57 pm.

Director Morton asked who redeems the manufacture voucher? The vouchers are provided directly to the bus manufacturer and are used as a credit toward the price of the bus, in turn; the value of the voucher can be used as a local match.

By Motion, Brown/Alder, ATN Board of Directors authorized staff to submit grant application for the (10) Zero Emission Buses (ZEB) to the Federal Transit Administration Low or No Emission Vehicle Deployment Program (LoNo Program);and California Air Resources Board (CARB) Low Carbon Transportation Greenhouse Gas Reduction Fund (GGRF) Investments Program

Ayes: Morton, Brown, Runsten, Patel, Dawdy, Burress, Kim, Alder

Noes: None



13. Authorize Executive Director to submit a grant application to the Federal Transit Administration Office of Technology Research and Innovation (TRI) for “Uberization” of Transit for Software Development

Staff reported to the Board that the ATN was invited to participate in a grant application to Federal Transit Administration (FTA) Office of Technology Research and Innovation (TRI) to develop and demonstrate an on-demand transit service application using “Uber-like” software development applications. The application would be submitted by Calstart, a worldwide consortium of fleets and agencies dedicated to supporting high-tech clean transportation industry, will submit Grant application. In addition to ATN project team, to assist with technical and software development function for this “Uber-like” solution GFI GenFare is included to the project team. GFI, as one of the primary suppliers of farebox and ticketing technology, expressed strong interest in participation.

FTA Office of Technology Research and Innovation (TRI) expressed concerns that growth of Uber-like, on-demand, services may have a negative impact on transit systems nationwide. A potential shift from transit to on-demand non-traditional transportation options may provide flexibility, at an affordable price, to the discretionary, transit markets. FTA is looking to allocate its mobility funds to engage transit industry, with technology and software developers, to cultivate demonstration projects to develop contending technologies to help maintain public transit as a viable transportation alternative.

Through this grant demonstration initiative, FTA desires to facilitate partnerships between transit community and vendor industry to select several demonstration projects throughout the nation. Approximately \$17 million of research and technology development will be available in federal fiscal year 2016.

Taking into consideration progressive nature of ART, with frequent challenges in operating schedules and routes, the FTA should look favorably on these unique attributes as potential demonstration opportunities. ART service fluidity and technology savvy ridership base represent a possibility to test confluence of transit with technology, leading to more efficient and user-friendly service delivery platform.

The initial proposed demonstration project would include development of software application to allow:

1. Passengers to reserve transit services in advance
2. Availability of real-time bus arrival information based on reservation(s)
3. Real-time communication with dispatch and bus operator
4. Real-time route deviation and optimization
5. Communication with passengers and/or bus stop locations along the



- deviated route
- 6. Allowance for route deviation to minimize transfer points and to maximize “one seat” ride opportunities
- 7. Integration with payment system

The decision to invite GFI GenFare to the team stems from recently deployed a ticketing APP. This existing platform could be expanded to include functionality described above. Integration with other vendors/partners maybe necessary as project is further defined. In addition, the APP should have a built-in functionality to accommodate future shared mobility options such as car sharing, first-last mile commute, loyalty programs, luggage concierge service, etc.

Director Alder inquired if the ATN is equipped to move in this direction? Staff responded that given the demonstration-based nature of the grant opportunity, ART would gain lessons learned without undue financial exposure and will provide an ability to make ART system more user friendly.

By Motion Brown/Kim authorized ATN Executive Director to submit a grant application for the “ubernization” of transit technology

Ayes: Morton, Brown, Runsten, Patel, Dawdy, Burress, Kim, Alder
Noes: None

14. Reschedule ATN General Membership and Board of Directors meeting scheduled for Wednesday, November 18, 2015 to Wednesday, December 2, 2015

Due to upcoming Thanksgiving Holiday, Director Kotler requested a change in meeting date for the November ATN Board of Directors and General Membership meeting from November 18, 2015 to December 2, 1015.

My Motion Brown/Alder, the ATN Board of Directors approved change in meeting date and requested staff to send out a new meeting date notification.

Ayes: Morton, Brown, Runsten, Patel, Dawdy, Burress, Kim, Alder
Noes: None

Adjourn ATN Board of Directors Meeting at 4:30 pm.

Next regular ATN Board of Directors meeting will take place at the Anaheim Regional Transportation Intermodal Center (ARTIC) 2nd Floor Conference Room 2626 East Katella Avenue, Anaheim, on Wednesday, October 28, 2015