



BOARD EXECUTIVE COMMITTEE MEETING  
THURSDAY, NOVEMBER 21, 2013, 2:00 P.M.  
COUNTY OF RIVERSIDE ADMINISTRATIVE BUILDING  
BOARD OF SUPERVISORS 5TH FLOOR CONFERENCE ROOM  
4080 LEMON STREET, RIVERSIDE, CA 92501

<u>ITEM</u>	<u>RECOMMENDATION</u>
1. <u>CALL TO ORDER</u>	
2. <u>SELF-INTRODUCTIONS</u>	
3. <u>PUBLIC COMMENTS - NON-AGENDA ITEMS</u>	RECEIVE COMMENTS
<p>Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each person's presentation is limited to a maximum of three (3) minutes.</p>	
4. <u>APPROVAL OF MINUTES – OCTOBER 24, 2013 EXECUTIVE COMMITTEE MEETING (P.3)</u>	APPROVE
5. <u>UPDATE ON FY13 FINANCIAL AUDIT</u>	RECEIVE UPDATE
6. <u>QUARTERLY NATURAL GAS PROCUREMENT STATUS REPORT (P.6)</u>	RECEIVE AND FILE
7. <u>AUTHORIZATION TO TERMINATE FOR CONVENIENCE AGREEMENT NO. 10-055b WITH VAN SCOYOC ASSOCIATES, INC (P.13)</u>	APPROVE
8. <u>AUTHORIZATION TO AMEND REVENUE AGREEMENT NO. 10-035 WITH THE RIVERSIDE COMMUNITY COLLEGE DISTRICT (RCCD) TO ADD MORENO VALLEY COLLEGE MAIN CAMPUS STUDENTS TO THE GO-PASS PROGRAM, AND AUTHORIZATION TO WORK WITH RCCD STAFF AND STUDENTS TO EXPLORE SERVICE ENHANCEMENT OPTIONS TO THE COLLEGE (P.15)</u>	APPROVE

*Any person with a disability who requires a modification or accommodation in order to participate in this meeting or any person with limited English proficiency (LEP) who requires language assistance to communicate with the RTA Board during the meeting should contact the RTA Clerk of the Board, telephone number (951) 565-5044, no fewer than two business days prior to this meeting to enable RTA to make reasonable arrangements to assure accessibility or language assistance for this meeting.*

*Agenda related writings or documents provided to the Board of Directors are available for public inspection during the meeting or may be requested from the office of the Clerk of the Board.*

ITEM

RECOMMENDATION

9. NEXT MEETING  
BOARD EXECUTIVE COMMITTEE MEETING  
THURSDAY, DECEMBER 19, 2013  
2:00 P.M.  
BOARD OF SUPERVISORS CONFERENCE ROOM  
COUNTY ADMINISTRATIVE CENTER  
4080 LEMON STREET, FIFTH FLOOR  
RIVERSIDE, CA 92501
10. CLOSED SESSION
  - A. PURSUANT TO GOVERNMENT CODE SECTION 54957 TO EVALUATE THE PERFORMANCE OF THE CHIEF EXECUTIVE OFFICER LARRY RUBIO
  - B. PURSUANT TO GOVERNMENT CODE SECTION 54957.6 TO MEET WITH DESIGNATED REPRESENTATIVE CHAIRMAN MARION ASHLEY REGARDING THE COMPENSATION OF THE CHIEF EXECUTIVE OFFICER LARRY RUBIO
11. MEETING ADJOURNMENT

RTA BOARD EXECUTIVE COMMITTEE MEETING MINUTES  
Minutes  
October 24, 2013

1. CALL TO ORDER

Chairman Ashley called the Board Executive Committee meeting to order at 2:07 p.m. on October 24, 2013, in the Board of Supervisors Conference Room.

2. SELF-INTRODUCTIONS

Self-introductions of those in attendance took place.

Committee Attendees

1. Chairman Marion Ashley, County of Riverside, District V, Supervisor
2. First Vice-Chair Jeff Comerchero, City of Temecula, Councilmember
3. Second Vice-Chair Andrew Kotyuk, City of San Jacinto, Councilmember
4. Director Ella Zanowic, City of Calimesa, Councilmember

Committee Members Absent

1. Director Wallace Edgerton, City of Menifee, Deputy Mayor

RTA Staff

1. Larry Rubio, Chief Executive Officer
2. Craig Fajnor, Chief Financial Officer
3. Vince Rouzaud, Chief Procurement and Logistics Officer
4. Eric Ustation, Government Affairs Representative

Other Attendees

1. Ken Smart, Agency General Counsel

3. PUBLIC COMMENTS - NON-AGENDA ITEMS

None.

4. APPROVAL OF MINUTES – SEPTEMBER 26, 2013 EXECUTIVE COMMITTEE MEETING

M/S/C (ZANOWIC/KOTYUK) approving the minutes of the September 26, 2013 Executive Committee meeting.

The motion carried unanimously.

5. FY13 FINANCIAL AUDIT RESULTS  
Mr. Fajnor presented the FY13 Financial Audit results.

6. TDA TRIENNIAL AUDIT RESULTS  
Mr. Fajnor presented the TDA Triennial Audit results.

First Vice-Chair Comerchero arrived at the meeting at 2:20 p.m.

7. AUTHORIZATION TO REQUEST FUNDING ADVANCE FROM ALLOCATED UNCLAIMED LOCAL TRANSPORTATION FUND RESERVES HELD IN ACCOUNT BY THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION

M/S/C (KOTYUK/ZANOWIC) as to the following:

- Authorize staff to seek an advance of funds from RCTC in the amount of \$8,000,000 to cover the projected deficit through the remainder of FY14 in the event that pending federal funding is not awarded and available for drawdown.
- Direct staff to discontinue pursuing this request in the event the aforementioned federal funding becomes available.

The motion carried unanimously.

8. FY14 MID-YEAR BUDGET UPDATE  
Mr. Fajnor presented the FY14 Mid-year budget update.

9. AUTHORIZATION TO ASSIGN CBS OUTDOOR LLC BUS SHELTER AND ADVERTISING AGREEMENT TO CBS DECAUX STREET FURNITURE, LLC

M/S/C (KOTYUK/ZANOWIC) as to the following:

- Authorize staff to assign CBS Outdoor LLC bus shelter and advertising agreement to CBS Decaux Street Furniture, LLC.

The motion carried unanimously.

10. AUTHORIZE THE DONATION OF ONE (1) SURPLUS 2002 NABI TRANSIT BUS TO FAMILY SERVICE ASSOCIATION FOR USE AS A MOBILE GROCERY STORE WITHIN RIVERSIDE COUNTY

M/S/C (COMERCHERO/ZANOWIC) as to the following:

- Authorize the donation of one (1) surplus 2002 NABI transit bus to Family Service Association for use as a mobile grocery store within Riverside County.

The motion carried unanimously.

11. LEGISLATIVE UPDATE  
Mr. Ustation provided a legislative update.
  
12. NEXT MEETING  
Regular Meeting of the RTA Board Executive Committee  
Thursday, November 21, 2013  
2:00 p.m.  
Board of Supervisors Conference Room  
County Administrative Center  
4080 Lemon Street, Fifth Floor  
Riverside, CA 92501
  
13. MEETING ADJOURNMENT  
The meeting was adjourned at 2:45 p.m.

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

November 21, 2013

TO: BOARD EXECUTIVE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer  
Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Quarterly Natural Gas Procurement Status Report

Summary: Prior to August 1, 2013, the Agency had always purchased its natural gas (converted to compressed natural gas or CNG) requirements for fueling revenue and non-revenue vehicles from the southern California Gas Company (SoCal Gas). The cost of the gas from SoCal Gas included the commodity cost of the gas as well as the transmission costs and related taxes/fees.

At their May 2013 meeting, the Board authorized staff to enter into a multi-year contract with GHI LLC for the Agency's CNG commodity requirements. The highlights of the GHI contract are as follows:

- GHI provides a fixed 4% discount off the SoCal Gas commodity cost (in the contract base years; 1-3)
- GHI provides the Agency with 5% of the total Renewable Identification Number (RINs) Credit earned
- GHI will both opt-in on the Agency's behalf for the California Air Resources Board (CARB) Low Carbon Fuel Standards (LCFS) Credit program and financially administer the Agency's LCFS Credits
- GHI provides the Agency with 100% of the LCFS Credit value earned
- GHI will provide a fixed 6% discount off of the SoCal Gas commodity cost (in the contract option years; 4-5)

In January 2013, the Board approved and adopted the Agency's 2013 Investment Policy. A significant addition to the policy for the current year was the inclusion of language regarding the purchase of natural gas.

In summary, the natural gas purchase language outlines the acceptable ways staff can purchase natural gas requirements for use in fueling Agency vehicles, whether from SoCal Gas or an Energy Services Provider (ESP). The policy also includes language that describes the discipline to purchase a long-term fixed price-per-therm contract provided certain parameters are met. The policy also states that if the Agency buys its CNG requirements from an entity other than SoCal Gas, then staff would prepare a quarterly report for the Board regarding the performance results under the new purchase arrangement and provide a performance comparison to the prior purchase arrangement.

Attachment A to this staff report identifies the cost savings the Agency has experienced by purchasing natural gas for CNG from GHI versus purchasing from SoCal Gas. The savings are calculated for both a monthly and trailing quarter basis.

Attachment B to this staff report identifies the RINs Credit earned by the Agency under its natural gas purchase arrangement with GHI. RINs credits are earned and paid monthly. It should be noted that no such opportunity existed with SoCal Gas nor was it offered by the other responsible and responsive bidder during the formal procurement process.

Attachment C to this staff report identifies the LCFS Credits earned by the Agency under its natural gas purchase arrangement with GHI. LCFS credits are earned monthly but paid quarterly. It should be noted that no viable means to provide this credit to the Agency was offered by the other responsible and responsive bidder during the formal procurement process.

Attachment D to this staff report indicates the key statistics being measured and tracked to determine whether or not the Agency should convert from the current monthly floating index cost per therm purchase arrangement to a longer-term fixed price per therm purchase arrangement. The statistics are kept to follow the discipline installed as part of the annual investment policy.

As the transition from SoCal Gas to GHI unfolded, staff did discover one element of its due diligence that did not materialize. During discussions with SoCal Gas, staff inquired whether the Agency would be subjected to either 1) a different rate structure in the future if we were not purchasing the natural gas commodity from SoCal Gas, or 2) any new costs or fees in the future if we were not purchasing the natural gas commodity from SoCal Gas. In both

cases, we were told “no.” This inquiry was further substantiated by GHI.

When the Agency received its first invoice from SoCal Gas after transitioning to GHI - an invoice that should have reflected only transmission costs and related fees - staff discovered that the Agency was, indeed, being charged a new fee never previously encountered. This fee, the Municipal Surcharge, was included and is equivalent to approximately \$.00565 per therm (or approximately \$15,000 per year based on 2.6 million therms per year).

Staff contacted SoCal Gas and inquired about the new fee. After getting conflicting information from the SoCal Gas customer service representative, staff communicated its concern to our local SoCal Gas representative about the applicability of the surcharge. This communication has taken place on multiple fronts (phone, email, U.S. Mail) both before and after consultation with Agency Counsel regarding the applicability of the surcharge. As of this writing, the issue is still unresolved with SoCal Gas.

It should be noted that GHI has agreed to make the Agency whole on this new fee in the event that SoCal Gas does not provide a credit retroactively and remove it prospectively. GHI made that offer to staff as they too were unaware of the new fee and do not think the Agency is required to pay it.

Fiscal Impact:

Under the current CNG purchase arrangement with GHI, the Agency has experienced \$6,682 of cost savings in the August-September-October 2013 quarter for its CNG commodity requirements (net of the Municipal Surcharge). Had the Agency not been charged this new fee, savings for the quarter would have been \$10,411. In addition, the Agency has earned a total of \$121,788 of revenue from the RINs and LCFS Credits’ programs. Further, for the same quarter period, the Agency earned \$267,075 in Federal Excise Tax (FET) Credits on Alternative Fuel Use for its use of CNG. However, it should be noted that the FET Credit is legislated to expire as of December 31, 2013.

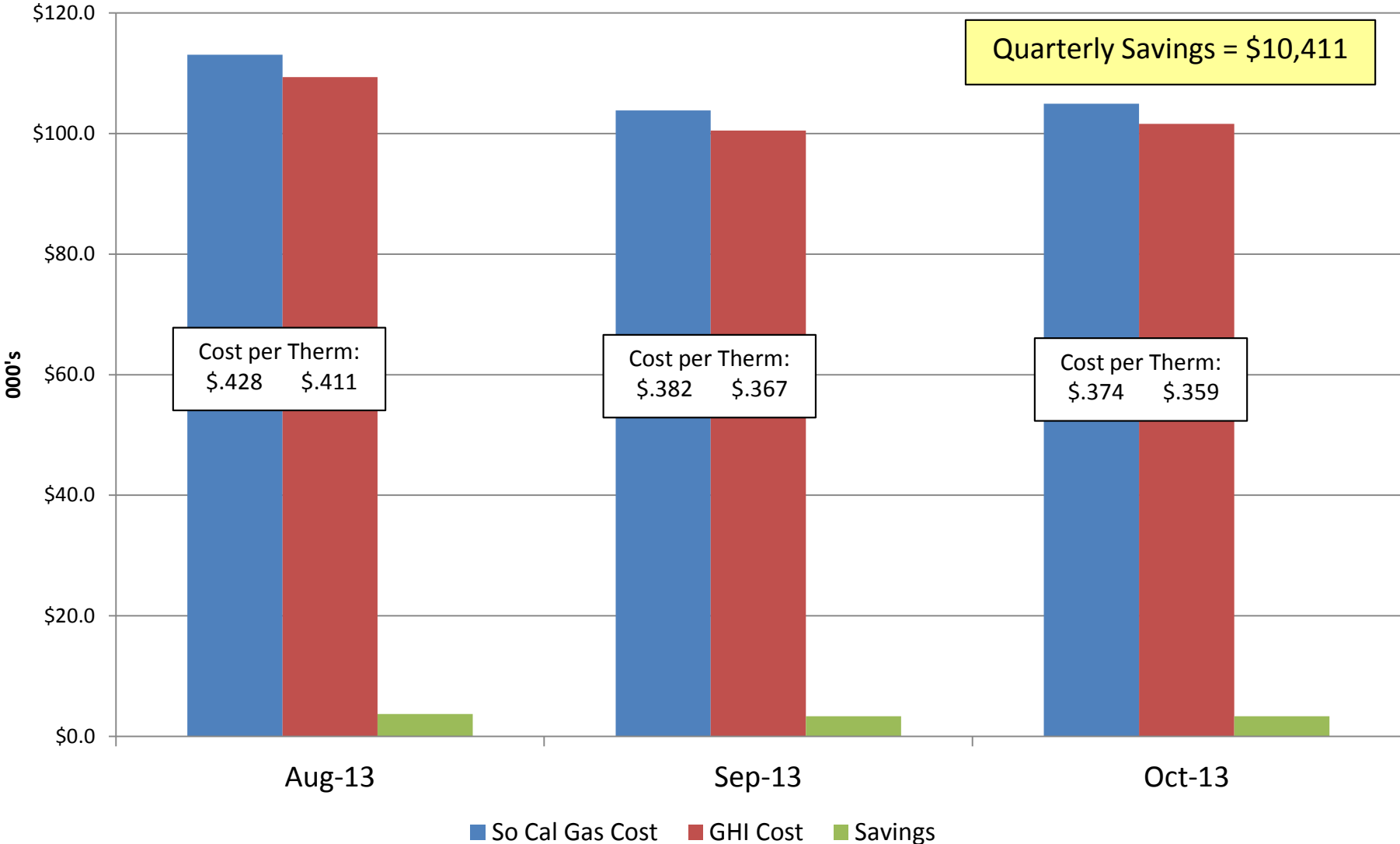
Recommendation:

Receive and file.

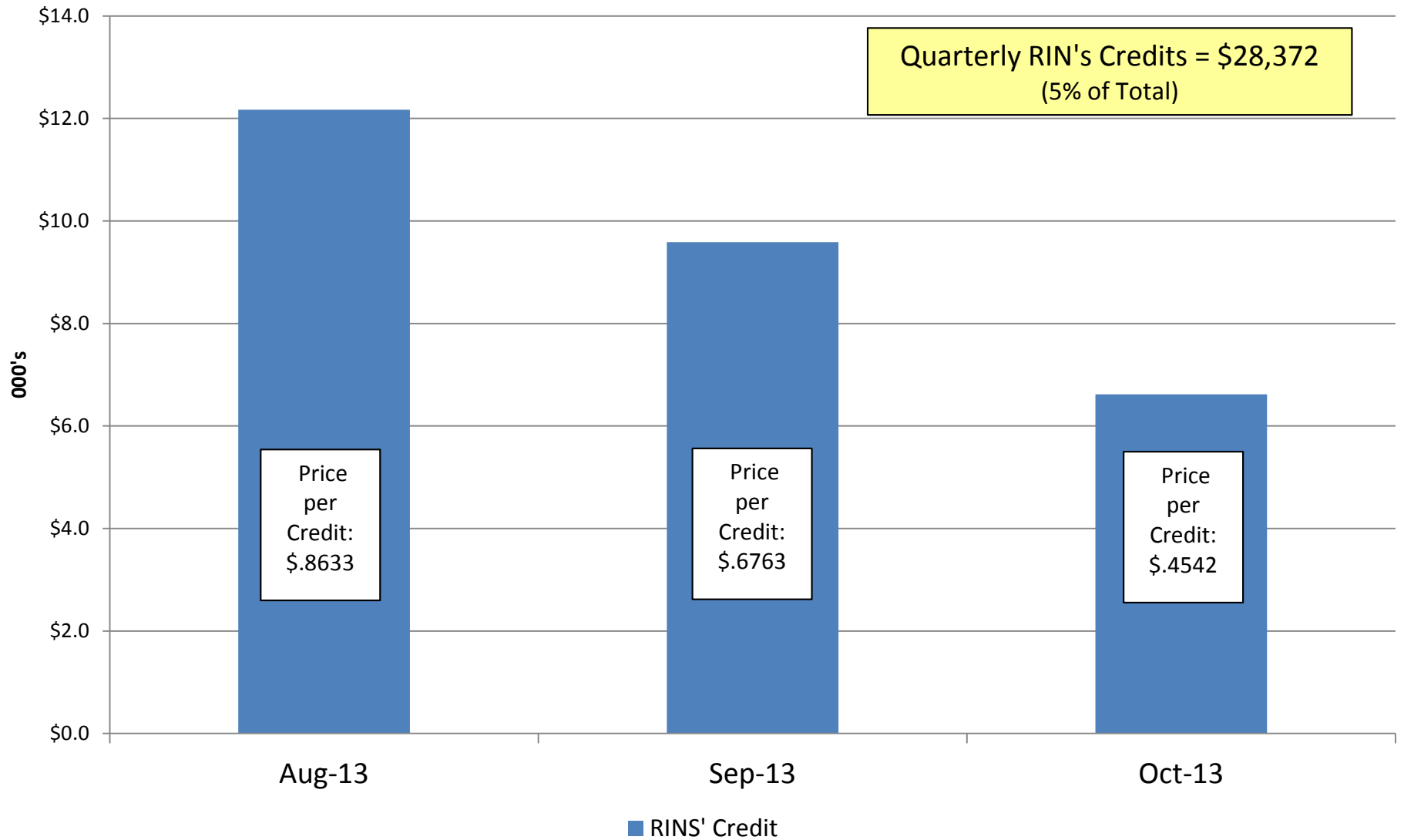


# Attachment A

## CNG Cost Savings - So Cal Gas vs. GHI

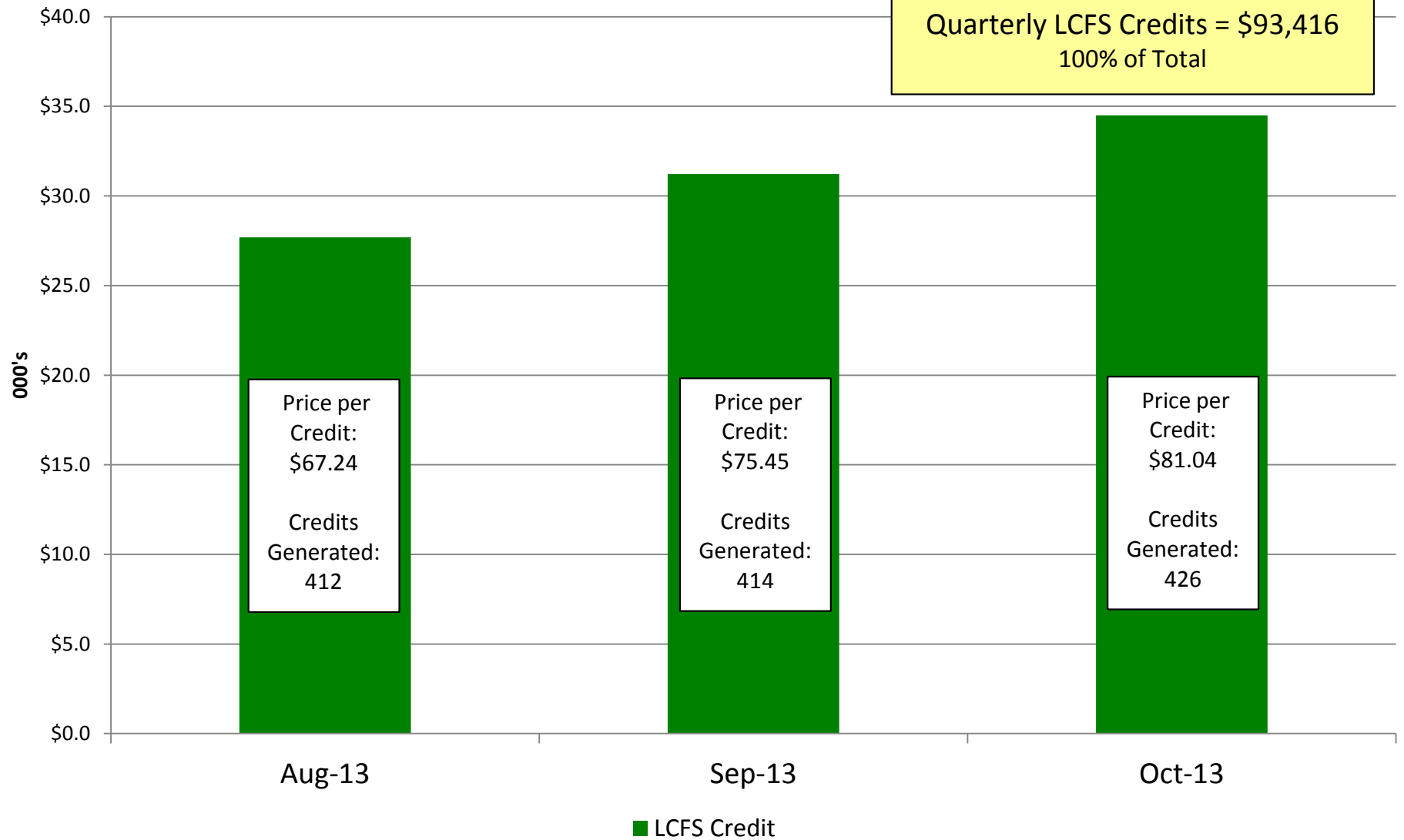


## Attachment B Renewable Identification Number (RIN's) Credit



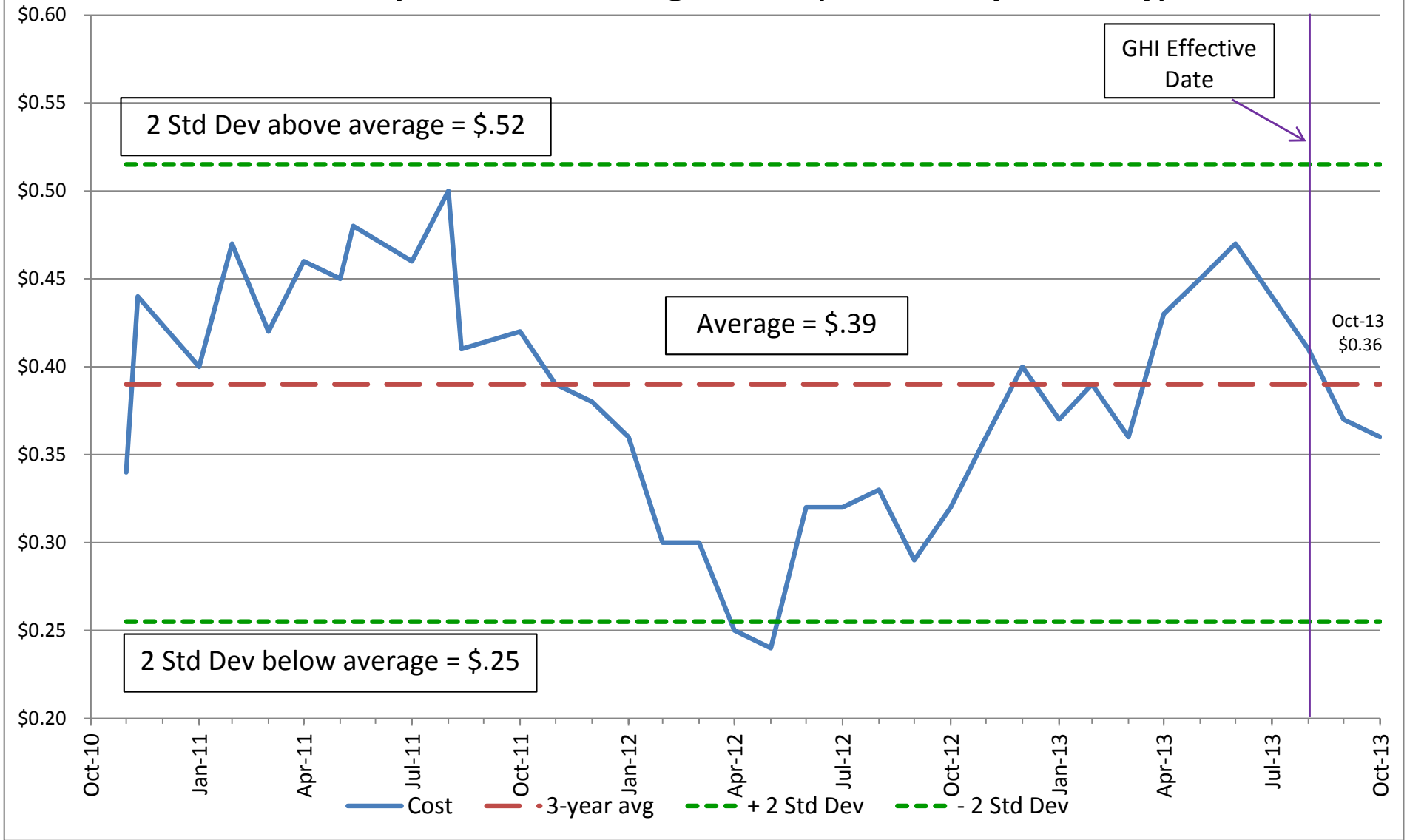
## Attachment C Low Carbon Fuel Standards (LCFS) Credit

Quarterly LCFS Credits = \$93,416  
100% of Total



## Attachment D

### CNG Cost per Therm Trailing 3 Years (commodity cost only)



RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

November 21, 2013

TO: BOARD EXECUTIVE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Terminate for Convenience Agreement No. 10-055b with Van Scoyoc Associates, Inc.

Summary: Since FY04, the firm of David Turch and Associates (David Turch) has represented the Agency's interests at the federal level by providing staff and the Board of Directors with analysis on congressional actions affecting transit and transportation related issues. Over the last nine years, David Turch has been successful in securing funding for the Agency for a wide variety of projects.

In March 2010, the House Republican Conference, by voice vote, joined House Democrats by imposing a moratorium on all federal earmark requests by its members. Because of this moratorium, in June 2011, the Agency investigated the idea of expanding its lobbying efforts to give the Agency greater flexibility in dealing with both elected officials and federal agencies in Washington D.C.

With the above objective in mind, the Board Executive Committee chose David Turch and Associates to continue to manage the Agency's overall legislative priorities with Congressional Members and Senators. The Committee also chose the firm of Van Scoyoc Associates, Inc. (Van Scoyoc) to assist staff in working with the federal agencies on funding opportunities as the process shifted away from federal earmarks to competitive grant processes.

At the October 24, 2013 Board Executive Committee meeting, Vice Chairman Comerchero briefed the Committee on the recent trip to Washington D.C. to meet with the Agency's Congressional and Senate representatives. The meetings were organized by the office of David Turch and were considered very productive. In the ensuing discussion, the Committee requested staff to research the benefit of

paying for two government relations firms as the dynamics in Washington D.C. have changed over the last two years. The Committee members directed this item be brought back with additional information and a recommendation.

During the last two and a half year period, David Turch has continued to successfully manage the Agency's legislative priorities despite the changing political environment in Washington D.C. and continues to deliver significant financial results on the Agency's behalf including a \$2.4M federal grant for clean fuel buses.

With these changes in Washington D.C., funding has shifted from competitive grant processes administered and allocated by federal agencies to a greater emphasis on formula funds allocations. Assistance with grant preparation is negligible. Correspondingly, the Agency's lobbying efforts with these federal agencies are no longer critical. These were the primary objectives to engage Van Scoyoc.

Fiscal Impact:

The Agency's current agreement with Van Scoyoc will expire June 30, 2014. Terminating the agreement for convenience effective January 1, 2014 would result in a savings of \$15,300.

Recommendation:

Authorize staff to terminate for convenience Agreement No. 10-055b with Van Scoyoc Associates, Inc. effective January 1, 2014.

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

November 21, 2013

TO: BOARD EXECUTIVE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Jim Kneepkens, Director of Marketing

SUBJECT: Authorization to Amend Revenue Agreement No. 10-035 with the Riverside Community College District (RCCD) to Add Moreno Valley College Main Campus Students to the Go-Pass Program, and Authorization to Work with RCCD Staff and Students to Explore Service Enhancement Options to the College

Summary: At the December 17, 2009 and April 22, 2010 Board of Directors meetings, the Board authorized the development and implementation of a five-year Go-Pass program with the Riverside Community College District (RCCD). The Go-Pass program, that began on August 17, 2010, allowed all current Riverside City College (RCC) and Moreno Valley College (MVC) students to use their valid student ID cards for unlimited rides on all Riverside Transit Agency (RTA) local and CommuterLink express fixed-route buses. The program is financed by student fees of \$5.00 per semester for part-time students (those taking six or less units) and \$5.50 per semester for full-time students (those taking more than six units).

MVC has two campus locations: the main campus on Lasselle Street in Moreno Valley and a satellite facility at the Ben Clark Training Center (BCTC) on Davis Street in Riverside. In early 2012, MVC staff advised RTA staff that students who attend BCTC and those who drive their own vehicles to college and pay a parking fee did not want to pay the transit fee. MVC staff requested an opt-out modification to the existing agreement. Although RTA was receptive to an opt-out for the BCTC students due to the lack of direct bus service to the facility, the Agency opposed an opt-out option for the main campus because the fees collected are deeply discounted and a decline in student participation could jeopardize the program.

On May 1 and 2, 2012, during the annual spring election, MVC students conducted a vote that considered repealing the transit fee agreement. A total of 339 votes were cast on the Go-Pass issue with 164 in favor of keeping the program and 175 in favor of terminating it.

At the January 22, 2013 RCCD Board of Trustees meeting, the Trustees, based on the recommendation of the student leadership, voted 3-2 to terminate the Go-Pass program at MVC beginning with the summer 2013 term. The MVC Go-Pass program terminated on June 8, 2013.

After the May 2012 vote, RTA continued to work with MVC staff and the Associated Students of Moreno Valley College (ASMVC) to find a solution to meet the request of BCTC and non-transit users. The Agency agreed that because the program served over 20 percent of students, it was crucial to work together so the Go-Pass program could remain an integral part of student life at MVC. Unfortunately the parties were unable to reach an agreement before the program ended.

After elimination of the program, staff and stakeholders continued to work with MVC staff and students to find a solution to provide students with access to affordable public transportation. The ASMVC held student forums to solicit thoughts and suggestions on how MVC could accommodate students beginning with the spring 2014 semester. Contingent upon approval by the Board of Directors, RTA again offered an opt-out option for the BCTC.

On November 12, 2013 RTA received a letter from MVC Vice-President of Student Services Greg Sandoval (Attachment A) outlining ASMVC's request for the College's reinstatement of the Go-Pass program. ASMVC requested the following:

1. Amend the current RTA contract to allow MVC to participate in the Go-Pass program with the understanding to exclude the BCTC students and allow any MVC interested student to waive the Go-Pass mandatory fee within the first two weeks of the term.
2. ASMVC will pay the Go-Pass fee of \$5.50 for students enrolled in over six units and \$5.00 for those students enrolled in six units or less for all students who request to waive the Go-Pass mandatory fee. Students that waive the fee will not be eligible to participate in the Go-Pass program.



3. RTA review the current bus routes to the MVC campus so that they are convenient to the students who are enrolled during the day and night sessions.
4. The Go-Pass program will be effective with the spring 2014 semester that begins on February 18, 2014.

MVC administration plans to present these same recommendations to the RCCD Board of Trustees at their December 3, 2013 meeting.

Fiscal Impact:

Based on spring 2013 and summer 2012 enrollment figures annualized revenue projections are \$75,011 per year.

Recommendation:

- Authorize staff to amend revenue agreement No. 10-035 with the Riverside Community College District to add Moreno Valley College Main Campus students into the Go-Pass program. Students who attend Moreno Valley College's satellite facility at the Ben Clark Training Center would be excluded from the Go-Pass program.
- The Associated Students of Moreno Valley College will assume financial responsibility by paying the Agency the appropriate amount for each student who elects to opt-out of the Go-Pass program. These students would not be eligible for the Go-Pass program.
- Authorize staff to work with RCCD staff and students to explore service enhancement options for Moreno Valley College.
- These items are contingent upon approval by the Riverside Community College District Board of Trustees.