



Anaheim Transportation Network  
Board of Directors and General Membership  
Meeting Minutes

Wednesday, April 22, 2015

3:00 P.M. – 5:00 P.M.

Anaheim Regional Transportation Intermodal Center  
2<sup>nd</sup> Floor Conference Room

2626 East Katella Avenue, Anaheim, CA 92806

**ATN Board Members in Attendance:**

Jerry Alder, GardenWalk  
Fred Brown, Desert Palms Hotel  
Tony Bruno, Sheraton Park  
Jay Burress, AOCVCB  
Tom Morton, City of Anaheim  
Bill O'Connell, Stovall's Hotels  
Paul Sanford, The Anabella  
Kyndell Thorson, Disneyland® Resort

**ATN Staff Present:**

Diana Kotler, ATN  
Barbara Adams, ATN  
Belinda Trani, ATN

**ATN Legal Counsel:**

Fred Whitaker, Cummins & White, LLP

**ATN Members Present:**

**Ex-Officio Members:**

Robert Johnson, First Transit

**Members of the Public Present:**

Rick Bacigalupo, OCTA  
Jorge Duran, OCTA  
Mark Hickey, First Transit  
Linda Johnson, City of Anaheim  
Mike Lewis, PTL  
Bill Long, Victory Communications  
Ed Mendoza, PTL  
Art Narmi, Penske  
Todd Priest, Curt Pringle & Associates  
Buddy Reed, ART  
Ryan Thompson, SPX Genfare



The ATN Board of Directors meeting was called to order at 3:04 pm.

**WELCOME & INTRODUCTIONS**

**ADDITIONS/DELETIONS TO THE AGENDA**

No additions / deletions to the Agenda.

**PUBLIC COMMENTS**

Mike Lewis of Penske spoke regarding their contract with the Anaheim Transportation Network (ATN). Mr. Lewis stated that Penske has increased parts inventory to support ATN and conducted extensive personnel training since commencement of contract with ATN.

Mr. Lewis stated that the ATN has notified Penske of an amendment to the existing agreement and have said that if they do not sign it, the contract will have to go out to bid again.

Mr. Lewis said that this concerns Penske greatly. He said that Penske has monthly and weekly meetings with ATN. They have never been asked anything like this with any other companies. They would like to work with the ATN auditors to see if there is anything else that they can do to resolve this situation.

Mr. Lewis said that Penske enjoys working with ATN. He asked if the Board would consider letting them work with the Auditors. He again asked for this consideration.

**SPECIAL CALENDAR:**

**1. Presentation of a Resolution to:**

- a. Buddy Reed– Operator for the Month of March 2015

**2. Public Hearing – Opened at 3:05 pm:**

Executive Director informed the ATN of its obligation to comply with Civil Rights Act of 1964 and Federal Transit Administration (FTA) requirements and a necessity to conduct a public hearing for receiving public input in consideration the ATN's Title VI Plan as well as corresponding and related plans:

- A. Limited English Proficiency Plan
- B. Public Participation Plan; and
- C. ADA Complementary Transportation Plan



Executive Director Kotler explained that Title VI of the Civil Rights Act of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance.

To fulfill this civil rights mandate, agencies that receives federal financial assistance, for any program, must prepare and update, every three (3) years, a Title VI Plan and make the Plan available for public review and comment. ATN's previous Title VI plan was reviewed and approved by the ATN Board of Directors in 2012.

Consistent with its commitment to meet FTA regulatory requirements, the ATN conducted several public workshops, in accordance with the schedule approved by the ATN Board of Directors at its March 27, 2015 meeting. Public workshops were held on April 8, 2015, at the ATN's administrative office and on April 9, 2015 at Anaheim Regional Transportation Intermodal Center (ARTIC). ATN did not receive any public comments in regard to the Title VI Plan. Pursuant to any public comments received at today's Public Hearing, the ATN Board of Directors shall consider these comments, prior to the final adoption of the Title VI Plan at the May 27, 2015, ATN Board of Directors meeting. Upon completion of the public review and adoption of its Title VI Plan, ATN will submit the Plan to OCTA.

The purpose of the Title VI Plan is to document practices and operations to ensure that, for all programs and activities supported by federal financial assistance, the ATN provides services without exclusion or discrimination on the grounds of race, color or nationality, or through creation of barriers to the use of the ATN's Anaheim Resort Transportation (ART) system.

Additions to the ATN's 2015 Title VI Plan had been made because the ATN fleet exceeds the 50-bus threshold. These new elements include the following components:

**1. DISPARATE IMPACT AND BURDEN POLICY:**

- Adverse affects on minority population, due to a major service change, which impacts twenty percent (20%) or more than the average minority population; or
- Positive affect on non-minority population may occur, due to a major service change, which impacts twenty percent (20%) or more than the average non-minority population.

Under the Disparate Analysis, the ATN must evaluate if a disparate impact may occur for the span of service and service frequency changes. If specific routes and/or route segments are changed, these routes will be examined on an individual basis. Should a disparate impact exist as a result of the proposed change(s), ATN must consider alternatives to lessen the impact on minority population. If no viable alternatives are available, a substantial and legitimate justification will be provided for ATN Board of Directors consideration.

**2. PUBLIC REVIEW AND INPUT**



Should a major service change be necessary, ATN staff will seek public input from its customers, stakeholders, and the general public. The public comment period will begin with the publishing of a legal notice seven (7) days in advance of the public hearing date.

The Executive Director also informed the Board that the primary purpose of the Title VI Plan is to ensure that, at ATN, no discrimination exists on the grounds of race, color or national origin. To ensure compliance, the ATN instituted procedures and processes for the 1) Filing of civil rights complaints; 2) Consideration of investigations, complaints, and lawsuits (if any); 3) Provision of meaningful access to persons with limited English proficiency; 4) Distribution of information to ensure meaningful access to programs and services; 5) Policies and standards under which ATN operates; 6) Clear process for major service change considerations; and 7) Evaluation to meet service standards and the levels of service provided to the various communities served by the ATN.

In addition to the elements specific to the Title VI Plan's non-discrimination parameters, this Plan includes segments dealing with:

- Limited English Proficiency Plan (LEP) – accommodation of populations who do not speak English as their primary language and have limited ability to read, speak, write or understand English. To comply with the LEP requirements, the ATN has programs and services to accommodate LEP populations.
- Public Participation Plan (PPP) – availability of procedures that allow for, encourage, and monitor participation of all citizens in the ATN service area, including but not limited to low income and minority individuals, and those with Limited English Proficiency (LEP). The goal of the PPP is to offer real opportunities for the engagement of all citizens of the ART system service area.
- Americans with Disabilities Act (ADA) Complementary Paratransit Plan – availability of ADA Complementary Paratransit Plan paratransit services that are “comparable” to the fixed route service levels and availability. ATN contracts with OCTA for the provision of ADA Complementary Paratransit services.

In conclusion, the ATN is committed to the enforcement of US DOT's Title VI regulations and will provide the most effective and efficient public transit service possible, with full accountability to the constituency we serve. Through these established service standards and policies, ATN will ensure that no person, or group of persons, shall be discriminated against with regard to the routing, scheduling, or quality of transit service based on race, color or national origin.

Executive Director Kotler asked for comments from the Public and Board of Directors. No comments were received from either the Board of Directors or the Public.



The final ATN Title VI Plan will be presented at the Board of Directors meeting in May 2015.

The Public Hearing was concluded and the Board of Directors meeting was reconvened at 3:14 pm.

### **CONSENT CALENDAR**

3. Receive and approve minutes of the ATN Board of Directors held on Wednesday, March 25, 2015
4. Receive and file status report pertaining to the Anaheim Transportation Network operations  
ATN Focus Area Reports – March 2015
5. Receive and file ART Operating Reports through March 2015
6. Receive and file ATN membership report for March 2015
7. Receive and close financial reports for the period of February 2015 and electronic payment for April 2015
8. Receive and file customer service summary for March 2015
9. Receive and file sales report summary for March 2015
10. Receive and file Independent Auditors Report of Anaheim Transportation Network's (ATN) Financial Statements and Single Audit Report for Fiscal Year ending June 30, 2014.

By Motion: Brown/Morton the ATN Board of Directors approved the consent calendar.

Ayes: Alder, Brown, Bruno, Burress, Morton, O'Connell, Sanford, Thorson

Noes: None

### **OPERATIONAL REPORT:**

#### **11. ART operational update – monthly report provided by First Transit, Inc.**

Robert Johnson, General Manager at First Transit, reported an incident regarding a critical self-inflicted wound committed by a First Transit driver that had occurred in the ATN parking lot.

Mr. Johnson also introduced their new Safety Manager, Mark Hickey. Mr. Hickey has 25 years of training, including 11 years in the bus transportation sector. He reported that Mr. Hickey is looking to revamp the training department. They are seeking to develop strong operators who are also trained in customer service and represent ART.

Vice-Chair Brown asked if driver training and safety training are combined in one program. Mr. Johnson replied that under ATN's previous operator that these types of training were separated; however, under First Transit they are combined.



**ACTION CALENDAR:**

12. Review proposals received for the provision of propane fueling station and propane fuel supply. Award a three-year agreement to Arro Autogas, as the best-qualified fuel provide. Authorize Executive Director, with consultation from ATN legal counsel, to execute agreement with Arro Autogas for the provision of Liquefied Propane Gas (LPG) fuel and propane fueling station, including station maintenance and operation.

Executive Director's report stated that at its January 28, 2015, Board of Directors meeting, the ATN Board authorized release of a Request for Proposals, Transit Propane Station Infrastructure – RFP #15-001, to select a vendor to provide propane fuel infrastructure and fuel supply for the ATN's fleet of seventeen (17) propane buses. The RFP was structured to select the best-qualified vendor through a service agreement for three (3) years with two (2) one (1) year options.

ATN's current propane services supplier, Expo Propane (Expo) has been with the ATN since May 2009. Expo installed propane station at the ATN facilities at 1280 South Anaheim Blvd., Anaheim and has been supplying propane to the ATN for five (5) years through a turnkey maintenance and operations agreement. This agreement expired in December 2014 and currently ATN maintains a month-to-month business relationship.

To select the LPG fuel provider, the ATN distributed RFP #15-001 to twenty-seven (27) qualified fuel suppliers. In response to RFP #15-001, the ATN received three (3) proposals:

1. Expo Propane (current supplier);
2. Arro Autogas; and
3. Suburban Propane

Based on the forecasting of the ATN's need for propane fuel and infrastructure, staff recommended awarding a three-year agreement to Arro Autogas. Staff does not recommend award of options, since the ATN fleet of propane buses will be decreasing, as currently there are no plans to purchase propane buses due to limited availability of certified propane engines. In addition, ATN's Fleet Plan calls for future transit bus purchases to be with either Compressed Natural Gas (CNG) or electric propulsion systems.

Through the guidelines outlined in the RFP# 15-001, the ATN asked proposers to address 29 specific criterions. In addition, proposal evaluation criteria, responses to the RFP were evaluated based on the proposed station design, firm's experience, fuel availability, quality control, budget, implementation schedule, implementation of similar projects, and experience of personnel.



In addition, to the per gallon price for LPG fuel, the RFP asked to provide a price hedging proposal. Taking into consideration that the fleet of ATN LPG buses may be decreasing, staff does not recommend exercise of the hedging option.

**TABLE 1 –LPG FUEL COST STRUCTURE\_PRICE HEDGING**

LPG SUPPLIER	COST PER LPG GALLON_2015	COST PER LPG GALLON_2016	COST PER LPG GALLON_2017
Expo Propane	\$1.399 (Price guaranteed for 14 days)	Not Provided	Not Provided
Arro Autogas	\$1.800	\$1.800	\$1.800
Suburban Propane	\$1.573	\$1.604	\$1.623

Under a Price Hedging option, a minimum annual quantity of LPG consumption of 160,000 gallons is required. The ATN fleet of 17 LPG buses consumed 167,557 annual gallons of propane fuel in FY2014, which is a reduction of 13 percent from FY2013 level of 193,945 gallons of propane fuel. With the anticipated reduction of LPG buses in its fleet, annual LPG consumption is projected to decrease to approximately 100,000 gallons, or less.

ATN currently pays approximately \$1.45 per gallon of LPG fuel at an annual cost of \$277,826. Under the current agreement, per gallon price is set every two weeks. ATN is eligible to receive state and federal applicable alternative fuel tax credits. In addition, since the current station is open to the public, ATN receives \$0.10 per gallon credit for the sale of fuel.

**TABLE 2 –PROJECTED LNG FUEL COST\_PER LNG GALLON EQUIVALENT**

LPG SUPPLIER	RACK PRICE	DELIVERY	PROFIT	OPERATING COST	CAPITAL AMORTIZATION COST	TOTAL COST/GALLON (BEFORE & INCLUDING TAXES)	ESTIMATED ANNUAL LPG COST (BEFORE TAXES)	ESTIMATED ANNUAL LPG COST (INCLUDING TAXES)
Expo Propane	\$0.670	\$0.020	\$0.44	\$0.000	\$0.00	\$1.13/\$1.453	\$189,340	\$243,460
Arro Autogas	\$0.690	\$0.00	\$0.19	\$0.085	\$0.00	\$0.965/\$1.288	\$161,692	\$215,813
Suburban Propane	\$0.670	\$0.080	\$0.39	\$0.000	\$0.11	\$1.14/\$1.463	\$191,015	\$245,136

Final ranking of the submitted proposals is presented in Table 3.

**TABLE 3 – FINAL EVALUATION & SCORING**



LPG SUPPLIER	TOTAL SCORE
Expo Propane	62
Arro Autogas	91
Suburban Propane	87

Based on the information presented by prospective proposers and evaluation criteria specified in RFP #15-001, staff recommendation is to award an agreement to the lowest, best-qualified LPG fuel supplier, Arro Autogas. This recommendation is consistent with the ATN’s procurement policies.

Director Morton asked if the hedging option would be a fixed contract? Executive Director Kotler responded, yes, the rest of the fees are fixed. Director Morton additionally asked what factors are included in the delivery fee in rack pricing. Executive Director Kotler said that \$.02 per gallon is included.

Director Morton asked if the rack price was the same for everyone. Director Kotler responded that based on the submitted proposals, rack pricing was consistent among all suppliers. Legal Counsel Whitaker said that \$0.69 is the margin over purchase.

Director Morton asked if we know the price. Executive Kotler said that we don’t know and that we are subject to market conditions and that we are billed on a daily basis depending on the market. She further explained that we could put language in the contract agreement that they provide proof of market price then they can calculate the rack price. Legal Counsel Whitaker said that he will check to see if there is a posted system for daily market prices.

Director Morton asked for ATN to validate the purchase price. Legal Counsel Whitaker said that we can put this language in the contract. Executive Director Kotler said the agreement is written in a way that ATN can execute the agreement upon approval of Legal Counsel.

Director Bruno asked if the \$0.69 is a purchase or rack price. Legal Counsel Whitaker said that “if I am the vendor and I am selling at rack price which includes the purchase price. There can also be volume discounts, etc., which we cannot access.”

Director Kotler said that we have checked Arro Autogas’ references. She added that Arro Autogas provides service for Veolia, Sparkletts and Time Warner Cable.

A question was asked about 24 hour delivery and wet hosing while we are under construction. Executive Director Kotler replied that Arro Autogas will be able to perform these services.

By Motion: Bruno/Morton the ATN Board of Directors authorized the Executive Director, with consultation from ATN Legal Counsel, to execute an agreement with Arro Autogas for the provision of





Liquefied Propane Gas (LPG) fuel and propane fueling station, including station maintenance and operation.

Ayes: Alder, Brown, Bruno, Burress, Morton, O'Connell, Sanford, Thorson

Noes: None

13. Presentation and demonstration of mobile ticketing application based on the authorization of ATN 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-ticketing solution for ART service, authorizing ATN to expend \$30,000 toward Phase One of the project -- Software Development. *Informational Item – No Action Required*

On April 23, 2014, the ATN Board of Directors authorized staff 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, e-ticket solution for ART service.

The ATN Board of Directors approved development of the mobile ticketing application in a two-phase approach:

Phase 1: Software Development Expenditures of \$30,000 toward software development. Demonstration of the e-ticketing application and necessary adjustments/corrections shall be completed prior to deployment of Phase 2.

Phase 2: Hardware Installation. Upon completion of the demonstration phase.

Board approval, to install e-ticket readers on ART bus fleet. Approved budget for the installation is \$100,000.

The first phase of the project concentrated on software development for Smart and Android phone applications. Upon review of the initial deployment recommendations, the mobile ticketing application would be tested for six (6) months.

Once the initial implementation phase is completed, results and recommendations shall be presented to the ATN Board of Directors, prior to the expenditure of the allocated \$100,000 for the installation of hardware readers, GenFare e-devices, on the fleet of ART buses.

ATN, GFI GenFare and CooCoo, completed software development of the mobile ticketing application. Deployment is slated to begin in May 2015, with initial testing to continue for the next six months. Staff will return to the ATN Board with findings and recommendation in November 2015.



Ryan Thompson of SPX Genfare and CooCoo said they are focusing on iOS and Android. The aim is "Plan, Pay, Board".

Plan – demonstration phase of the project will begin with 1-day and 3-day fares. Major credit cards are accepted through Bank of America merchant services. Purchases and activations work the same as today -- ART passes will be activated on the first day of use. Visual inspection of passes and entry of ridership information into the existing farebox.

Director Bruno inquired if payment via PayPal or Apple Pay is available? Mr. Thompson replied that during the first phase, no, but as the App is further developed these payment options could be incorporated. Director Bruno suggested that in the future that we go with Apple Pay, etc. perhaps in the next six (6) months. Director Bruno said that we need to be careful in the activation phase.

Executive Director Kotler said that during the first phase on the implementation, ATN is going to work with the Discovery Cube and Knott's Berry Farm to package fares and tickets to enter their attractions. This smaller test size will allow for testing of other payment options.

Director Burress asked if we would do a press release. Todd Priest of Pringle and Associates said that we will be doing a press release.

A suggestion was also made that we have the Board members try the system out and that information is sent to members staffs and the community to educate them on this new system.

#### 14. Status Report:

ART transportation services to the beach communities via ARTIC. Partnership with OCTA, Metrolink, San Clemente Chamber of Commerce and Anaheim/Orange County Visitor & Convention Bureau.

Invitations have been sent out and this is already in the map. There will be promotions in the bus shelters at ARTIC. A major public relations campaign will start Memorial Day.

- a. Service start-up to Costa Mesa on May 4, 2015

#### 15. Other Business -- There was no other business.

Adjourn ATN Board of Directors Meeting at 3:57 pm.

Convene Closed Session of the ATN Board of Directors Meeting

CLOSED SESSION:



16. Conference with Legal Counsel – Anticipated Litigation

*Significant exposure to litigation pursuant to Government Code Section 54956.9(b): (2 matters)*

Reconvene ATN Board of Directors Meeting at 4:30 pm. ATN Legal Counsel Fred Whitaker made a report.

Adjourn ATN Board of Directors Meeting at 4:32 pm.