



Anaheim Transportation Network Board of Directors Meeting

Wednesday, January 30, 2019
3:00 P.M. – 5:00 P.M.

Anaheim Regional Transportation Intermodal Center

2nd Floor Conference Room
2626 East Katella Avenue
Anaheim, CA 92806

AGENDA

BOARD OF DIRECTORS:

Paul Sanford
Chairperson

Fred Brown
Vice Chair

Charles Harris
Director

Ian Gee
Director

Ronald Kim
Director

Dan Lee
Director

Matt Hicks
Director

Bharat Patel
Director

Bhavesh "Bo" Patel
Director

Jeffrey Runsten
Director

Shaheen Sadeghi
Director

Brian Sanders
Director

Merit Tully
Director

John Woodhead
Director

Vacant
Director

Diana Kotler
Executive Director

ATN Board Members in Attendance:

Paul Sanford
Merit Tully
Charles Harris
Ian Gee
Chris Bennett
Jeffrey Runsten
Bharat Patel
Matthew Hicks
Fred Brown
Ron Kim

ATN Staff Present:

Diana Kotler
Belinda Trani
Jim Appleby
Lynn Keller
Justin Petruccelli
Jacquelyn Sutterman

Members of the Public Present:

Fred Whitaker, Cummins & White
Stella Li, BYD
James Holtz, BYD
Linda Johnson, City of Anaheim
Hector Fuentes, Trans Dev

Call to order ATN Board of Directors meeting at 3:00 PM

Welcome & Introductions – Director Kotler welcomed the ATN Board of Directors to the first Board meeting in 2019.

Additions and/or deletions to the meeting agenda – None

Public Comments -- None



The Board of Directors meeting began with a special presentation by Director Diana Kotler on FRAN and the RideART mobile application update. Announcing in March the inclusion of Yellow Cab, Enterprise and Lyft to the RideART app. Also featured on the app will be points of interest.

SPECIAL CALENDAR:

1. Director Diana Kotler: Invited the Staff to make a special recognition of and Presentation of Resolutions to: Director Kotler commended all of the staff for their dedication to our service, guests and the community. We hold an annual end of the year company party every December. Presenting these awards in the company of their peers, unfortunately our staff was not able to be present today.

Chairperson Paul Sanford: Mentioned he would like to participate for the future recipients of these awards. Paul also made a request for an Org chart for future reference.

Operator of the Month of November	Alberto Lopez
Operator of the Month of December	Yong Kim
Operator of the Quarter	Yohalmo Amador
Operator of the Year	Karen Pineda
Employee Excellence	Robert Gilhausen
Employee of the Year	Victoria Warren
Perfect Attendance	Jasdeep Khabra, Hannah Park, Victoria Warren

2. Appoint Anaheim Transportation Network's (ATN) Board of Directors members for ATN Executive Committee

Director Kotler explained the role of this Committee for 2019. ATN staff discussed these responsibilities and recommends the ATN Officers & Executive Committee:

Paul Sanford - Chairman	Wincome Group
Fred Brown - Vice Chair	Desert Palms Hotel & Suites
Merit Tully - Treasurer	Honda Center/Anaheim Ducks
Matt Hicks - Secretary	Disneyland Resort

By Motion Paul Sanford/Bharat Patel moved to approve item 2. Item passed in a single motion.

YEAS: Fred Brown, Merit Tully, Charles Harris, Ian Gee, Chris Bennett, Jeffrey Runsten, Matthew Hicks, Ron Kim.

NAYS: NONE

ABSTAIN: NONE

RECUSED: NONE



BOARD WORKSHOP:

3. Receive and file information presented by ATN legal counsel, Cummins & White, LLP, pertaining to Ralph M. Brown Act and ATN Conflict of Interest Policy. Direct ATN Board of Directors and applicable ATN personnel to sign ATN Conflict of Interest Policy

Fred Whitaker, ATN Legal Counsel, reminded all present that the review and responsibilities under the Brown Act must be presented and discussed annually. ATN Counsel Whitaker, provided an overview of the Brown Act to the ATN Board. No Action required – receive and file report.

4. Receive and file information about California Air Resources Board (CARB) Clean Transit Regulation – *Zero Emission Bus Regulation*

Director Diana Kotler presented information about a new CARB regulation that will impact all California transit agencies. CARB is requiring transition to Zero Emission Bus operations starting on 2023. This will be a tiered approach to purchase of new buses. This regulation has been in the planning process for over four years..

Chairperson Paul Sanford inquired how does this impact all Operators in the Resort including OCTA and ATN?

Director Diana Kotler explained that based on the current trajectory of ATN, by 2026 ATN should be operating its entire fleet as a Zero Emission Bus (ZEB) operations, well ahead of the State mandate of 2029. ATN is well ahead of the mandate -by the end of 2020 56 % of ART fleet will be ZEB. Requirements associated with this mandate will be also reflected in the City franchise to ensure that this mandate is passed on to all transportation operations in the Anaheim Resort.

Director Diana Kotler also explained that CARB is working on similar regulation for airport ground transportation. Public participation about the airport rule began in 2018 and will continue through 2020.

Chairperson Paul Sanford asked if the City of Anaheim has rebates for EV Chargers?

Director Diana Kotler explained that buses to be purchased by ATN, include chargers. Several rebate programs are available in California to assist with conversion to ZEB technologies. These rebates are available through Southern California Edison and ATN operated under jurisdiction of Anaheim Public Utility (APU). ATN met and will continue to meet and work with APU as we design and deploy a ZEB infrastructure system for A. fleet of ZEB buses



5. Receive and file 2019 State and Federal Legislative Platform for upcoming sessions of California State Legislature and United States Congress. Communicate legislative priorities and provide direction to staff, advocates and legislative representatives

Director Diana Kotler explained ATN needs to pursue legislative opportunities with federal and state agencies. These efforts will begin with the ATN's franchise with the City of Anaheim to lay the foundation for ATN's institutional status and designation. These efforts will continue at the State level with Assemblyman Daly's and State Senator's Umberg offices. On the federal level, ATN will work Councilmember Lou Correa's office.

Director Matt Hicks asks if we are Municipal? Director Diana Kotler explained work with the City of Anaheim and upcoming franchise approval to seek this designation.

Chairperson Paul Sanford stated there are many changes on State funding and to provide the Board with quarterly reports on your visits.

Director Kotler mentioned Federal funding bill re-authorization process is beginning for 2020 legislative cycle. On-going meetings and visits with the office of Congressman of Lou Correa and the newly elected Congresswoman Katie Hill will continue to increase awareness of the ATN to assist with grant awards and legislative language.

6. Review proposed ART service and route adjustments in preparation for opening of new development and theme park destinations. Overview proposed amendments to ART Service Agreements to coincide with ATN's By-Laws and Cost Allocation Model

Director Diana Kotler presented the Board of Directors with the information about proposed ART service route changes to accommodate short-term (within six months) and longer-term (within a year) developments in The Anaheim Resort. ATN staff has been reviewing each ART route to prepare for the upcoming increases in services.

Staff presented to the Board proposed changes to all ART services and advised that ATN will begin public outreach process this spring.

Chairperson Paul Sanford asked how Cambria will be accommodated? Director Diana Kotler explained that Hampton Inn, Cambria, JW Marriott will be accommodated in this re-routing planning effort that will be forwarded for approval in May.

Chairperson Paul Sanford mentions that brands want to be able to accommodate all mobility options, including TNCs. Director Diana Kotler acknowledged the need to look into multi-modal options and reminded the Board of the upcoming effort for the City of Anaheim Mobility Plan. Linda Johnson, with the City of Anaheim, explained that in April City Council will award consulting agreement to look into mobility options in the Anaheim Resort. ATN will be participating in this effort and final report will be presented by the end of 2020.



Chairperson Paul Sanford explained that ATN needs to further work with the development community and that they should be part of planning process. Director Ron Kim asked what was the date of the last traffic study in the Resort and if there is a recent document on traffic numbers? Linda Johnson explained that the last traffic study was done in the 1990's as part of the initial planning for the Resort which prompted the mitigation monitoring program.

Director Diana Kotler reviewed financial performance of each ART route and stated that with the exception of ARTIC Line, each of the ART services operated as directed by the Board.

Director Chris Bennett asked if ATN is planning to cancel service to Costa Mesa? Director Diana Kotler explained that Costa Mesa Line will be transitioned to on-demand TNC operations through mobile applications.

Staff also explained that ATN needs to update its service agreement. The last update to the agreement was in 2014 and it needs to reflect changes that occurred in the last five years. New agreements will be going to properties after May ATN Board of Directors meeting. ATN will not be proposing changes in the assessment fee structure, but the new agreement will include new uses in the Resort, update retail fee structure and reference Cost Allocation model for assessment calculation based on the annual budgetary process. Director Ron Kim asks if we need a committee for this? Director Diana Kotler explained that these issues are typically discussed with the Executive Committee and then brought to the full Board for consideration and approval, which will be the process this year as well. Director Kotler invited Board member Kim to participate in this discussion and to provide input.

The last item to be discussed was the proposed increase of ART fares. In 2017 when the Board raised ART fares and increased the assessment, staff promised to look at this matter again as we prepared for summer of 2019. Additional considerations include that ATN may be changing contractors since TransDev operating agreement's initial (non-optional) term expires December 31, 2019. ATN will be working with legal counsel and Executive Committee and bring this matter to the full Board in March.

Historically, every time ATN changed its contractor, ATN experienced a three to four percent increase in operating cost, approximately \$700,000 per year. In anticipation of the increase in operating costs, staff recommends ART fare increase in order to proactively prepare the agency.

Director Matthew Hicks inquires if any transit agencies have surge pricing as part of their fare model? Director Diana Kotler mentions there is zone pricing, though we know our demand compared to Uber and Lyft pricing, at ART we tried to stay away from surge pricing in order to encourage, not discourage, transit use.

Director Charles Harris inquires if we survey on these topics? Belinda Trani ATN mentioned that we will add this question to our ongoing demographic survey questions.



Vice Chair Fred Brown stated that even though \$.25 increase is conservative, staff should consider and present to the Board a \$.50 per ART Adult Pass increase. Director Brown thought that ATN would be better off going through this increase once and then hold the price of ART steady for a number of years.

Director Diana Kotler indicated that all of these items will be further evaluated by staff and brought to the Executive Committee in February.

Informational Item -- No Action Required.

CONSENT CALENDAR:

Items 7- 15 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:

7. Receive and approve minutes of the ATN Board of Directors meeting held on Wednesday, November 17, 2018
8. Receive and file status report pertaining to the Anaheim Transportation Network operations ATN Focus Area Reports – November through December 2018
9. Receive and file ART Operating Reports for October through December 2018:
 - a. Maintenance: Mileage & Road Call Reports
 - b. Safety & Training: Safety & Security Report
 - c. Operations Contract Penalty Report
 - d. Operational Performance Reports
10. Receive and file customer service summary report for November through December 2018
11. Receive and file ATN Financials Statements for October through December 2018. Approve credit card payment for October through December 2018
12. Accept and file ATN Annual Audited Financial Report for Fiscal Year 2017/2018
13. Receive and file sales report summary for November through December 2018
14. Receive and file ATN membership report for November through December 2018
15. Approve Resolution #2019-001 authorizing Anaheim Transportation Network to submit a grant application with City of Anaheim and Jamboree Housing to the Strategic Growth Council to extend ART services and develop transit improvements along certain Anaheim Resort Transportation Routes



By Motion Paul Sanford/Fred Brown, moved to accept items 7-15 on the Consent Calendar. Items passed in a single motion.

YEAS: Jeffrey Runsten, Matthew Hicks, Ron Kim, Bharat Patel, Merit Tully, Charles Harris, Ian Gee, Chris Bennett.

NAYS: NONE

ABSTAIN: NONE

RECUSED: NONE

OPERATIONAL REPORT:

- 16.** ART Operational Update – Monthly report provided by Transdev Transit Services, Inc.
Hector Fuentes, General Manager, TransDev

Hector Fuentes, General Manager of Trans Dev addressed the challenges of staffing. Mentioning there are 30 in training currently, we have 45 new since the beginning of December. 10 trainees are flying to NAPA to test, this is quicker than flooding the DMV in OC they can be back in a day. We have 7/8 that passed the test, we have a Regional Recruiter for this site they will be here for 6 weeks. We have classes every Monday. Our Trans Dev Team is fully staffed, we have a Safety Manager in place and a new Road Supervisor. There are 10-15 Extra Board positions and we will be ready for the new park and Summer.

Vice Chair Fred Brown inquired about the retention rate for the new hires.

Hector Fuentes Trans Dev mentions the first 3 days of class we will lose some, always lose 1/5 due to the drug test.

ACTION CALENDAR:

- 17.** Authorize Executive Director to:

- a. Execute Purchase Agreement with Build Your Dreams (BYD) Motors, USA for the amount not to exceed \$24,665,900 for the purchase of forty (40) Zero Emission Buses funded by a variety of state and local sources; and
- b. Exercise purchasing options with the State of Georgia for twenty (20) 40-foot electric buses, ten (10) 60-foot articulated electric buses and Washington State for ten (10) 30-foot electric buses

DISCUSSION:

Director Kotler provided background to the ATN Board of Directors that in June 2018, ATN accepted a grant award for \$28,617,000 from the State of California (CalSTA) Transit,



California Department of Transportation (Caltrans) and Intercity Rail Capital Program (TRICP). There were three separate components of this grant:

1. Center City Anaheim MicroTransit
2. Zero Emission Bus Purchase
3. Electric Bus Charging and Maintenance Facility

In October 2018, the Board authorized the ATN Executive Director to begin negotiations with Washington State Department of Transportation and State of Georgia General Services Procurement Office to exercise available options for purchase of 40 Zero Emission Buses (ZEBs) funded by the Transit and Intercity Rail Capital Program (TIRCP) grant. The awarded TIRCP funding for this project is \$22,402,900. In addition, ATN and the manufacturer are eligible for the receipt of State HVIP vouchers in the amount of \$6,100,000. With the total secured bus funding of \$28,502,900, ATN needed to raise \$3,011,000 to fully fund this acquisition.

With Board of Directors approval to seek Anaheim Tourism Improvement (ATID) Transportation Committee funding, ATN's ATID request was approved for a total amount of \$2,511,000. The final funding award toward the purchase of 40 BYD buses is through a cooperative agreement with the City of Norwalk through a joint Bus & Bus Facilities federal grant funding award of \$500,000. In total, ATN secured \$31,513,900 in funding towards the bus purchase project.

With these awarded funds, ATN staff recommended acquisition of ten (10) 30-foot pure electric buses, twenty (20) 40-foot electric buses and ten (10) 60-foot articulated electric buses. The acquisition is structured as an exercise of available options through two state contracts, the State of Washington and Georgia. Table 1 is a summary of available Options per State Option Contract and the net cost of each bus. Table 2 represents proposed total funding structure for the ZEB bus purchase. Table 3 shows ATN's net cost for the purchase of 40 ZEB buses total amount for BYD's not to exceed contract amount. Additional aftermarket equipment and funding for project management consultant bring the total funded cost to \$31,513,900.



Anaheim Resort Transportation

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

TABLE 1 –Bus Acquisition Cost & Options Summary

Bus Type	Qty	Georgia State Contract Cost	Washington State Contract Cost	California State Voucher ¹	Net Cost/Bus	Total ATN Cost
30-ft Electric Bus	10	\$525,000	\$454,590	\$135,000	\$319,590	\$3,195,900
40-ft Electric Bus	20	\$741,000	\$806,619	\$150,000	\$591,000	\$11,820,000
60-ft Electric Bus	10	\$1,140,000	\$1,241,511	\$175,000	\$965,000	\$9,650,000
Total Contract Amount with BYD						\$24,665,900
Total Acquisition Amount						\$30,765,900

TABLE 2 – ZEB BUS FUNDING PLAN

Funding Source	TIRCP	HVIP	ATID	Norwalk	TOTAL
30' BYD Buses	\$2,443,150	\$1,350,000	\$627,750	\$125,000	\$4,545,900
40' BYD Buses	\$10,314,500	\$3,000,000	\$1,255,500	\$250,000	\$14,820,000
60' Articulated Buses	\$8,897,250	\$1,750,000	\$627,750	\$125,000	\$11,400,000
Subtotal	\$21,654,900	\$6,100,000	\$2,511,000	\$500,000	\$30,765,900
Aftermarket Equipment	\$340,000				\$340,000
Project Management	\$408,000				\$408,000
TOTAL BUDGET	\$22,402,900	\$6,100,000	\$2,511,000	\$500,000	\$31,513,900

TABLE 3 – Total ATN Cost Per Bus

BYD K7M 30-ft Electric Bus	
Washington State Purchasing Options/Bus	\$454,590
HVIP Rebate/Bus	\$135,000
Net Cost to ATN/Bus	\$319,590
Total Cost for 10 30-ft Buses	\$3,195,900

BYD K9M 40-foot Electric Bus	
State of Georgia Purchase Options/Bus	\$741,000
HVIP Rebate/Bus	\$150,000
Net Cost to ATN/Bus	\$591,000
Total Cost for 10 40-ft Buses	\$11,820,000

BYD K11M 60-foot Articulated Electric Bus	
---	--

¹ HVIP Vouchers are claimed by the manufacturer

Anaheim Resort Transportation

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



State of Georgia Purchase Options/Bus	\$1,140,000
HVIP Rebate/Bus	\$175,000
Net Cost to ATN/Bus	\$965,000
Total Cost for 10 60-ft Buses	\$9,650,000
TOTAL COST TO THE ATN and BYD Not to Exceed Amount	\$24,665,900

Staff also reminded the Board that this project is already included in the ATN's Capital Improvement Program (CIP); therefore, no amendments are required of to the ATN Operating and/or Capital Improvement Program.

From the schedule perspective, ATN will meet with BYD in February to finalize the final order and execution of the agreement. Delivery of the vehicles will begin in 18 months, Fall of 2020, at a rate of two buses per week. Delivery of all 40 BYD buses will be completed by first quarter of 2021.

Director Merit Tully asks what is the range per bus on a full charge? Stella Li, CEO for BYD USA operation, responded that 30-foot bus range is 145 miles, 40-foot-bus range is 165 miles and for the 60-foot bus, range is 200 miles.

Director Diana Kotler mentioned that ATN should also experience significant saving in maintenance costs as compared to the 20-year old LNG buses. Estimates show that operating costs for ZEB bus are \$.40 per vs \$.80 per mile for LNG bus. ATN will also qualify for the Low Fuel Credit Program which should equate to \$400,000 annual credit award through the Cap & Trade program.

By Motion Paul Sanford/Ron Kim, moved to authorize Executive Director to execute Purchase Agreement with Build Your Dreams (BYD) Motors, USA for the amount not to exceed \$24,665,900 for the purchase of forty (40) Zero Emission Buses funded by a variety of state and local sources; and exercise purchasing options with the State of Georgia for twenty (20) 40-foot electric buses, ten (10) 60-foot articulated electric buses and Washington State for ten (10) 30-foot electric buses.

YEAS: Merit Tully, Charles Harris, Ian Gee, Chris Bennett, Jeffrey Runsten, Bharat Patel, Matthew Hicks, Fred Brown.

NAYS: NONE

ABSTAIN: NONE

RECUSED: NONE

18. Authorize Executive Director to submit a Franchise Application to the City of Anaheim

DISCUSSION:

Director Kotler advised the Board that ATN's franchise application is ready for on-time submittal to the City of Anaheim. ATN has an opportunity, every seven years, to conduct



a thorough review of its franchise, its services, development(s) in the community, and industry direction and request a franchise agreement amendment commensurate with local needs to ensure longevity of ART services and ATN's ability to meet transportation needs of the community it serves.

The upcoming franchise application aims to strengthen ATN's stature and ability to provide ART service. This requests for amendment of the ATN's franchise proposes to build on the current guiding principles of transportation services with attention to customer service and constituent need while proposing to expand to include flexibility to allow for future services such as Mobility as a Service models, mobile payment options and real-time information availability and MicroTransit on-demand delivery models. Traditional transit will continue to be the backbone of ATN's service, while allowing for industry and consumers guide ATN for future needs of the community to:

1. Recognition of the ATN as a local public transportation/transit provider
2. Consolidation of ATN facilities to enhance safety and security;
3. Provide transportation/mobility options to meet or exceed prescribed service standards;
4. Enhance passenger experience, exceed the expectations of a changing marketplace including next-generation mobility technologies and mobility solutions;
5. Monitor and best utilize City assets, including bus stops and curbs, specifically in The Anaheim Resort® Area;
6. Address traffic mitigation measures and the reduction of vehicle miles traveled (VMTs) and carbon footprint;
7. Meet and exceed air quality mitigation measures including the transition to zero emission/electrification of fleet operations (in advance of CARB requirements)

The franchise application outlines specific operating standards and recommendations for provision of transportation services in the City of Anaheim. Should the City of Anaheim decide to apply these operating standards on other qualified transportation operators.

With the approval by the ATN Board of Directors, ATN staff will formally submit franchise application to the City of Anaheim in February 2019. Once the franchise agreement is formally submitted to the City of Anaheim, the document will go through a formal approval process outlined below:

- 1st Council Meeting (April) - Resolution declaring the City Council's intention to hold a public hearing and to grant a franchise;



- Public hearing 20 to 60 days from adoption of the initial resolution;
- The Anaheim City Clerk will publish adopted Resolution in the Anaheim Bulletin twice – once a week for two successive weeks, within 15 days of passage of Resolution;
- 2nd Council Meeting (April/May) - Public Hearing for Introduction of Ordinance;
- If the City Council determines any changes should be made in the terms and conditions upon which the franchise is proposed to be granted, a new resolution of intention shall be adopted, and another public hearing shall be held;
- 3rd Council Meeting (May) - Adoption of Ordinance
- Ordinance Effective 30 days later (June 2019)
- Within 10 days after adoption of the ordinance, applicant shall submit franchise fee and written acceptance of the franchise to the City Clerk's Office

ATN, in coordination with its Government Affairs consulting team, is beginning to meet with City of Anaheim policymakers and stakeholders. These meetings will concentrate on gathering input and comments prior to consideration by the entire City Council.

Chairman Paul Sanford asks if we can get a meeting with the City Council in March or April? Director Diana Kotler mentioned that one-on-one meetings with Council Members will be scheduled to brief council members about ATN initiatives.

By Motion Paul Sanford/Fred Brown, moved to authorize Executive Director to submit a Franchise Application to the City of Anaheim to amend and renew ATN's Franchise Operating Standards for public transportation services.

YEAS: Merit Tully, Charles Harris, Ian Gee, Chris Bennett, Jeffrey Runsten, Bharat Patel, Matthew Hicks, Ron Kim.

NAYS: NONE

ABSTAIN: NONE

RECSUSED: NONE

OTHER UPDATES:

19. ATID Transportation Funding

Director Diana Kotler extended a thank you to Matt Hicks and Fred Brown for their guidance and assistance with \$ 4.35 million award of ATID funds toward ATN new facility and electrification of the ATN fleet.



20. FRAN Start Up Status Report

Director Diana Kotler reported that in just one week, over 700 people registered and downloaded app for FRAN. Daily ridership is over 40 passengers, with an average wait time of 1.5 minutes.

Adjourn Anaheim Transportation Network General Membership Meeting at 4:51PM to move to a Closed Session for consideration of two items.

21. Conference with real property negotiators Executive Director Diana Kotler and Paul Simonds pursuant to Government Code Section 54956.8, concerning potential terms and conditions of acquisition and/or disposition of the property identified below:

Property Location: 1354 South Anaheim Blvd., Street, Anaheim, CA

Owner/Negotiating Party: ATN Asset Holding Company

22. Personnel Matter – Public Employee Performance Evaluation pursuant to Govt. Code § 5457(b)(1) Title: Executive Director

ATN Board of Directors Meeting reconvened at 5:15 PM with a report from ATN Legal Counsel. Anaheim Transportation Network Board of Directors Meeting adjourned at 5:17 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, March 27, 2019.