

Regional Governance of the SAN JOAQUIN Intercity Rail Service



RGI Working Group Meeting August 17, 2012

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San Joaquin Regional Rail Commission

Regional Governance of the
SAN JOAQUIN Intercity Rail Service



1. INTRODUCTIONS

Regional Governance of the
SAN JOAQUIN Intercity Rail Service



**2. AB 1779 & SB 1225
UPDATE**

Progress

- May 30 – Assembly Vote on AB 1779 (64-11)
- May 30 – Senate Vote on SB 1225 (38-0)
- June 25 – Assembly Trans Vote on SB 1225 (10-0)
- July 2 – Assembly Local Gov. on SB 1225 (8-0)
- July 3 – Senate Trans. Comm on AB 1779 (8-0)
- **August 16 – Senate Approps on AB 1779 (6-1)**
- **August 16 – Assem. Approps on SB 1225 (“B”)**
- **August – Senate Vote on AB 1779**
- **August – Assembly Vote on SB 1225**

Key Senate Trans. Comm. Amendments

- 14070.2 (d): ~~It is the intent of the Legislature that the~~ **The** San Joaquin Joint Powers Authority **shall** protect existing service as warranted by ridership and available revenue.

Key Senate Trans. Comm. Amendments

- ***14031.8 (f) (3): Feeder bus services that provide connections for intercity rail passengers for the state-supported San Joaquin passenger rail service shall not be terminated unless the bus services fail to meet the cost-effectiveness standard described in paragraph (3) of subdivision (a) of Section 14035.2.***

Potential Amendments



Report On:

- Meetings with BT&H Agency
- Senate Appropriations Analysis
- Getting Out of Suspense
- BT&H Proposed Amendments

Senate Appropriation Committee Amendments

- Add the following sentence to 14070.2 b (2): ***“The interagency transfer agreement between the department and the San Joaquin joint powers agency shall cover the initial three-year period after the transfer, but may be extended thereafter by mutual agreement.”***

Senate Appropriation Committee Amendments

- 14031.8 (c): The joint powers board or local or regional entities may, ~~but shall not be required to,~~ augment state-provided resources to expand intercity passenger rail services, or to address funding shortfalls in achieving agreed-upon performance standards.

Senate Appropriation Committee Amendments

- 14031.8 (g): ~~Notwithstanding any other provision of this section, with regard to the San Joaquin Corridor, local resources described in subdivision (c) shall not be available for expenditure to offset any redirection, elimination, reduction, or reclassification of state resources for operating intercity rail services.~~

Senate Appropriation Committee Amendments

- 14070.2 (b) (2): With respect to the San Joaquin Corridor, if authorized by the secretary pursuant to subdivision (a), the interagency transfer agreement shall be executed on or before December 31, ~~2013~~**2014**

Regional Governance of the
SAN JOAQUIN Intercity Rail Service



**3. UPDATE ON OUTREACH
EFFORTS**

Letters of Support

- CVRWG (sponsor)
- SJV Regional Policy Council (sponsor)
- Sacramento RT (sponsor)
- San Joaquin RRC (sponsor)
- CA Partnership for SJV
- Stanislaus COG
- San Joaquin COG
- Madera CTC
- Merced CAG
- Tulare CAG
- Sacramento Area COG
- Fresno COG
- **Contra Costa TA**
- Mayor of Fresno
- Steve Cohn, Sacramento City Council, CCJPA Board member
- City of Modesto
- City of Merced
- City of Lodi
- City of Elk Grove
- City of Sacramento
- City of Visalia
- City of Corcoran

Letters of Support

- City of Stockton
- City of Selma
- City of Mendota
- City of Turlock
- City of Huron
- City of Fowler
- City of Kingsburg
- San Joaquin RTD
- Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency
- Fresno County
- **Contra Costa County Board of Supervisors**
- Fresno Regional Workforce Investment Board
- SJV Air Pollution Control District
- Greater Stockton Chamber of Commerce
- California Central Valley Economic Development Corporation
- Capitol Corridor Joint Powers Authority
- **CA Transit Association**

Presentations

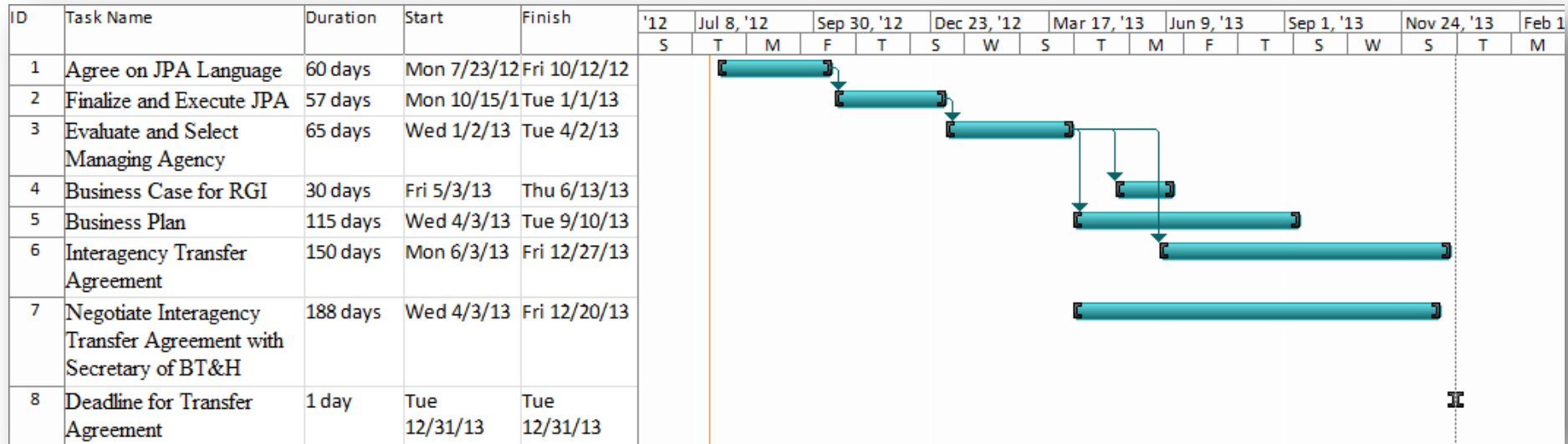
CVRWG (5) , SJV Regional Policy Council (2), SJV Directors' Mtg (4) Fresno COG (2), Tulare CAG, Madera CTC, Kern COG (2), SJRRC (3), Valley Voice, CA Partnership for SJV, Fresno Co., StanCOG (2), Kings CAG, SJVRC, Kings Co. (2), CA Central Valley EDC, Greater Stockton Chamber of Commerce, City of Wasco, SJ COG (2), City of Corcoran, City of Hanford, **Greater Fresno Chamber of Commerce, Sacramento Chamber of Commerce, San Joaquin Partnership**

Regional Governance of the SAN JOAQUIN Intercity Rail Service



4. SCHEDULE

SCHEDULE



Regional Governance of the
SAN JOAQUIN Intercity Rail Service



**5. PRELIMINARY DRAFT JEPA
DISCUSSION**

Preliminary Draft JEPA Agreement

- ❑ INTRODUCTION
- ❑ RECITALS
- ❑ 1.0 DEFINITION
- ❑ 2.0 CREATION OF SJJPA
- ❑ 3.0 PURPOSES
- ❑ 4.0 POWERS OF SJJPB
- ❑ 5.0 GOVERNING BOARD OF THE SJJPA
- ❑ 6.0 QUORUM
- ❑ 7.0 VOTING
- ❑ **8.0 MANAGING AGENCY**
- ❑ **9.0 SOLICITATION OF GRANTS**
- ❑ **10.0 BUDGET AND FUNDING**
- ❑ **11.0 LIABILITY OF SJJPA, AGENCIES, OFFICERS, AND EMPLOYEES**
- ❑ **12.0 SERVICES BY MANAGING AGENCY**
- ❑ **13.0 EFFECTIVE DATE OF AGREEMENT**
- ❑ **14.0 CUSTODIAN OF PROPERTY**

Preliminary Draft JEPA Agreement (continued)

- ❑ **15.0 ANNUAL BUDGET**
- ❑ **16.0 RALPH M. BROWN ACT**
- ❑ **17.0 FILING WITH SECRETARY OF STATE**
- ❑ **18.0 BYLAWS**
- ❑ **19.0 COMMITTEES**
- ❑ **20.0 WITHDRAWAL BY MEMBER AGENCY**
- ❑ **21.0 DURATION OF AGREEMENT AND TERMINATION**
- ❑ **22.0 NOTICE**
- ❑ **23.0 AUDIT**
- ❑ **24.0 AMMENDMENTS TO THE AGREEMENT**
- ❑ **25.0 ARBITRATION**
- ❑ **26.0 CONFLICT OF INTEREST CODE**
- ❑ **27.0 SUCCESSOR STATUES**
- ❑ **28.0 AGREEMENT, COMPLETE**
- ❑ **29.0 COUNTERPARTS**

8.0 MANAGING AGENCY

Subject to the policy direction and control of the SJJPA, and subject further to the terms, conditions and requirements of its contract with the SJJPA, the Governing Board will select a Managing Agency of the SJJPA that shall provide all necessary administrative support to the SJJPA. The Managing Director shall be an employee of the Managing Agency and serve at the pleasure of the Governing Board.

8.0 MANAGING AGENCY

The Managing Agency shall solicit the input and participation of the other agencies and endeavor to achieve consensus while providing the following administrative support to the SJJPA:

- **8.1** Negotiate and recommend the award of all necessary agreements for the SJJPA, including but not limited to the Interagency Transfer Agreement, agreements for the provision of passenger rail services, and use of tracks and other facilities, subject to approval by the Governing Board;

8.0 MANAGING AGENCY

- **8.2** Manage all agreements entered into by the SJJPA;
- **8.3** Implement projects contained in the approved **Business Plan's** Capital Improvement Program unless the administration of particular capital projects is more appropriately managed in another manner, such as by an individual agency or a local government, as determined by the Governing Board;

8.0 MANAGING AGENCY

- **8.4** Provide for the maintenance and management of such property as may be owned or controlled by the SJJPA unless the administration of that property is more appropriately managed in another manner, such as by an individual agency or a local government, as determined by the Governing Board;
- **8.5** Provide a risk management program to cover the Governing Board and each of the Member Agencies in the performance of their duties pursuant to this Agreement, and seek appropriate insurance coverage to implement such risk management program;

8.0 MANAGING AGENCY

- **8.6** Seek, obtain and administer grants, subject to the provisions of Section 7.0 below;
- **8.7** Develop and implement marketing programs;
- **8.8** Prepare and submit financial reports;
- **8.9** Prepare for approval by the SJJPA the Business Plan;
- **8.10** Report regularly to the SJJPA regarding San Joaquin Corridor issues;

8.0 MANAGING AGENCY

- **8.11** Recommend changes in fares and the collection of fares to the SJJPA;
- **8.12** Recommend changes in scheduling and levels of service to the SJJPA;
- **8.13** Prepare and implement changes in scheduling and fares, subject to required public involvement;

8.0 MANAGING AGENCY

- **8.14** Prepare capital and operating budgets for presentation to the SJJPA;
- **8.15** Facilitate interaction with other entities involved in operation, construction and renovation of the San Joaquin Rail Service; and
- **8.16** Negotiate with any other public or private transportation providers as necessary to ensure coordinated service with the San Joaquin Rail Service.

9.0 SOLICITATION OF GRANTS

The Managing Agency shall pursue any and all sources of funding for the SJJPA; provided, however, that neither the Managing Agency, on behalf of the SJJPA, nor the Governing Board shall apply for existing sources of transit funding including funds derived from the Transportation Development Act Funds as defined in Chapter 4, Part 11, Division 10 of the California Public Utilities Code or for any conflicting funding that any Member Agency is also an applicant or approving Member Agency for without the written expressed consent of that Member Agency.

10.0 BUDGET AND FUNDING

- **10.1** The Managing Agency shall prepare and submit to the Governing Board for approval a preliminary operating and capital budget for the succeeding fiscal year by April 1 of each year which is consistent with the prior Business Plan submitted. Upon receipt of an annual allocation from the State, the SJJPA shall by resolution adopt a final budget at the next regularly scheduled meeting of the Governing Board.

10.0 BUDGET AND FUNDING

- **10.1** (cont.) The fiscal year shall be July 1 of each year to and including the following June 30. The budget shall include separate components for Managing Agency administration costs, operations, and capital costs anticipated to be incurred by the SJJPA during the fiscal year. The annual budget resolution shall set forth the SJJPA of the Managing Agency to make capital and operating expenditures during the fiscal year, subject to such policy guidelines as the Governing Board may establish.

10.0 BUDGET AND FUNDING

- **10.2** It is the intent of the SJJPA to fully fund the annual budget from State and other non-Member Agency funding sources. The SJJPA shall not operate at a deficit. **The SJJPA or local or regional entities may, but shall not be required to, augment state provided resources to expand intercity passenger rail services, or to address funding shortfalls in achieving agreed-upon performance standards.**

10.0 BUDGET AND FUNDING

- **10.2 (cont.) The SJJPA may identify and secure new supplemental sources of funding for the purpose of expanding or maintaining intercity rail passenger service levels, which may include state and federal intercity rail resources. Local resources are not required to offset any redirection, elimination, reduction, or reclassification of state resources for operating intercity rail services.**

10.0 BUDGET AND FUNDING

- **10.3** No funding, debt, or financial obligation is created against any Member Agency solely as a consequence of executing this Agreement and no funding, debt, or financial obligation approved by the Governing Board and/or incurred by the SJJPA shall be binding against a Member Agency unless and until ratified by that Member Agency's governing body.

11.0 LIABILITY OF SJJPA, OFFICERS AND EMPLOYEES

The debts, liabilities, and obligations of the SJJPA shall not be the debts, liabilities and obligations of any of the Member Agencies, the Managing Agency, the Governing Board or any of their respective members, officers, directors, employees or agents. Any obligations incurred by any bonds issued by the SJJPA as set forth in Section 4.8 above shall not constitute general obligations of the SJJPA but shall be payable solely from the moneys pledged to the repayment of such obligations or the repayment of principal or interest on such bonds under the terms of the resolution, indenture, trust agreement, contract or other instrument pursuant to which the obligation is incurred or the bonds are issued.

11.0 LIABILITY OF SJJPA, OFFICERS AND EMPLOYEES



The Governing Board and the Managing Agency, their directors, officers, employees, staff and agents shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No Member Agency or Governing Board member, officer, director or employee shall be responsible for any action taken or omitted by any other Member Agency or Governing Board member, officer, director or employee.

11.0 LIABILITY OF SJJPA, OFFICERS AND EMPLOYEES

The SJJPA shall indemnify, defend and hold harmless the Governing Board, the individual Member Agencies, their members, officers, directors, employees and agents from and against any and all liability, loss, damage, expenses, costs (including, without limitation, costs and fees of litigation or arbitration) of every nature, arising out of any act or omission related to this Agreement, except such loss or damage which was caused by the willful misconduct of the Governing Board or any individual Member Agency. The SJJPA's duty to indemnify each Member Agency shall survive that Member Agency's withdrawal from the SJJPA.

12.0 SERVICES BY MANAGING AGENCY



Subject to the provisions of Section **8.0** above, the SJJPA shall enter into a formal contract with the Managing Agency for the services it will perform pursuant to this Agreement, and the compensation for such services.

13.0 EFFECTIVE DATE OF AGREEMENT



This Agreement shall take effect upon its execution by the Member Agencies pursuant to Section 2.0, and shall remain in full force and effect until dissolved pursuant to the provisions herein.

14.0 CUSTODIAN OF PROPERTY

- **14.1** Pursuant to the requirements of California Government Code Section 6505.1, the Managing Agency's Controller-Treasurer shall have charge of, handle, and have access to any property of the SJJPA, and shall amend the official bond with the Managing Agency to provide for coverage, in the same amount, for the duties of the Controller/Treasurer set forth in this Agreement.

14.0 CUSTODIAN OF PROPERTY

- **14.2** The Controller-Treasurer of the Managing Agency shall be the Treasurer of the SJJPA and serves at the pleasure of the Governing Board. Subject to the applicable provisions of any indenture, trust agreement or resolution providing for a trustee or other fiscal agent, the Treasurer is designated as the depository of the SJJPA to have custody of all the money of the SJJPA, for whatever source, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the California Government Code.

14.0 CUSTODIAN OF PROPERTY

- **14.3** The Controller-Treasurer of the Managing Agency, who performs the functions of auditor and controller for the Managing Agency, shall be the Controller of the SJJPA, and, as such, shall have the power, duties and responsibilities specified in Sections 6500 and 6505.5 of the California Government Code. The Controller-Treasurer shall draw checks to pay demands against the SJJPA when the demands have been approved by the Governing Board, **or in accordance with any purchasing and/or procurement policies adopted by the Governing Board.**

14.0 CUSTODIAN OF PROPERTY

- **14.4** Upon providing reasonable notice, any Member Agency shall have the right to review any records maintained by the Managing Agency or the Managing Agency's Controller/Treasurer relating to the performance of their duties pursuant to this Agreement.

15.0 ANNUAL BUDGET AND CAPITAL IMPROVEMENT PROGRAM

The SJJPA shall approve a preliminary administrative budget and a **C**apital **I**mprovement **P**rogram for the succeeding fiscal year no later than April 1 of each year. The SJJPA shall adopt a final budget no later than June 30 of each year. No funding or financial obligations are created against any Member Agency solely as a consequence of executing this Agreement.

16.0 RALPH M. BROWN ACT



All meetings of the SJJPA shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code).

17.0 FILING WITH THE SECRETARY OF STATE



As required by Section 6503.5 of the California Government Code, an appropriate notice of this Agreement shall be filed with the Secretary of State within thirty days of its effective date.

18.0 BYLAWS



The Governing Board may adopt and amend from time to time Bylaws as may be required for the conduct of its meetings and the orderly operation of the SJJPA.

19.0 COMMITTEES

The Governing Board shall create the following committees:

- **19.1** The Steering Committee of the Caltrans Rail Task Force shall remain in existence and shall become the Steering Committee of the SJJPA for the purpose of advising the SJJPA. The Steering Committee will advise the SJJPA on technical issues associated with the improvements in passenger rail service and related facilities in the San Joaquin Corridor, including stations and rights-of-way, the coordination of public mass transit services and facilities, the coordination of passenger and freight services in the Corridor and other technical matters.

19.0 COMMITTEES



Members of the Governing Board may not also concurrently serve as a member of the Steering Committee of the Caltrans Rail Task Force.

- **19.2** The Governing Board shall form other committees as are necessary.

20.0 WITHDRAWAL BY MEMBER AGENCY

- **20.1** Notwithstanding any other provision of this Agreement, any Member Agency may withdraw from the SJJPA by giving ninety (90) days advance written notice to the SJJPA. Any withdrawal from the SJJPA will also constitute withdrawal from the Governing Board.

20.0 WITHDRAWAL BY MEMBER AGENCY

- **20.2** The rights and obligations of any Member Agency so withdrawing from the SJJPA and the Governing Board shall be determined by negotiation between the SJJPA and the withdrawing member agency; provided, in the event that the SJJPA and the withdrawing Member Agency cannot agree upon the rights and obligations of the withdrawing Member Agency, such rights and obligations shall be determined by arbitration pursuant to Section **25.0**, below.

21.0 DURATION OF AGREEMENT AND TERMINATION



This Agreement shall continue in full force and effect until such time as the Member Agencies and the Governing Board determine that it is in the public interest to dissolve the SJJPA. Notwithstanding the foregoing, any of the Member Agencies may exercise its prerogative to terminate its membership in the SJJPA as set forth in Section **20.0**, above.

21.0 DURATION OF AGREEMENT AND TERMINATION

Upon termination of this Agreement by mutual consent of all the Member Agencies, all assets, liabilities and equity of the Governing Board shall be distributed in accordance with the provisions of the Interagency Transfer Agreement and any other agreements authorized by the SJJPA governing such distribution, and any remaining money or assets in possession of the SJJPA after the payment of all liabilities, costs, expenses, and charges validly incurred under this Agreement shall be returned to the Member Agencies in proportion to their contributions, if any, determined as of the time of termination.

22.0 NOTICE

Addresses of the parties to the Agreement for the purpose of formal communications among the signatories.

- Sacramento Regional Transit District
1400 29th Street
Sacramento, CA 95816
(916) 321-2800
- San Joaquin Regional Rail Commission
949 East Channel Street
Stockton, CA 95202
(209) 944-6220

22.0 NOTICE

- Stanislaus Council of Governments
1111 I Street, Suite 308
Modesto CA, 95354
(209) 525-4600

- Merced County Association of Governments
369 West 18th Street
Merced, CA 95340
(209) 723-3153

22.0 NOTICE

- Madera County Transportation Commission
2001 Howard Road, Suite 201
Madera CA 93637
(559) 675-0721
- Fresno Council of Governments
2035 Tulare Street, Suite 200
Fresno, CA
(559) 233-4148

22.0 NOTICE

- Kings County Association of Governments
339 West D Street, Suite B
Lemoore, CA 93245
(559) 852-2654
- Tulare County Association of Governments
210 N. Church Street, Suite B
Visalia, CA 93291
(559) 623-0450

22.0 NOTICE

- Kern Council of Governments
1401 19th Street, Suite 300
Bakersfield, CA 93301
(661) 861-2191
- Contra Costa Transportation Authority
2999 Oak Road, Suite 100
Walnut Creek, CA 94597
(925) 256-4700

22.0 NOTICE



- Alameda County
1221 Oak Street
Oakland, CA 94612
(510) 208-9770

23.0 AUDIT



The SJJPA shall provide for the accountability of all funds and shall provide for an annual audit pursuant to Section 6506 of the Government Code.

24.0 AMMENDMENTS TO THE AGREEMENT



This Agreement may be amended at any time by the unanimous Agreement of the voting member agencies.

25.0 ARBITRATION

- **25.1** In the event of a dispute between the SJJPA, the Governing Board, the Managing Agency, Member Agency or any other agency, which cannot be satisfactorily resolved by those parties, said dispute shall be submitted to arbitration by a panel of three arbitrators who shall conduct the arbitration pursuant to the rules of the American Arbitration Association. The panel of arbitrators shall consist of one arbitrator appointed by each of the disputants, the third arbitrator to be appointed by mutual consent of the other two arbitrators.

25.0 ARBITRATION

- **25.1 (cont.)** The arbitration panel shall resolve the dispute in accordance with the terms of this Agreement, and such resolution shall be final and binding upon the parties. Each party shall bear its own costs of arbitration, including reasonable attorney's fees. The cost of the third arbitrator shall be divided equally between the disputants.

25.0 ARBITRATION

- **25.2** Unless otherwise **expressly** agreed **in writing** by the disputants, only disputes regarding a disputant's rights and obligations arising under the terms of: (i) this Agreement, or (ii) any other agreement between the disputants in which this arbitration provision is incorporated by reference shall be subject to arbitration pursuant to Section **25.1**, above.

26.0 CONFLICT OF INTEREST CODE



The SJJPA by resolution shall adopt a conflict of interest code as required by law.

27.0 SUCCESSOR STATUTES



All statutes cited herein shall be deemed to include amendments and/or successor statutes to the cited statutes as they presently exist.

28.0 AGREEMENT COMPLETE



This Agreement constitutes the full and complete Agreement of the parties, superseding and incorporating all prior oral and written agreements relating to the subject matter of this Agreement.

29.0 COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by authorized officials on the dates indicated below.

Regional Governance of the
SAN JOAQUIN Intercity Rail Service



6. BUSINESS PLAN

BUSINESS PLAN (CA GOV. CODE 14070.4)

- Use of the annual state funding allocation, as set forth in the interagency transfer agreement, **shall be described in an annual business plan** submitted by the board to the secretary for review and recommendation by April 1 of each year.
- The **business plan**, when approved by the secretary, shall be deemed accepted by the state. The budget proposal developed by the department for the subsequent year shall be based upon the business plan approved by the secretary.

BUSINESS PLAN (CA GOV. CODE 14070.4)

The **business plan shall** be consistent with the interagency agreement and shall include:

- A report on the recent as well as historical performance of the corridor service;
- An overall operating plan including proposed service enhancement to increase ridership and provide for increased traveler demands in the corridor for the upcoming year;
- Short-term and long-term capital improvement programs;
- Funding requirements for the upcoming fiscal year; and
- An action plan with specific performance goals and objectives.

BUSINESS PLAN (CA GOV. CODE 14070.4)



The **business plan shall:**

- Document service improvements to provide the planned level of service;
- Inclusion of operating plans to serve peak period work trips; and
- Consideration of other service expansions and enhancements.

BUSINESS PLAN (CA GOV. CODE 14070.4)



- The plan shall clearly delineate how funding and accounting for state-sponsored rail passenger services shall be separate from locally sponsored services in the corridor.
- Proposals to expand or modify passenger services shall be accompanied by the identification of all associated costs and ridership projections.

BUSINESS PLAN (CA GOV. CODE 14070.4)

The **business plan shall** establish, among other things:

- Fares,
- Operating strategies,
- Capital improvements needed, and
- Marketing and operational strategies designed to meet performance standards established in the interagency agreement.

Regional Governance of the SAN JOAQUIN Intercity Rail Service



7. NEXT STEPS

Next Steps



- Additional Letters of Support for AB 1779
- Develop Draft JPA Agreement
- Develop Details for Business Case for Regional Management
- Continue to Partner with LOSSAN Board

Regional Governance of the
SAN JOAQUIN Intercity Rail Service



**8. OTHER ITEMS/NEXT
MEETING**