



**BOARD BUDGET AND FINANCE COMMITTEE MEETING
WEDNESDAY, MARCH 5, 2014, 2:00 P.M.
RIVERSIDE TRANSIT AGENCY BOARD ROOM
1825 THIRD STREET
RIVERSIDE, CA 92507**

<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> 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.	RECEIVE COMMENTS
4. <u>APPROVAL OF MINUTES – FEBRUARY 5, 2014 COMMITTEE MEETING (P.3)</u>	APPROVE
5. <u>CASH FLOW PROJECTIONS (P.6)</u>	RECEIVE AND FILE
6. <u>QUARTERLY CAPITAL STATUS (P.8)</u>	RECEIVE AND FILE
7. <u>RATIFY FISCAL YEAR 2013-14 (FY14) CALIFORNIA TRANSIT SECURITY GRANT PROGRAM-CALIFORNIA TRANSIT ASSISTANCE FUND (CTSGP-CTAF) GRANT APPLICATION AND APPROVE RESOLUTION 2014-01 TO OBTAIN FY14 CTSGP-CTAF FUNDS (P.9)</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 in the office of the Clerk of the Board and at the reception desk while the meeting is in session.

<u>ITEM</u>	<u>RECOMMENDATION</u>
8. <u>AUTHORIZATION TO RENEW COOPERATIVE AGREEMENT NO.'S C-0-1456 AND C-1-2436 WITH THE ORANGE COUNTY TRANSPORTATION AUTHORITY (OCTA) FOR SHARING OPERATING EXPENSES FOR ROUTES 216 AND 794 (P.13)</u>	APPROVE
9. <u>AUTHORIZATION TO RENEW ANNUAL SOFTWARE LICENSING AND SUPPORT SERVICES AGREEMENT WITH TRAPEZE SOFTWARE GROUP, INC. (TRAPEZE) FOR INTELLIGENT TRANSPORTATION SYSTEMS (ITS) SOFTWARE (P.15)</u>	APPROVE
10. <u>QUARTERLY NATURAL GAS PROCUREMENT STATUS REPORT (P.17)</u>	RECEIVE AND FILE
11. <u>BOARD MEMBER COMMENTS AND REMARKS</u>	
12. <u>OTHER BUSINESS</u>	
13. <u>NEXT MEETING</u> BOARD BUDGET AND FINANCE COMMITTEE MEETING WEDNESDAY, APRIL 2, 2014 2:00 P.M. RTA HEADQUARTERS 1825 THIRD STREET RIVERSIDE, CA 92507	
14. <u>ADJOURN</u>	

RTA BOARD BUDGET AND FINANCE COMMITTEE MEETING
Minutes
February 5, 2014

1. CALL TO ORDER

Committee Chair Johnston called the Board Budget and Finance Committee meeting to order at 2:00 p.m., on February 5, 2014, in the RTA Board Room.

2. SELF-INTRODUCTIONS

Self-introductions of those in attendance took place.

Committee Members Attending

1. Chairman of the Board, Jeff Comerchero, City of Temecula, Mayor Pro Tem
2. Committee Chair, Frank Johnston, City of Jurupa Valley, Mayor
3. Director Brenda Knight, City of Beaumont, Mayor
4. Director Linda Krupa, City of Hemet, Councilmember
5. Director Randon Lane, City of Murrieta, Councilmember
6. Director Berwin Hanna, City of Norco, Mayor
7. First Vice-Chairman Andrew Kotyuk, City of San Jacinto, Councilmember
8. Alternate Ron Roberts, County of Riverside, District III, Legislative Assistant
9. Director Marion Ashley, County of Riverside, District V, Supervisor

RTA Staff

1. Larry Rubio, Chief Executive Officer
2. Natalie Gomez, Clerk of the Board
3. Tom Franklin, Chief Operating Officer
4. Rohan Kuruppu, Director of Planning
5. Vince Rouzaud, Chief Procurement and Logistics Officer
6. Natalie Zaragoza, Contracts Manager
7. Laura Camacho, Director of Human Resources
8. Brad Weaver, Marketing Manager
9. Bob Bach, Director of Maintenance
10. Jim Kneepkens, Director of Marketing
11. Lorelle Moe-Luna, Senior Planner
12. Eric Ustation, Government Affairs Representative
13. Rick Kaczerowski, Director of Information Technologies
14. Charlie Ramirez, Controller

Other Attendees

1. Barry Busch, County of Riverside, District V, Legislative Assistant

3. PUBLIC COMMENTS – NON-AGENDA ITEMS

None.

4. APPROVAL OF MINUTES – JANUARY 8, 2014 COMMITTEE MEETING

M/S/C (KRUPA/KOTYUK) approving the January 8, 2014 committee meeting minutes. The motion carried with six affirmative votes and three abstentions. (HANNA/KNIGHT/LANE)

5. CASH FLOW PROJECTIONS

Mr. Rubio presented the cash flow projections.

6. QUARTERLY INVESTMENT REPORT

Mr. Rubio presented the quarterly investment report.

7. RATIFY THE FISCAL YEAR 2015 (FY15) GRANT APPLICATION FOR THE PROPOSED FIRST AND LAST MILE STRATEGIC MOBILITY ASSESSMENT PLAN SUBMITTED TO THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) FOR FEDERAL TRANSIT ADMINISTRATION (FTA) SECTION 5304 FUNDING UNDER THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) PLANNING GRANT PROGRAM

M/S/C (HANNA/KRUPA) approving and recommending this item to the full Board of Directors for their consideration:

- Ratify the FY15 grant application for the proposed First and Last Mile Strategic Mobility Assessment submitted to SCAG for FTA Section 5304 funding under the Caltrans Transportation Planning Grant Program.

The motion carried unanimously.

8. BOARD MEMBER COMMENTS AND REMARKS

None.

9. OTHER BUSINESS

None.

10. NEXT MEETING

Board Budget and Finance Committee Meeting
Wednesday, March 5, 2014
2:00 p.m.
RTA Headquarters
1825 Third Street
Riverside, CA 92507

11. MEETING ADJOURNMENT

The meeting was adjourned at 2:08 p.m.

DRAFT

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

March 5, 2014

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer

SUBJECT: Cash Flow Projections

Summary: The Agency develops cash flow projections for the entire fiscal year representing weekly increments. Due to the size of the report, it is difficult to portray the entire fiscal year.

The attached report represents actual cash performance through late-February 2014 with projections through April 2014. This reporting period covers the first 10 months of FY14.

Recommendation:

Receive and file.

**Riverside Transit Agency
FY14 Cash Flow Projection**

	Actual										
1	General Account	2/21/2014	2/28/2014	3/7/2014	3/14/2014	3/21/2014	3/28/2014	4/4/2014	4/11/2014	4/18/2014	4/25/2014
2	Est. Cash, Beg Balance (Book)	123,902	(76,440)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
3	Receipts:										
4	LTF Operating - recurring		2,104,289				2,178,759				
5	LTF GASB 43/45		150,000				150,000				
6	FET Credit	74,446									
7	RIN's Credit				5,795				3,500		
8	LCFS										
8	CalPERS CERBT Disbursement										
9	Farebox	101,300	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
10	Total Other Farebox	70,323	9,342	14,618	37,055	237,054	166,464		35,311	13,299	81,163
11	Total Other Local	435	1,000	1,000	1,000	1,000	1,000	1,000	1,000	4,750	68,386
12	FTA Operating	15,622		42,400					44,000		
13	Capital - Local, State	34,899	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
14	Echo - FTA Capital	105,937	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
15	Transfer from Investment to Gen Acct.	2,188,070		6,897,639	5,045,763	3,898,110		2,806,500	158,814	866,951	331,076
16	Disbursements:										
17	Payroll = Net+Tax	(606,951)		(625,000)		(625,000)		(625,000)		(625,000)	
18	A/P Wires	(14,368)	(366,701)	(1,984,500)	(144,625)	(24,500)	(382,625)	(2,084,500)	(144,625)	(162,000)	(382,625)
19	A/P Checks	(178,240)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
20	Capital Expenditures	(1,991,816)	(1,529,052)	(4,361,157)	(4,959,988)	(3,501,664)	(113,000)	(113,000)	(113,000)	(113,000)	(113,000)
21	Transfer to GASB Trust Acct.										
22	Actual Ending Book Balance / Targeted Minimum Balance	(76,440)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

23	LAIF Account:										
24	Beginning balance	14,500,000	14,200,000	15,891,925	13,242,443	13,043,668	12,534,222	14,549,820	11,743,320	11,584,506	10,726,720
25	Quarterly Interest Income									9,164	
26	Transfers to/from Gen Acct.	(2,188,070)	257,438	(6,897,639)	(5,045,763)	(3,898,110)	2,015,598	(2,806,500)	(158,814)	(866,951)	(331,076)
27	Transfers to/from County Pool	1,888,070	1,434,487	4,248,157	4,846,988	3,388,664	-	-	-	-	-
28	Ending balance	14,200,000	15,891,925	13,242,443	13,043,668	12,534,222	14,549,820	11,743,320	11,584,506	10,726,720	10,395,643

29	County Pool Account:										
30	Beginning balance	27,497,068	25,628,326	24,193,839	19,945,682	15,098,694	11,710,030	11,710,030	11,710,030	11,716,772	11,716,772
31	Quarterly Interest Income	19,328							6,742		
32	Transfers to/from Gen Acct.	-	-	-	-	-	-	-	-	-	-
33	Transfers to/from LAIF	(1,888,070)	(1,434,487)	(4,248,157)	(4,846,988)	(3,388,664)	-	-	-	-	-
34	Ending balance	25,628,326	24,193,839	19,945,682	15,098,694	11,710,030	11,710,030	11,710,030	11,716,772	11,716,772	11,716,772

<i>Restricted</i>	26,785,946	25,501,459	21,253,302	16,406,314	13,017,650	13,167,650	13,167,650	13,174,392	13,174,392	13,174,392
<i>Available for Operating</i>	12,965,939	14,634,305	11,984,823	11,786,048	11,276,602	13,142,200	10,335,700	10,176,886	9,319,100	8,988,023

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

March 5, 2014

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer

SUBJECT: Quarterly Capital Status

Summary: The Agency has, at any one time, a multitude of capital projects in progress or pending as circumstances and funding dictate. These capital projects are funded through a variety of funding sources including, but not limited to, Federal, State, and Local grants. Capital items funded with these grants include, but are not limited to, Revenue and Non-Revenue Vehicles, Public Transit Facilities, Operational Facility Improvements, and Information Systems.

Depending on the nature of the project, it can take multiple years to accumulate the required funding to complete the project. It can also take multiple years to complete the project once it has commenced. Examples of such a scenario are the heavy-duty CNG bus purchases and the development of various transit centers.

The Agency will always have capital needs due to replacement of retired assets, acquisition and/or maintenance of Agency infrastructure, and unique needs such as transit centers to serve the transportation needs of our customers. As such, the Agency should always have a backlog of open projects that preserve the future of the Agency.

A presentation will be given at the committee meeting which provides an update on the Agency's capital projects, focusing on the activities from December 2013 through February 2014. The Agency is required to provide quarterly reporting to the Federal Transportation Administration (FTA) and the Riverside County Transportation Commission (RCTC) one month after the end of each quarter. This reporting was submitted.

Recommendation:

Receive and file.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

March 5, 2014

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer
Rohan Kuruppu, Director of Planning

SUBJECT: Ratify Fiscal Year 2013-14 (FY14) California Transit Security Grant Program-California Transit Assistance Fund (CTSGP-CTAF) Grant Application and Approve Resolution 2014-01 to Obtain FY14 CTSGP-CTAF Funds

Summary: On November 7, 2006, California voters approved Proposition 1B entitled “The Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006,” which is commonly known as “Prop 1B.” Prop 1B provides funding for two categories of transportation capital improvement.

This item falls under the CTSGP-CTAF or “Prop 1B Security” program. Prop 1B Security funds can only be utilized for transit system safety, security and disaster response capital projects. Thus, these funds are restricted to capital projects with safety and security objective and cannot, for example, be used for operating costs.

Each year, the State solicits requests for Prop 1B Security projects that meet the necessary criteria and then finances the approved projects through the sale of bonds. Eligible security projects include, but are not limited to, construction or renovation projects designed to enhance the security of public transit stations or other transit facilities through the installation of fencing, barriers, gates or related security enhancements designed to improve the physical security of transit stations or other transit facilities and equipment.

The Agency received notice from the California Governor’s Office of Emergency Services (Cal OES) of the State’s FY14 call for projects for Prop 1B Security funds prior to the end of 2013. Investment Justifications (Prop 1B Security project applications) were due to Cal OES by December 15, 2013.

Based on funding guidance provided by Riverside County Transportation Commission (RCTC) staff, Agency staff applied for a total of \$911,470 of FY14 Prop 1B Security funding for the following project:

- RTA Operations and Facilities Security Improvements

Despite having received a Notification of Project Eligibility (NOPE) from Cal OES – effectively pre-approval, the State of California requires applicants to obtain formal resolutions by their Board of Directors approving their agency’s request prior to official award.

Attachment A to this staff report is Resolution 2014-01. If approved and executed, this Resolution will be provided to Cal OES to enable formal approval of the FY14 Prop 1B Security grant to the Agency.

Fiscal Impact:

When received, the Agency will use the requested \$911,470 in Prop 1B CTSGP-CTAF funds for capital security activities at its operational sites, bus stops/transit centers, and on its vehicle fleet. Receipt of awarded funds will be dependent upon the successful sale of bonds by the State.

Recommendations:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Ratify the \$911,470 FY14 Prop 1B CTSGP-CTAF investment justification/grant application submitted by staff to Cal OES.
- Approve Resolution 2014-01 authorizing the Chief Executive Officer to execute all actions required to obtain \$911,470 in FY14 Prop 1B CTSGP-CTAF funds.

Resolution 2014-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIVERSIDE TRANSIT AGENCY AUTHORIZING THE FILING OF A GRANT APPLICATION WITH THE CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (CAL OES) FOR FISCAL YEAR 2013-14 PROPOSITION 1B CALIFORNIA TRANSIT SECURITY GRANT PROGRAM (CTSGP) GRANT FUNDS.

WHEREAS, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 authorizes the issuance of general obligation bonds for specified purposes, including, but not limited to, funding made available for capital projects that provide increased protection against security and safety threats, and for capital expenditures to increase the capacity of transit operators to develop disaster response transportation systems; and

WHEREAS, the California Governor's Office of Emergency Services (Cal OES) administers such funds deposited in the Transit System Safety, Security, and Disaster Response Account under the California Transit Security Grant Program (CTSGP); and

WHEREAS, the Riverside Transit Agency is eligible to receive CTSGP funds; and

WHEREAS, the Riverside Transit Agency will apply for FY 2013-2014 CTSGP funds in an amount up to \$911,470 for Operations and Facilities Security Improvements; and

WHEREAS, Riverside Transit Agency recognizes that it is responsible for compliance with all Cal OES CTSGP grant assurances, and state and federal laws, including, but not limited to, laws governing the use of bond funds; and

WHEREAS, Cal OES requires Riverside Transit Agency to complete and submit a Governing Body Resolution for the purposes of identifying agent(s) authorized to act on behalf of Riverside Transit Agency to execute actions necessary to obtain CTSGP funds from Cal OES and ensure continued compliance with Cal OES CTSGP assurances, and state and federal laws.

THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE RIVERSIDE TRANSIT AGENCY THAT THE CHIEF EXECUTIVE OFFICER, AND/OR HIS DESIGNEE, is hereby authorized to execute for and on behalf of Riverside Transit Agency, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining financial assistance provided by the California Governor's Office of Emergency Services under the CTSGP.

ADOPTED this 27th day of March 2014.

RIVERSIDE TRANSIT AGENCY

APPROVED AS TO FORM:

Jeff Comerchero
Chairman of the Board of Directors

Kennard R. Smart, Jr.
Agency's General Counsel

CERTIFICATION

The undersigned duly qualified Clerk of the Board of Directors of the Riverside Transit Agency certifies that the foregoing is a true and correct copy of a Resolution, adopted at a legally convened meeting of said Board of Directors held on March 27, 2014.

ATTEST:

Natalie Gomez
Clerk of the Board of Directors

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

March 5, 2014

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Renew Cooperative Agreement No.'s C-0-1456 and C-1-2436 with the Orange County Transportation Authority (OCTA) for sharing Operating Expenses for Routes 216 and 794

Summary: Two public transit routes link Riverside County with the neighboring county of Orange providing commuters with travel options between the two counties, RTA CommuterLink Route 216 and OCTA's Express Route 794. Because both routes provide service that extends beyond the boundaries of their respective service areas, cooperative agreements outlining the responsibilities between the two transit agencies are necessary.

RTA Route 216 originates at the downtown transit terminal in Riverside and travels to The Village at Orange in Orange County. The route's distance is approximately 36 miles with 70 percent of the route's mileage in Riverside County and the remaining 30 percent in Orange County. Service is provided during the peak morning and afternoon hours on both weekdays and weekends. Ridership on Route 216 has averaged 7,926 boardings per-month through January which represents a 4.3 percent increase from FY13. The current term for this Agreement expires June 30, 2014 with the 12-month renewal starting July 1, 2014. The Cooperative Agreement is structured so that OCTA reimburses the Agency for its proportional share of approximately 30 percent of the annual operating expenses for the miles that are traveled within Orange County.

OCTA Route 794 originates from both the La Sierra Metrolink Station in Riverside and the Canyon Community Church in Corona and travels to the South Coast Metro in Orange County. Service is provided during the peak morning and afternoon hours on weekdays only. Unlike Route 216, no weekend service is provided. The Cooperative Agreement is structured so that the Agency reimburses OCTA its proportional share of approximately 33 percent of the annual operating expenses for the miles

that are traveled within Riverside County. Ridership on Route 794 has averaged 4,336 boardings per-month through January which represents a decrease of 17 percent from FY13. The current term for this Agreement expires June 30, 2014 with the 12-month renewal starting July 1, 2014.

Both Agreements incorporate updated hourly rates for FY15 so that each agency is reimbursed for its actual operating expenses. Fare revenues are retained by the agency responsible for operating the route. The Agreements may be renewed annually upon mutual consent of both agencies.

Fiscal Impact:

Sufficient funding will be included in the Agency’s FY15 operating budget to support each route. The following table shows the division of operating expenses by route for each agency:

	<u>Revenue</u> <u>Service Hours</u>		<u>Annual Operating</u> <u>Expenses</u>	<u>Cost Breakdown</u> <u>by Agency</u>
Route 216	6,362		\$ 488,538	RTA
			\$ 209,373	OCTA
		Total	\$ 697,911	
Route 794	4,901		\$ 111,923	RTA
			\$ 215,934	OCTA
		Total	\$ 327,857	

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to renew Cooperative Agreement No. C-0-1456 with the Orange County Transportation Authority for reimbursement of \$209,373, to continue the operation of RTA Route 216 from July 1, 2014 through June 30, 2015.
- Authorize staff to renew Cooperative Agreement No. C-1-2436 with the Orange County Transportation Authority in the amount of \$111,923, to cover the Agency’s share of operating expenses for OCTA Route 794 from July 1, 2014 through June 30, 2015.

RIVERSIDE TRANSIT AGENCY
1825 Third St.
Riverside, CA 92507

March 5, 2014

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Renew Annual Software Licensing and Support Services Agreement with Trapeze Software Group, Inc. (Trapeze) for Intelligent Transportation Systems (ITS) Software

Summary: Staff is requesting authorization to renew its annual software licensing and support services agreement with Trapeze for the Agency's Intelligent Transportation System (ITS) software. The current licensing and support services agreement is due to expire on March 31, 2014.

Background

In May 2005, the Board authorized the award and implementation of a competitively bid ITS system (system) at a cost of approximately \$3.7 million. The system equipped the Agency's fleet of 40-foot buses with Mobile Data Terminals, Global Positioning Systems receivers and Automatic Passenger Counters. The system also included Computer Aided Dispatch workstations that directly link RTA dispatch with the system network enabling dispatch to monitor the location of every 40-foot bus via an Automatic Vehicle Location system. The ITS system software is proprietary, and is licensed and supported by Trapeze.

Over the last nine years, ITS technology has advanced significantly in equipment design, data integrity and software functionality. Improvements such as software for vehicle tracking, reporting capabilities, new text to speech capabilities and advanced traveler information applications that can provide audible information to better serve the riding public are a few examples.

In the Agency's FY14 capital budget, the Board authorized the replacement and expansion of the ITS system to include both directly operated and contractor operated vehicles. In November 2013, as a result of a formal competitive procurement, the Board

authorized staff to award an agreement to Clever Devices for the purchase and implementation of a new generation ITS system. Since system design, configuration and implementation will take approximately 16 to 18 months, the Agency is required to maintain the existing system with Trapeze support during the new system's implementation.

Renewal of the licensing and support services agreement will enable the Agency to continue to receive software updates, bug fixes and other technical support services.

Due to the proprietary nature of this software, staff solicited a quotation from Trapeze to continue its software licensing and support services. Trapeze responded with an initial quote for the one-year period beginning April 1, 2014 through March 31, 2015 of \$171,690. Through further discussion with Trapeze, staff negotiated a reduction of approximately 11.5 percent from their initial quote making the revised pricing \$153,992 for the one-year period.

Staff has reviewed Trapeze's proposed pricing and has determined it to be fair and reasonable.

Fiscal Impact:

Funding in the amount of \$153,992 has been included in the Agency's operating budget for ITS software licensing and support services and covers the period from April 1, 2014 through March 31, 2015. Funds needed beyond this point will be modeled in the FY15 budget.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to renew annual software licensing and support services agreement with Trapeze Software Group, Inc. for ITS software in the amount of \$153,992 for a term beginning April 1, 2014 through March 31, 2015.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

March 5, 2014

TO: BOARD BUDGET AND FINANCE COMMITTEE
THRU: Larry Rubio, Chief Executive Officer
FROM: Craig Fajnor, Chief Financial 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 from GHI for conversion to CNG versus purchasing it from SoCal Gas. The savings are calculated and depicted on 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. As a reminder, 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. As a reminder, 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.

Fiscal Impact:

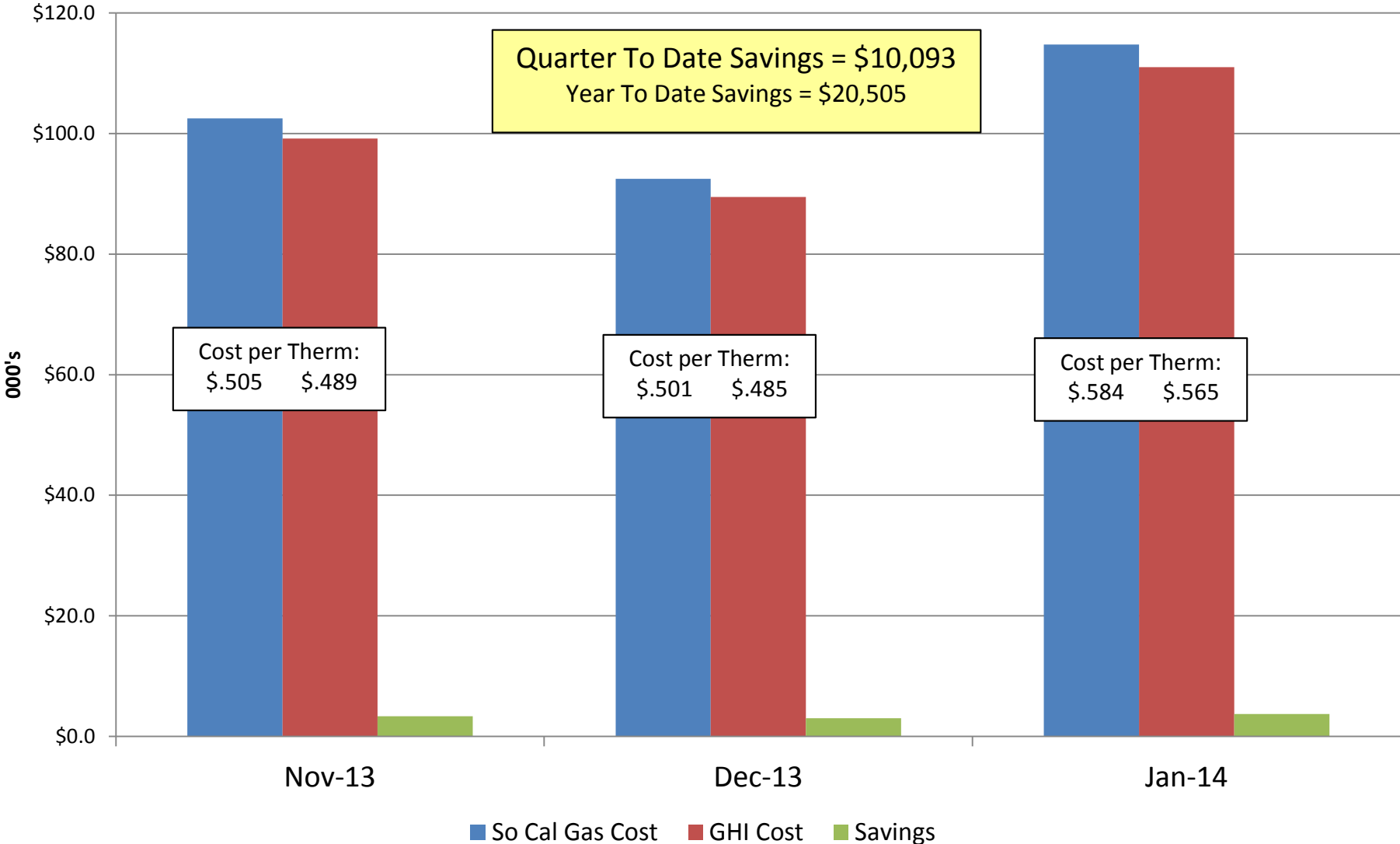
Under the current purchase arrangement with GHI, the Agency experienced \$10,093 of cost savings in the quarter covering November/December 2013 - January 2014 for its natural gas commodity requirements.

In addition, the Agency earned a total of \$82,512 of combined revenue from the Federal RINs and State LCFS Credits' programs. Finally, for the same quarter period, the Agency earned \$156,056 in Federal Excise Tax (FET) Credits on Alternative Fuel Use for its use of CNG. As a reminder, the FET Credit expired as of December 31, 2013.

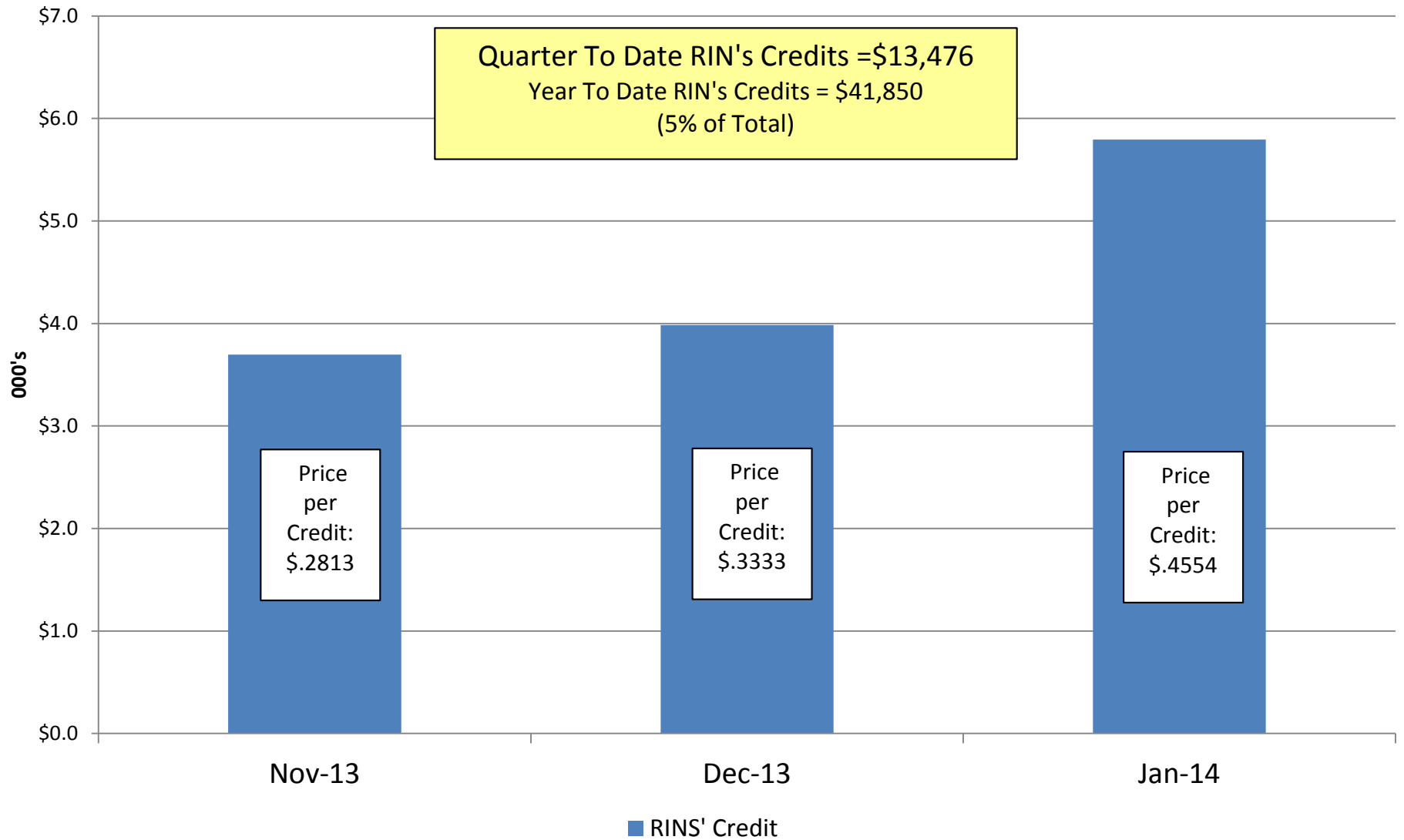
Recommendation:

Receive and file.

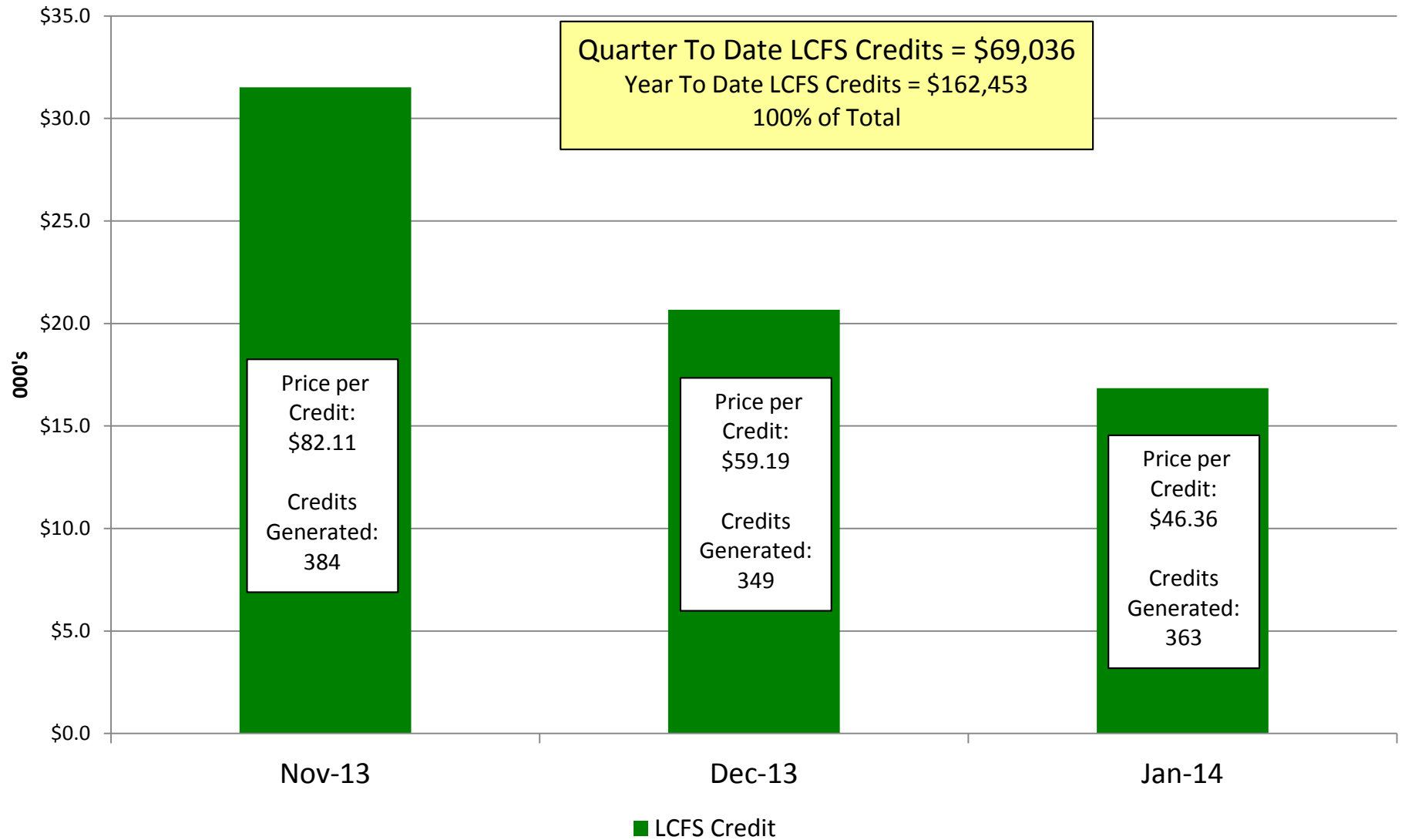
Attachment A CNG Cost Savings - So Cal Gas vs. GHI



Attachment B Renewable Identification Number (RIN's) Credit



Attachment C Low Carbon Fuel Standards (LCFS) Credit



Attachment D

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

