

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING AGENDA
December 10, 2004 (Second Friday of Each Month)
SCMTD ENCINAL CONFERENCE ROOM*
370 ENCINAL STREET, SUITE 100
SANTA CRUZ, CALIFORNIA
9:00 a.m. – 11:00 a.m.

THE BOARD AGENDA PACKET CAN BE FOUND ONLINE AT WWW.SCMTD.COM

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

SECTION I: OPEN SESSION - 9:00 a.m.

1. ROLL CALL
2. ORAL AND WRITTEN COMMUNICATION
 - a. Pat Clarke Re: Bus Operator Retiring
 - b. Linda Wilshusen Re: Thank You Card
 - c. Peter Katzlberger Re: ParaCruz Service
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF NOVEMBER 12 and NOVEMBER 19, 2004 AND SPECIAL MINUTES OF NOVEMBER 19, 2004
Minutes: Attached
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS
Report: Attached
- 5-3. ACCEPT AND FILE NOVEMBER 2004 RIDERSHIP REPORT
Report: Attached
PAGE 1 OF THE RIDERSHIP REPORT WILL BE INCLUDED IN THE DECEMBER 17, 2004 BOARD PACKET
- 5-4. CONSIDERATION OF TORT CLAIMS: NONE
- 5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR DECEMBER 15, 2004 AND MINUTES OF OCTOBER 20, 2004
Agenda/Minutes: Attached

- 5-6. ACCEPT AND FILE THE MASTF COMMITTEE AGENDA FOR DECEMBER 16, 2004 AND THE MINUTES OF NOVEMBER 18, 2004
Agenda/Minutes: **WILL BE INCLUDED IN THE DECEMBER 17, 2004 BOARD PACKET**
- 5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR OCTOBER 2004 AND APPROVAL OF BUDGET TRANSFERS
Staff Report: Attached
- 5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR SEPTEMBER 2004
Staff Report: Attached
- 5-9. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR OCTOBER 2004
Staff Report: **WILL BE INCLUDED IN THE DECEMBER 17, 2004 BOARD PACKET**
- 5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE
Staff Report: Attached
- 5-11. ACCEPT AND FILE METROBASE STATUS REPORT
Staff Report: **WILL BE INCLUDED IN THE DECEMBER 17, 2004 BOARD PACKET**
- 5-12. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE NOVEMBER MEETINGS
Staff Report: Attached
- 5-13. CONSIDERATION OF APPOINTMENT OF DENNIS PAPADOPULO TO THE METRO ADVISORY COMMITTEE (MAC) BY DIRECTOR SPENCE TO FILL VACANCY OF MICHAEL EDWARDS
Staff Report: Attached
- 5-14. CONSIDERATION OF REPORT ON APPOINTEE ATTENDANCE AT METRO ADVISORY COMMITTEE (MAC) MEETINGS
Staff Report: Attached

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS
Presented by: Chairperson Reilly
Staff Report: Attached
THIS PRESENTATION WILL TAKE PLACE AT THE DECEMBER 17, 2004 BOARD MEETING

7. CONSIDERATION OF RECEIPT OF REPORT REGARDING THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S PARATRANSIT COORDINATION TASK FORCE (PCTF) AND DRAFT MINUTES OF NOVEMBER 17, 2004
Presented by: Director Pat Spence
Staff Report: November 17, 2004 Draft Minutes are attached

8. CONSIDERATION OF AWARD OF CONTRACT FOR LONG TERM DISABILITY INSURANCE
Presented by: Tom Stickel, Fleet Maintenance Manager
Staff Report: Attached

ACTION REQUESTED AT THE DECEMBER 10, 2004 BOARD MEETING

9. CONSIDERATION OF PARACRUZ OPERATIONS STATUS REPORT
Presented by: Bryant Baehr, Operations Manager
Staff Report: **PRESENTATION WILL TAKE PLACE AT THE DECEMBER 17, 2004 BOARD MEETING**
10. CONSIDERATION OF A **RESOLUTION** AMENDING FY 04-05 BUDGET
Presented By: Elisabeth Ross, Finance Manager
Staff Report: **WILL BE INCLUDED IN THE DECEMBER 17, 2004 BOARD PACKET**
11. CONSIDERATION OF A **RESOLUTION** OF APPRECIATION OF THE SERVICE OF SHERYL AINSWORTH AS A MEMBER OF THE BOARD OF DIRECTORS
Presented By: Les White, General Manager
Resolution: Attached
12. CONSIDERATION OF NOMINATION OF DIRECTORS TO SERVE AS BOARD OFFICERS FOR 2005, MAKING AN APPOINTMENT TO THE HIGHWAY 1 CONSTRUCTION AUTHORITY AND REVIEWING THE PROCESS FOR THE SELECTION OF APPOINTMENTS TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR 2005
Presented By: Mark Dorfman, Assistant General Manager
Staff Report: Attached
13. CONSIDERATION OF APPROVAL OF 2005 STATE LEGISLATIVE PROGRAM
Presented By: Les White, General Manager
Staff Report: Attached
14. CONSIDERATION OF APPROVAL OF 2005 FEDERAL LEGISLATIVE PROGRAM
Presented By: Les White, General Manager
Staff Report: Attached

15. RE-CONSIDERATION OF GRANTING A RIGHT OF WAY TO PG&E TO LOCATE A TRANSFORMER ON THE VIA DEL MAR PROJECT SITE, LOCATE PG&E LINES UNDERNEATH THE WATSONVILLE TRANSIT CENTER SIDEWALK AND ALLOW ACCESS TO THE TRANSFORMER VIA THE TRANSIT CENTER

Presented By: Margaret Gallagher, District Counsel

Staff Report: Attached

ACTION REQUESTED AT THE DECEMBER 10, 2004 BOARD MEETING

16. CONSIDERATION OF PROVIDING ADDITIONAL SERVICE FOR FIRST NIGHT SANTA CRUZ ACTIVITIES

Presented By: Bryant Baehr, Operations Manager

Staff Report: **WILL BE DISTRIBUTED AT THE DECEMBER 10, 2004**

BOARD MEETING

ACTION REQUESTED AT THE DECEMBER 10, 2004 BOARD MEETING

17. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel
18. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

SECTION II: CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Pursuant to Government Code Section 54956.9)

- a. Name of Case: Soretta Chatman vs. Santa Cruz Metropolitan Transit District
Andre Hart vs. Santa Cruz Metropolitan Transit District
(Before the Workers' Compensation Appeals Board)

- b. Name of Case: Fredy Castillo v. Santa Cruz Metropolitan Transit District

2. CONFERENCE WITH LABOR NEGOTIATOR
(Pursuant to Government Code Section 54957.6)

- a. Agency Negotiator: Les White, General Manager

1. Employee Organization: United Transportation Union (UTU),
Local 23

- b. Agency Negotiator: Les White, General Manager

1. Employee Organization: Service Employees International Union
(SEIU), Local 415

3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Pursuant to Government Code Section 54956.9)
 - a. Number of Cases: One

SECTION III: RECONVENE TO OPEN SESSION

19. REPORT OF CLOSED SESSION

ADJOURN

NOTICE TO PUBLIC

Members of the public may address the Board of Directors on a topic not on the agenda but within the jurisdiction of the Board of Directors or on the consent agenda by approaching the Board during consideration of Agenda Item #2 “Oral and Written Communications”, under Section I. Presentations will be limited in time in accordance with District Resolution 69-2-1.

When addressing the Board, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

Members of the public may address the Board of Directors on a topic on the agenda by approaching the Board immediately after presentation of the staff report but before the Board of Directors’ deliberation on the topic to be addressed. Presentations will be limited in time in accordance with District Resolution 69-2-1.

The Santa Cruz Metropolitan Transit District does not discriminate on the basis of disability. The Encinal Conference Room is located in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, please contact Cindi Thomas at 831-426-6080 as soon as possible in advance of the Board of Directors meeting. Hearing impaired individuals should call 711 for assistance in contacting METRO regarding special requirements to participate in the Board meeting.

11/22/04

Bryant Baehr, Les White, and
SCMTD Board of Directors,

I'm writing to inform you that Dec. 30, 2004 will be my last day of employment with Metro.

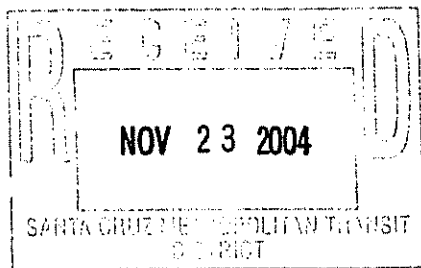
I've enjoyed over 26 yrs. of accident-free, write-up free employment with Metro. I now look forward to doing my art work, volunteering around town and becoming a regular bus passenger.

I want to thank the district management and the Board of Directors for the fair treatment you have shown to the bus operators.

Please don't forget the retired drivers at negotiation times. We count on and deserve to continue receiving fair health, dental + vision benefits.

Thank you - best to you all.

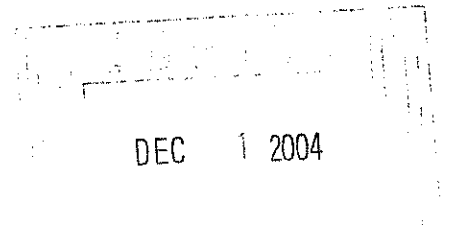
Pat Clarke



Z-a.1

November 29, 2004

Board of Directors
Santa Cruz Metropolitan Transit District
370 Encinal Street Suite 100
Santa Cruz Ca 95060



Subject: ParaCruz Complaint

Dear Board members,

As the board that oversees the ParaCruz service, I am sure you want to know how well that service is provided. I want you to know that my first experience with it has been very unsatisfactory.

The reason for my contact with ParaCruz is my mother, Irene Bell. She is elderly and I usually take her to places she needs to go. She wanted to sign up for ParaCruz so she would not have to be so dependent on me, and for the event that she had an appointment when I would be unavailable.

This happened on Monday, November 8. She had just signed up for the service and this would be her first experience with it. Her appointment was for 10:30 am, and the arrangement called for a pickup from the physical therapy treatment after 11:30.

As it turned out she waited for two hours for a pickup, and it apparently took two calls from the receptionists in the office before someone showed up to take her home. Under different circumstances I might think that maybe she was not clear with the contact at the service in making the arrangements over the phone. In this case I am very certain of the circumstances. I personally made the arrangements for pickup at her home and the office, on Thursday before the appointment.

My mother was very stressed over this experience. At her age she does not take uncertainties and such surprises well.

I think it is important for consumers to let those who provide goods or services know how well they perform. When someone performs a task well, she or he will be pleased if there is feedback to that effect. By the same token, the person who performs poorly needs this feedback to do better in the future. Besides, this helps me. Instead of whining about poor public service, I've taken a positive step and let the public agency know.

So on Monday, November 15, I called ParaCruz and left a message that I had a complaint about its service. In the afternoon April left a message on my machine

2-c.1

informing that she received my message, would follow up, and report the results of her investigation.

Today is the twenty-ninth. Why am I not surprised that I have not heard from April.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peter Katzberger".

Peter Katzberger
453 Quail Hollow Circle
Felton CA 95018

DEC 1 2004

Z-C.Z

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

November 12, 2004

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, November 12, 2004 at the District's Administrative Office, 370 Encinal Street, Santa Cruz, CA.

Vice Chair Keogh called the meeting to order at 9:00 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Michelle Hinkle
Mike Keogh
Mike Rotkin
Pat Spence
Mark Stone
Marcela Tavantzis
Ex-Officio Wes Scott (arrived after roll call)

DIRECTORS ABSENT

Sheryl Ainsworth
Jan Beautz
Dennis Norton
Emily Reilly
Dale Skillicorn

STAFF PRESENT

Bryant Baehr, Operations Manager
Frank Cheng, MetroBase Project Manager
Mark Dorfman, Assistant General Manager
Margaret Gallagher, District Counsel
Steve Paulson, ParaCruz Administrator

Elisabeth Ross, Finance Manager
Robyn Slater, Human Resources Manager
Judy Souza, Base Superintendent
Tom Stickel, Fleet Maintenance Manager
Les White, General Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT

Ron Dean, UTU
Pat Dellin, SCCRTC
Jeff Le Blanc, MAC/MASTF
Bonnie Morr, UTU

Will Regan, VMU
Bob Yount, MAC/MASTF
Arturo Zamudio, UTU

Vice Chair Keogh determined that there would be a quorum for Closed Session to begin at 10:30 a.m.

2. ORAL AND WRITTEN COMMUNICATION

Written:

- a. Mariann Soulek
- b. Sue Wilson
- c. Caroline Bliss-Isberg

- Re: Recent Bus Service Cuts
Re: Recent Bus Service Cuts
Re: Stroke Center

5-1.1

DIRECTOR SCOTT ARRIVED AT THIS TIME

Director Keogh commented that the letter for the Stroke Center was well deserved. Director Spence asked about the Route 65 and Bryant Baehr said the ridership wasn't there. Mr. Baehr also said the current *Headways* goes through to June 1, 2005 with no changes planned prior to that date.

Les White added that in the meantime, the Board would have a policy discussion to determine the level to keep lifeline service.

Oral:

A member of the public spoke in favor of having better connections between the Highway 17 Express and the last Route 10.

3. LABOR ORGANIZATION COMMUNICATIONS

Bonnie Morr requested more information on UTU employees' eligibility to roll over their CalPERS 457 Deferred Comp funds to purchase airtime. Ms. Morr wants to know officially why the whole state can do it but METRO employees can't. Ms. Morr was directed to request this in writing to Les White.

Les White reported that HR and Legal Counsel are currently working on this, which is not permitted by the County or the City of Santa Cruz, and that the IRS determines whether a deferred comp program is tax deferred or not.

Director Keogh added that if this is to be permitted, it could require a signed caveat saying that participating may cause a loss of tax deferral, and it must not jeopardize the whole plan.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

None.

CONSENT AGENDA

5-1. APPROVE REGULAR BOARD MEETING MINUTES OF OCTOBER 8 AND OCTOBER 22, 2004

Director Spence made the following 2 corrections: on page #5-1.17, Pat Star's name should be **Path Star**, and on page #5-23, where it says "Director Spence suggested including in the motion.." should read "**Director Spence asked if the motion could include..**".¹

5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS

No questions or comments.

5-1.2

¹ These 2 pages were corrected and redistributed to the Board for approval at their November 19, 2004 meeting.

¹ These 2 pages were corrected and redistributed to the Board for approval at their November 19, 2004 meeting.

5-3. ACCEPT AND FILE SEPTEMBER 2004 RIDERSHIP REPORT

Page 1 of the Ridership Report will be included in the November 19, 2004 Board Packet.

5-4. CONSIDERATION OF TORT CLAIMS:

None.

5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR NOVEMBER 17, 2004 AND MINUTES OF SEPTEMBER 15, 2004

No questions or comments.

5-6. ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF NOVEMBER 18, 2004 AND THE MINUTES OF THE OCTOBER 21, 2004 MEETING

Will be included in the November 19, 2004 Board Packet.

5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR SEPTEMBER 2004 AND CONSIDERATION OF BUDGET TRANSFERS

Elisabeth Ross clarified for Director Spence that ParaCruz expenses would be listed under Department 3100 in next month's report. Director Rotkin added that the sales tax revenue for the City was up.

5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR AUGUST 2004

Bryant Baehr clarified that this report would continue through the end of October 2004, then close out.

5-9. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR JULY 2004

Will be included in the November 19, 2004 Board Packet.

5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE

No questions or comments.

5-11. ACCEPT AND FILE METROBASE STATUS REPORT

Will be included in the November 19, 2004 Board Packet.

5-12. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE OCTOBER MEETING.

5-1.3

No questions or comments.

5-13. **INTRODUCTION OF EMPLOYEE WITH 30-YEAR EMPLOYMENT ANNIVERSARY WHO WAS ABSENT FROM THE OCTOBER 22, 2004 BOARD MEETING**

Les White introduced Sylvia Rogers, Payroll and Benefits Coordinator.

REGULAR AGENDA

6. **PRESENTATION OF EMPLOYEE LONGEVITY AWARDS**

This presentation will take place at the November 19, 2004 Board Meeting.

7. **CONSIDERATION OF RECEIPT OF REPORT REGARDING THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S PARATRANSIT COORDINATION TASK FORCE (PCTF) AND DRAFT MINUTES OF OCTOBER 20, 2004**

Director Spence had no report but asked about Title 24 on page #7.5, which is the zoning and state review process of public facilities and that paratransit vans are considered public facilities. Pat Dellin said she would look into this.

8. **CONSIDERATION OF AWARD OF CONTRACT FOR LONG TERM DISABILITY INSURANCE**

Tom Stickel reported that proposals are still being reviewed and that next week Staff would most likely request that this item be deferred to the December meeting. Bonnie Morr stated that UTU should be involved in the process because it concerns a contractual benefit.

9. **CONSIDERATION OF PARACRUZ OPERATIONS STATUS REPORT**

Bryant Baehr gave a PowerPoint presentation and reported on the first week of in-house ParaCruz operations. Mr. Baehr said the first few days were a bit hectic as expected, but towards the end of the week things smoothed out. A written report will be provided for the November 19th meeting.

Les White recognized the positive tone set by Bryant and congratulated him along with Steve, Wally, April, Bonnie and UTU, on a very difficult transition going smoothly.

Bonnie Morr added that the drivers that had transitioned over from Community Bridges were more dedicated, committed and doing a better job working for the District.

10. **CONSIDERATION OF FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT AUDITOR FOR YEAR ENDING JUNE 30, 2004**

Elisabeth Ross reported that this was the District's annual Financial Statements and report of the auditors' findings and that there had been no issues and everything was fine.

5-1.4

11. CONSIDERATION OF STATUS OF FEDERAL LEGISLATION AND THE IMPACT ON MAJOR CAPITAL PROJECTS AT METRO

Summary:

Les White reported that the Transportation Equity Act for the 21st Century (TEA21), which provides funding authorization for public transit, will expire on May 31, 2005. The House and the Senate each passed Reauthorization Bills that would have provided five to six year extensions, but each with different funding levels and program modifications.

When the 109th Congress reconvenes in 2005, it is critical that new Bills are introduced in both Houses in order to begin a Transportation Authorization process that will result in the passage of a new multi-year Bill prior to the May expiration. The absence of enactment of a multi-year Federal Reauthorization Bill has placed approximately \$13.5 million in federal funds earmarked for MetroBase in jeopardy.

12. CONSIDERATION OF A RESOLUTION TO POSTHUMOUSLY REDEDICATE THE SCOTTS VALLEY PARK AND RIDE CENTER AS THE BART CAVALLARO TRANSIT CENTER IN RECOGNITION OF HIS SERVICE ON THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Summary:

Les White reported that this rededication is being proposed because in addition to being very instrumental in getting the Scotts Valley Transit Center built, Bart Cavallaro served on the Board of Directors for 19 years. Mr. White said criteria for naming a Transit Center or District component after a person included length of time on the Board, the person being instrumental in the existence of the facility, and it must be a posthumous recognition.

Discussion:

Director Rotkin announced that he would not be at next week's meeting, but supports this Resolution and believes it is well deserved, also that it should not be moved to consent so public comments can be heard at the November 19th meeting, including his own which Director Scott will read.

Jeff Le Blanc stated he also supports the Resolution with 100% enthusiasm. Director Keogh stated that he does not support naming a public facility after a person, unless they provided the funding for the facility. Director Tavantzis said she normally would not support this either but agreed that this time is an exception. Les White answered Will Regan's question by reporting that if the Board approved this Resolution, there would be a February or March rededication ceremony with a plaque. Jeff Le Blanc added that Bart Cavallaro was acting as a public servant and is due the credit and honor.

Director Rotkin proposed and then rescinded a motion to approve this Resolution today so nobody is forced to make comments on television.

5-1.5

13. CONSIDERATION OF A RESOLUTION OF APPRECIATION AND RECOGNITION FOR THE SERVICES OF LINDA WILSHUSEN AS THE EXECUTIVE DIRECTOR OF THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

Director Tavantzis pointed out that the word "Director" was missing in the 4th "Whereas". Director Spence pointed out a comma was missing after the word "Commission" on the 2nd page and it was noted that "of the" was repeated in that same sentence.²

14. CONSIDERATION OF REQUEST FROM THE CITY OF SANTA CRUZ FOR SHUTTLE SERVICE FOR 2005 EVENTS

Mark Dorfman reported that the City of Santa Cruz Parks and Recreation Department has requested shuttle service for various events planned for 2005. Staff is requesting that the Board authorize Staff to work with the City on the request as long as the provision of they comply fully with the existing Board policy which is that they must pay for the service themselves. Staff will also let the City know that they would need to work out the details with the County regarding use the County parking lot.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR TAVANTZIS

Move Items #10 and #14 to the Consent Agenda for the November 19, 2004 Board Meeting.

Motion passed unanimously with Directors Ainsworth, Beautz, Norton, Reilly, and Skillicorn being absent.

15. ANNOUNCEMENT: NOTIFICATION OF MEETING LOCATION FOR NOVEMBER 19, 2004 – WATSONVILLE CITY COUNCIL CHAMBERS, 250 MAIN STREET, WATSONVILLE

No questions or comments.

16. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel

Margaret Gallagher reported that the Board would discuss with their Legal Counsel the case of Ward Howard; and with the Property Negotiator the properties at 25 Sakata Lane and 120 Golf Club Drive; and two cases of anticipated litigation.

17. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

None.

² These corrections were made and the REVISED Resolution was redistributed to the Board for their approval at the November 19, 2004 meeting

SECTION II: CLOSED SESSION

Vice Chair Keogh adjourned to Closed Session at 10:10 a.m. and reconvened to Open Session at 11:16 a.m.

SECTION III: RECONVENE TO OPEN SESSION

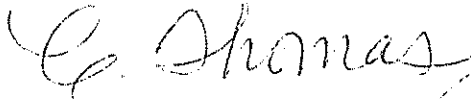
18. REPORT OF CLOSED SESSION

Les White reported that the Board set a minimum bid of \$4 million for the property at 25 Sakata Lane and authorized Staff to proceed to prepare the documents necessary to solicit bids for the sale of the property.

ADJOURN

There being no further business, Vice Chair Keogh adjourned the meeting at 11:17 a.m.

Respectfully submitted,



CINDI THOMAS
Administrative Services Coordinator

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

November 19, 2004

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, November 19, 2004 at the Watsonville City Council Chambers, 250 Main Street, Watsonville, CA.

Chair Reilly called the meeting to order at 9:12 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Sheryl Ainsworth
Jan Beautz
Michelle Hinkle
Mike Keogh
Dennis Norton
Emily Reilly
Pat Spence
Mark Stone
Marcela Tavantzis
Ex-Officio Wes Scott (arrived after roll call)

DIRECTORS ABSENT

Mike Rotkin

STAFF PRESENT

Bryant Baehr, Operations Manager
Frank Cheng, MetroBase Project Manager
Mark Dorfman, Assistant General Manager
Margaret Gallagher, District Counsel

Steve Paulson, ParaCruz Administrator
Elisabeth Ross, Finance Manager
Judy Souza, Base Superintendent
Tom Stickel, Fleet Maintenance Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT

Dennis Baldwin, Bus Operator
Mario Espinoza, Bus Operator
Paul Marcelin-Sampson, Metro Riders Union
Mary Miller, Bus Operator
Bonnie Morr, UTU

Ascencion Sanchez, Bus Operator
Linda Wilshusen, SCCRTC
Amy Weiss, Spanish Interpreter
Bob Yount, MAC/MASTF/E&D TAC

2. ORAL AND WRITTEN COMMUNICATION

Written:

- a. Mariann Soulek
- b. Sue Wilson

- Re: Recent Bus Service Cuts
- Re: Recent Bus Service Cuts

5-1.8

c. Caroline Bliss-Isberg
d. Keith Barnard

Re: Stroke Center
Re: Recent Bus Service Cuts

Oral:

Bob Yount, speaking for Jeff Le Blanc, announced that yesterday MASTF had elected Sharon Barbour as Chair, Jeff Le Blanc as Vice Chair, and Bob Yount as the MASTF representative to E & D TAC for 2005. After next month's anniversary party, MASTF will be taking a 1-year hiatus, at the call of the Chair, with the next scheduled meeting in November 2005. MASTF also passed a motion recommending to the Board that if a Paratransit Advisory Committee is constructed that 51% of the membership be disabled and 30% be Paratransit users.

Paul Marcelin-Sampson asked for clarification on when public comment is taken for the consent agenda. Chair Reilly responded that she would ask for comment when she got to that item.

Director Ainsworth announced that this would be her last METRO meeting and wished the District well.

Director Norton reiterated his suggestion to have the District provide direct service from Upper and Lower Capitola Village and Live Oak to the downtown METRO Center.

DIRECTOR SCOTT ARRIVED AT THIS TIME

Vice Chair Keogh reported that he had attended the Paratransit Task Force meeting on Wednesday and recommended that attendance by METRO Staff be limited to one individual.

Director Skillicorn said on behalf of the City of Watsonville, that they enjoy having METRO meet in Watsonville.

Director Spence thanked Caroline Bliss-Isberg for her letter and encouraged Board members to read their *Transit California* magazines.

Direction by Chair Reilly: Staff to respond to written communications on today's agenda regarding recent service cuts and Director Norton's request and have them reviewed at the Service Planning meeting next month.

3. LABOR ORGANIZATION COMMUNICATIONS

Bonnie Morr thanked Director Ainsworth for her dedication and work over the years. Ms. Morr then relayed an incident that happened last Saturday regarding an off-duty bus operator trying to break up a fight he saw as he was walking home, resulting in getting beaten up himself. His injuries required stitches and UTU requested "trauma pay" for him, which is 3 days of paid leave for employees involved in an assault or serious accident on the job. Ms. Morr reported that Management denied the request due to the incident being "outside the course and scope of his job".

Ms. Morr then cited another incident where a different bus operator was awarded a Resolution of Appreciation and recognized as a "hero" by the Board for helping a young man who had been shot at by pulling him into a bus and driving the bus away.

5-1.9

Ms. Morr asked for clear direction from the Board regarding what message they want to send to employees regarding the scope of their work who find themselves in similar incidents.

Direction by Chair Reilly: Staff to agendize in the proper way, probably for Closed Session.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Chair Reilly announced that a Special Meeting of the Board would be held at 10:00 a.m. or immediately after the regular meeting.

SECTION I:
OPEN SESSION:

CONSENT AGENDA:

- ADD TO ITEM #2** ORAL AND WRITTEN COMMUNICATION
(Add 2-d, written communication)
- REPLACE ITEM #5-1** APPROVE REGULAR BOARD MEETING MINUTES OF OCTOBER 8 AND OCTOBER 22, 2004.
(Replace original pages 5-1.17 and 5-1.23 with REVISED pages)
- ADD TO ITEM #5-3** ACCEPT AND FILE OCTOBER 2004 RIDERSHIP REPORT
(Insert Page 1 of the Ridership Report)
- INSERT ITEM #5-6** ACCEPT AND FILE THE MASTF COMMITTEE AGENDA FOR NOVEMBER 18, 2004 AND THE MINUTES OF OCTOBER 21, 2004
(Insert Agenda and Minutes)
- INSERT ITEM #5-9** ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR SEPTEMBER 2004
(Insert Report)
- INSERT ITEM #5-11** ACCEPT AND FILE METROBASE STATUS REPORT
(Insert Staff Report)
- DELETE ITEM #5-13** INTRODUCTION OF EMPLOYEE WITH 30-YEAR EMPLOYMENT ANNIVERSARY WHO WAS ABSENT FROM THE OCTOBER 22, 2004 BOARD MEETING
(Action taken at the November 12, 2004 Board Meeting)
- ADD ITEM #5-16** CONSIDERATION OF RESULTS FROM VTA HIGHWAY 17 WEEKEND SURVEY
(Insert Staff Report)
- ADD ITEM #5-17** CONSIDERATION OF A RESOLUTION AUTHORIZING AN AMENDED STA CLAIM FOR FY2005
(Insert Staff Report)

REGULAR AGENDA:
DELETE ITEM #8

CONSIDERATION OF AWARD OF CONTRACT FOR LONG TERM DISABILITY INSURANCE
(Staff recommends deferring to December due to ongoing negotiations)

5-1.10

- INSERT ITEM #9** **CONSIDERATION OF PARACRUZ OPERATIONS STATUS REPORT**
(Insert Staff Report)
- REPLACE ITEM #13** **CONSIDERATION OF A RESOLUTION OF APPRECIATION AND RECOGNITION FOR THE SERVICES OF LINDA WILSHUSEN AS THE EXECUTIVE DIRECTOR OF THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION**
(Insert REVISED Resolution)
- ADD ITEM #16** **CONSIDERATION OF AMENDING CONTRACT WITH TRISTAR FOR THIRD PARTY ADMINISTRATION SERVICES FOR WORKERS COMPENSATION CLAIMS**
(Insert Staff Report)

CONSENT AGENDA

- 5-1. **APPROVE REGULAR BOARD MEETING MINUTES OF OCTOBER 8 AND OCTOBER 22, 2004**
- 5-2. **ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS**
- 5-3. **ACCEPT AND FILE OCTOBER 2004 RIDERSHIP REPORT**
- 5-4. **CONSIDERATION OF TORT CLAIMS: None**
- 5-5. **ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR NOVEMBER 17, 2004 AND MINUTES OF SEPTEMBER 15, 2004**
- 5-6. **ACCEPT AND FILE THE MASTF COMMITTEE AGENDA FOR NOVEMBER 18, 2004 AND THE MINUTES OF OCTOBER 21, 2004**
- 5-7. **ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR SEPTEMBER 2004 AND APPROVAL OF BUDGET TRANSFERS**
- 5-8. **ACCEPT AND FILE PARACRUZ STATUS REPORT FOR AUGUST 2004**
- 5-9. **ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR SEPTEMBER 2004**
- 5-10. **ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE**
- 5-11. **ACCEPT AND FILE METROBASE STATUS REPORT**
- 5-12. **ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION**
- 5-13. **DELETED: (Action taken at the November 12, 2004 Board Meeting)**
- 5-14. **CONSIDERATION OF FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT AUDITOR FOR YEAR ENDING JUNE 30, 2004 (Moved to Consent Agenda at the October 12, 2004 Board Meeting. Retained original numbering as Item #10)**
- 5-15. **CONSIDERATION OF REQUEST FROM THE CITY OF SANTA CRUZ FOR SHUTTLE SERVICE FOR 2005 EVENTS (Moved to Consent Agenda at the October 12, 2004 Board Meeting. Retained original numbering as Item #14)**
- 5-16. **CONSIDERATION OF RESULTS FROM VTA HIGHWAY 17 WEEKEND SURVEY**
- 5-17. **CONSIDERATION OF A RESOLUTION AUTHORIZING AN AMENDED STA CLAIM FOR FY2005**

Regarding Item #5-5, Paul Marcelin-Sampson said the Board should receive the MAC Action Memo next week of motions made at the November 17, 2004 meeting. He asked the Board to consider the comments on page 5-16.a5, his sample Hwy 17 Saturday schedule and additional information he provided which had been distributed to the Board just before today's meeting and are attached to these minutes.

5-1.11

ACTION: MOTION: DIRECTOR TAVANTZIS SECOND: DIRECTOR TAVANTZIS

Approve the Consent Agenda.

Motion passed by unanimously affirmative voice vote in lieu of a roll call vote with Director Rotkin being absent.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

The following employees were awarded longevity certificates for their years of service:

TWENTY YEARS

Dennis R. Baldwin, Bus Operator
Mario R. Espinoza, Bus Operator
Mary E. Miller, Bus Operator
Ascencion G. Sanchez, Bus Operator

7. CONSIDERATION OF RECEIPT OF REPORT REGARDING THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S PARATRANSIT COORDINATION TASK FORCE (PCTF) AND FINAL MINUTES OF OCTOBER 20, 2004

Director Spence did not attend the last meeting but clarified that the handouts mentioned on page #7.2 were available if the Board wanted them and on page #7.6 it was noted that some Task Force members think numbers are better than percentages when projecting future ridership projections.

Vice Chair Keogh restated that Staff attendance should be limited to one person and reported that he did attend the last meeting and that the work should be completed in January. Most likely the Task Force will recommend an oversight committee be formed to monitor the ParaCruz service the District provides.

Paul Marcelin-Sampson clarified that acting Chair Schiffrin stated that the senior population in Santa Cruz in 1950 was 50%, when it actually was 15%. Mr. Marcelin-Sampson hopes the minutes will be modified to reflect the attitude of dismissal.

Paul also reported a motion had passed recommending that the District provide same day service for urgent medical trips.

ACTION: MOTION: DIRECTOR AINSWORTH SECOND: DIRECTOR REILLY

Accept the report of the Paratransit Coordination Task Force and final minutes of the October 20, 2004 meeting.

Motion passed unanimously with Director Rotkin being absent.

5-1.12

8. CONSIDERATION OF AWARD OF CONTRACT FOR LONG TERM DISABILITY INSURANCE

Item was deferred to the December Board Meeting.

9. CONSIDERATION OF PARACRUZ OPERATIONS STATUS REPORT

Bryant Baehr gave a PowerPoint presentation and said the first few days were a bit hectic as expected, but towards the end of the first week things smoothed out. Mr. Baehr reported that he, Steve Paulson and District Counsel are working on revising the "no-show" policy to bring to the Board for consideration in December or January. Mr. Baehr also reported that District Counsel has developed a policy to accommodate larger wheelchairs on a first come basis; the Stroke Center arrangement is working out well; and that more outreach materials will be distributed regarding the "ready-window" and shared rides. In January, there will be a more comprehensive Staff Report giving the Board the opportunity to see which types of reports are available and determine what information should be included in the monthly Staff Reports.

Director Spence added that ParaCruz continues to run smoother each day and the employees are very dedicated.

ACTION: MOTION: DIRECTOR SKILLICORN SECOND: DIRECTOR REILLY

Accept the ParaCruz Operations Status Report.

Motion passed unanimously with Director Rotkin being absent.

CHAIR REILLY TOOK ITEM #13 OUT OF ORDER AT THIS TIME

13. CONSIDERATION OF A RESOLUTION OF APPRECIATION AND RECOGNITION FOR THE SERVICES OF LINDA WILSHUSEN AS THE EXECUTIVE DIRECTOR OF THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

Linda Wilshusen was presented with a Resolution of Appreciation and Recognition for her years of service as the Executive Director of the Santa Cruz Regional Transportation Commission.

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR REILLY

Move approval of a Resolution of Appreciation and Recognition for the services of Linda Wilshusen as the Executive Director of the Santa Cruz County Regional Transportation Commission.

Motion passed by unanimously affirmative voice vote in lieu of a roll call vote with Director Rotkin being absent.

11. CONSIDERATION OF STATUS OF FEDERAL LEGISLATION AND THE IMPACT ON MAJOR CAPITAL PROJECTS AT METRO

5-1.13

Summary:

Mark Dorfman reported that the TEA-21 Act expired on September 30, 2003 and was extended through May 31, 2005. Depending on which new proposed version passes, one has approximately \$6 million for METRO and the other has approximately \$16 million. If a Reauthorization Bill is not enacted in 2005, it could not happen until 2009. This directly affects the MetroBase Project, and the District may have to look at phasing the project if the funding is not available.

Bonnie Morr added that UTU's National Legislative Director has also been pushing to make this happen.

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR REILLY

Accept report on the status of Federal Legislation and the impact on METRO Capital Projects.

Motion passed unanimously with Director Rotkin being absent.

12. CONSIDERATION OF A RESOLUTION TO POSTHUMOUSLY REDEDICATE THE SCOTTS VALLEY PARK AND RIDE CENTER AS THE BART CAVALLARO TRANSIT CENTER IN RECOGNITION OF HIS SERVICE ON THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR REILLY

Move approval of a Resolution to Posthumously Rededicate the Scotts Valley Park and Ride Center at the Bart Cavallaro Transit Center in recognition of his service on the Board of Directors of the Santa Cruz Metropolitan Transit District.

Motion passed by unanimously affirmative voice vote in lieu of a roll call vote with Director Rotkin being absent.

Mark Dorfman reported the rededication ceremony would probably happen in March and that the Cavallaro family would be attending.

16. CONSIDERATION OF AMENDING CONTRACT WITH TRISTAR FOR THIRD PARTY ADMINISTRATION SERVICES FOR WORKERS COMPENSATION CLAIMS

Tom Stickel reported that this is a simple 2-month extension to allow for time to evaluate proposals received for a new contract.

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR HINKLE

Authorize the General Manager to execute an extension of the contract with Tristar Risk Management through February 28, 2005.

Motion passed unanimously with Director Rotkin being absent.

5-1.14

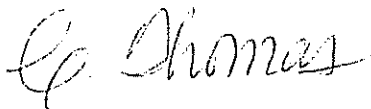
17. **REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel**

Chair Reilly reported that all items on the Regular Closed Session Agenda would be deferred to the December Board Meeting due to Les White's absence today.

ADJOURN

There being no further business, Chair Reilly adjourned to a Special Meeting of the Board at 10:25 a.m.

Respectfully submitted,



CINDI THOMAS
Administrative Services Coordinator

DRAFT

5-1.15

Saturday Proposal
Paul Marcelin-Sampson, Metro Riders Union

**Hwy
17**

SCMTD Route 69	21:21		
SCMTD Route 7N	21:25		
SCMTD Route 16	21:50		
SCMTD Route 71	22:00		
SCMTD Route 66	22:05		
Pacific Station		22:10	
SCMTD Route 35A North	21:52		
SCMTD Route 35 South	21:58		
Scotts Valley Transit Center		22:20	
		23:05	San Jose Diridon Station
		23:14	VTA Route 180
		23:10	Santa Clara Light Rail Station
		23:12	VTA Route 22 East
		23:24	VTA Route 22 West
		23:29	VTA Light Rail North
		23:29	VTA Light Rail South
		23:30	VTA Route 23
		23:32	VTA Route 22 East (All)
		23:12	San Jose State University
			No Connections

Lay over at safe location

<i>No Connections</i>			
San Jose State University		00:05	
VTA Route 180	23:53		
VTA Route 22 East	23:54		
VTA Route 22 West	23:54		
VTA Route 23	23:54		
VTA Light Rail South	23:55		
VTA Light Rail North	23:55		
Santa Clara Light Rail Station		00:07	
Amtrak Bus from Stockton	23:40		
Caltrain	23:36		
Amtrak Bus from Oakland	23:59		
San Jose Diridon Station		00:12	
		00:50	Scotts Valley Transit Center
			No Connections
		01:05	Pacific Station
		01:15	SCMTD Route 16 Owl (School Term)
		01:30	SCMTD Route 19 Owl (School Term)

Optional

Stops not in boldface are not timepoints (timing is approximate)
This is one of three sample schedules; separate ones were drawn up for weekdays and for Sunday

5-1.16

BENEFIT: Provides later "last departure times" toward Santa Cruz, allowing transit riders to engage in a more normal range of activities.

<u>City / Location</u>	<u>Current</u>	<u>As Proposed</u>	<u>Improvement</u>
San Diego	9:30 AM	12:00 PM	2:30
Los Angeles	12:30 PM	3:00 PM	2:30
Calistoga	4:30 PM	6:30 PM	2:00
Santa Rosa	4:45 PM	7:00 PM	2:15
Napa	6:00 PM	7:45 PM	1:45
Davis	6:00 PM	9:00 PM	3:00
Vallejo	7:00 PM	9:00 PM	2:00
San Francisco (SBC Park - Giants baseball)	8:00 PM	10:00 PM	2:00
Stockton	8:00 PM	10:00 PM	2:00
San Francisco International Airport	8:15 PM	10:00 PM	1:45
Pleasanton	8:15 PM	10:15 PM	2:00
Oakland Airport	8:30 PM	10:00 PM	1:30
Sacramento	5:30 PM	8:30 PM	3:00
Berkeley	7:15 PM	10:15 PM	3:00
Oakland	7:30 PM	10:45 PM	3:15
Fremont	8:15 PM	11:15 PM	3:00
Palo Alto	9:15 PM	11:15 PM	2:00
San Jose (Kaiser Santa Teresa Hospital)	9:15 PM	11:15 PM	2:00
San Jose International Airport	9:15 PM	11:30 PM	2:15
Cupertino (De Anza College)	9:30 PM	11:30 PM	2:00
Santa Clara (Paramount's Great America)	9:45 PM	11:15 PM	1:30
Milpitas (Great Mall)	10:00 PM	11:30 PM	1:30
San Jose (HP Arena)	10:30 PM	12:15 AM	1:45

(This table shows the latest possible departure time for someone traveling from one of the points listed to Santa Cruz and using the fastest combination of public transportation services. All times rounded to the nearest quarter hour.)

BENEFIT: Provides later "last departure times" toward the San Francisco Bay Area, allowing transit riders to engage in a more normal range of activities.

<u>City / Location</u>	<u>Current</u>	<u>As Proposed</u>	<u>Improvement</u>
Watsonville (Downtown)	8:00 PM	9:00 PM	1:00
Boulder Creek	8:30 PM	9:45 PM	1:15
Aptos (Cabrillo College)	8:40 PM	9:40 PM	1:00
Soquel Village	8:40 PM	9:40 PM	1:00
Live Oak (Portola and Thirtieth)	8:42 PM	9:42 PM	1:00
University of California, Santa Cruz	8:45 PM	9:30 PM	0:45
Capitola (Capitola Mall)	9:05 PM	9:55 PM	0:50
Santa Cruz (Downtown)	9:15 PM	10:15 PM	1:00
Scotts Valley	9:45 PM	10:15 PM	0:30

(This table shows the latest possible departure time for someone traveling from one of the points listed to San Jose and using the fastest feeder bus. All times rounded to the nearest quarter hour.)

BENEFIT: Restores previously canceled service, and associated regional transit connections.

- Restores one of the late-night Santa Cruz to San Jose (northbound) bus trips canceled earlier this year.
- Restores the late-night San Jose to Santa Cruz (southbound) bus trip canceled several years ago.
- Restores the connection to the last southbound Capitol Corridor train/bus trip.
- Restores the connection to the second-last southbound Caltrain trip.
- Restores the connection to the last northbound VTA Route 180 express (destination: Fremont BART).
- Restores connections to late-night VTA Route 22 buses (Route 22 = busiest bus route in Silicon Valley).
- Restores connections to late-night VTA Route 23 buses.
- Restores late-night connections from San Lorenzo Valley and Scotts Valley to the Bay Area.

S-1.17

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

SPECIAL Open Session Minutes- Board of Directors

November 19, 2004

A SPECIAL Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, November 19, 2004 at the Watsonville City Council Chambers, 250 Main Street, Watsonville, CA.

Chair Reilly called the meeting to order at 10:26 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Sheryl Ainsworth
Jan Beautz
Michelle Hinkle
Mike Keogh
Dennis Norton
Emily Reilly
Dale Skillicorn
Pat Spence
Mark Stone
Marcela Tavantzis

DIRECTORS ABSENT

Mike Rotkin

STAFF PRESENT

Frank Cheng, MetroBase Project Manager
Mark Dorfman, Assistant General Manager
Margaret Gallagher, District Counsel

Elisabeth Ross, Finance Manager
Tom Stickel, Fleet Maintenance Manager

2. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION : District Counsel

Margaret Gallagher reported that there would be a discussion with METRO's Property Negotiator regarding property at 110 Vernon Street, Santa Cruz.

3. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

None.

SECTION II: CLOSED SESSION

Chair Reilly adjourned to SPECIAL Closed Session at 10:35 a.m. and reconvened to SPECIAL Open Session at 10:59 a.m.

5-1.18

SECTION III: RECONVENE TO OPEN SESSION

4. REPORT OF CLOSED SESSION

Margaret Gallagher stated that there was nothing to report at this time.

5. CONSIDERATION OF FIVE YEAR LEASE OF SPACE AT 110 VERNON STREET FOR FLEET MAINTENANCE ADMINISTRATION, METROBASE PROJECT ADMINISTRATION, AND METROBASE CONSTRUCTION MANAGEMENT OFFICES

ACTION: MOTION: DIRECTOR AINSWORTH SECOND: DIRECTOR REILLY

Authorize the General Manager to execute a lease with Broughton Land, Inc. for space located at 110 Vernon Street for the MetroBase Project.

Motion passed unanimously with Director Rotkin being absent.

ADJOURN

There being no further business, Chair Reilly adjourned the SPECIAL meeting at 11:01 a.m.

Respectfully submitted.

C. Thomas
CINDI THOMAS
Administrative Services Coordinator

5-1.19

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 11/01/04 THRU 11/30/04

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TRANS. TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
13740	11/05/04	452.00	001042	EMPLOYER'S HEALTH SVCS, LLC		2840	SEP DRUG TESTING	452.00	
13741	11/05/04	12,005.68	001043	VISION SERVICE PLAN		2841	NOV VISION INSURANCE	12,005.68	
13742	11/05/04	133,831.16	001316	DEVCO OIL		2842	OCT FUEL	133,831.16	
13743	11/05/04	808.65	001379	SAFETY-KLEEN SYSTEMS, INC.		2843	HAZ WASTE DISPOSAL	808.65	
13744	11/05/04	164.77	001454	MONTEREY BAY OFFICE PRODUCTS		2844	9/1-11/30 COPIER/ADM	154.20	
						2869	TONER FREIGHT/ADM	10.57	
13745	11/05/04	18,772.50	001616	UNUM		2845	NOV LTD INSURANCE	18,772.50	
13746	11/05/04	150.00	002017	NATIONAL EMPLOYMENT LAW INST.		2870	EEO & LAW MANUAL 150	150.00	
13747	11/05/04	12.16	002063	COSTCO		2846	LOCAL MEETING EXP	12.16	
13748	11/05/04	3,750.00	002346	CHANNEY, CAROLYN & ASSOC., INC.		2847	NOV LEGISLATIVE SVCS	3,750.00	
13749	11/05/04	775.23	002459	SCOTTS VALLEY WATER DISTRICT		2848	8/9-10/11 KINGS VLG	28.50	
						2849	8/9-10/11 KINGS VLG	746.73	
13750	11/05/04	512.00	002567	DEPARTMENT OF JUSTICE		2850	SEP FINGERPRINTS	512.00	
13751	11/05/04	10.62	002707	PITNEY BOWES CREDIT CORP		2851	POSTAGE METER/PLANG	10.62	
13752	11/05/04	1,297.72	009	PACIFIC GAS & ELECTRIC		2852	9/25-10/25 SAKATA	10.65	
						2853	9/30-10/28 RODRIGUEZ	1,250.00	
						2854	9/30-10/28 RODRIGUEZ	37.07	
13753	11/05/04	387.87	020	ADT SECURITY SERVICES INC.		2855	NOV ALARMS	387.87	
13754	11/05/04	1,923.49	074	KENVILLE LOCKSMITHS	7	2856	OCT LOCKS/KEYS	1,923.49	
13755	11/05/04	1,344.83	157	DELL MARKETING L.P.		2857	DELL OPTIPLEX TWR/PT	1,344.83	
13756	11/05/04	91.85	166	HOSE SHOP, THE		2858	REPAIRS/MAINTENANCE	91.85	
13757	11/05/04	1,536.00	180	MANPOWER		2859	TEMP/IT W/E 10/3	1,536.00	
13758	11/05/04	139.64	186	WILSON, GEORGE H., INC.		2860	REPAIRS/MAINTENANCE	139.64	
13759	11/05/04	287.13	341	GRANITE CONSTRUCTION CO.		2861	BASEROCK	287.13	
13760	11/05/04	55,149.98	475	TRAPEZE SOFTWARE GROUP, INC.		2871	TRAPEZE FOR PT	55,149.98	
13761	11/05/04	243,332.32	502	CA PUBLIC EMPLOYEES'		2862	NOV MEDICAL INS	243,332.32	
13762	11/05/04	9,056.25	683	TRISTAR RISK MANANGEMENT		2863	NOV WC SVC FEE	9,056.25	
13763	11/05/04	933.80	733	CLAREMONT BEHAVIORAL SERVICES		2864	NOV EAP PREMIUM	933.80	
13764	11/05/04	28.10	848	SANTA CRUZ ELECTRONICS, INC.		2865	COMPUTER SUPPLIES/IT	28.10	
13765	11/05/04	896.00	852	LAW OFFICES OF MARIE F. SANG	7	2866	WORKERS COMP CLAIMS	896.00	
13766	11/05/04	38,688.92	875	PACIFICARE DENTAL		2867	NOV DENTAL	38,688.92	
13767	11/05/04	98,833.93	975	TRISTAR RISK MANAGEMENT NO. 2		2868	OCT TRUST ACCOUNT	98,833.93	
13768	11/12/04	1,815.00	001027	OVERLAND PACIFIC & CUTLER, INC		2914	MB PROF SVCS SEP04	1,815.00	
13769	11/12/04	392.84	001040	TERRYBERRY CO., LLC		2915	EMPLOYEE INCENTIVE	392.84	
13770	11/12/04	564.00	001042	EMPLOYER'S HEALTH SVCS, LLC		2916	SEP/OCT DRUG TEST	564.00	
13771	11/12/04	224.40	001296	LEXISNEXIS MATTHEW BENDER		2917	LBR & EMPLOY REL#31	224.40	
13772	11/12/04	330.87	001315	WASTE MANAGEMENT		2918	OCT MT HERMON/KINGS	43.27	
						2919	OCT KINGS VILLAGE	145.23	
						2920	OCT RESEARCH PARK	142.37	
13773	11/12/04	1,179.07	001346	CITY OF SANTA CRUZ		2921	04/05 STRM/FLD WATER	1,179.07	
13774	11/12/04	1,772.76	001365	BORTNICK, ROBERT S. & ASSOC.	7	2922	INVESTIGATIVE SVCS	1,772.76	
13775	11/12/04	1.09	001458	AT&T		2923	050 670 1867 001	1.09	
13776	11/12/04	225.00	001492	EVERGREEN OIL INC.		2924	HAZ WASTE DISPOSAL	225.00	
13777	11/12/04	1,386.00	001523	SANTA CRUZ MEDICAL CLINIC	7	2925	SEP MEDICAL	1,386.00	
13778	11/12/04	4,312.90	001800	THERMO KING OF SALINAS, INC		2872	OUT REPAIR REV VEH	4,312.90	
13779	11/12/04	10.00	001944	SANTA CRUZ COUNTY LAW LIBRARY		2926	COPIES/LEGAL	10.00	
13780	11/12/04	445.82	001A	SBC/MCI		2927	OCT PHONE/IT	92.08	
						2928	OCT PHONE/IT	176.87	
						2929	OCT PHONE/IT	176.87	
13781	11/12/04	1,136.95	002063	COSTCO		2930	OFFICE SUPPLIES/PT	1,136.95	

1.2-5

CHECK JOURNAL DETAIL BY CHECK NUMBER
ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 11/01/04 THRU 11/30/04

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
13782	11/12/04	672.00	002109	CITY OF SANTA CRUZ/PARKING		2931	PARKING PERMITS	672.00	
13783	11/12/04	2,000.00	002267	SHAW & YODER, INC.		2932	SEP LEGISLATIVE SVCS	2,000.00	
13784	11/12/04	2,550.00	002287	CALIFORNIA SERVICE EMPLOYEES		2933	NOV MEDICAL	2,550.00	
13785	11/12/04	26,325.90	002295	FIRST ALARM		2934	OCT SECURITY	26,325.90	
13786	11/12/04	2,000.00	002352	U.S. POSTAL SERVICE(AMS-TMS)		2935	POSTAGE FOR METER	2,000.00	
13787	11/12/04	12,854.70	002380	MOBILE STORAGE GROUP, INC.		2873	3 STORAGE CONTAINERS	12,854.70	
13788	11/12/04	1,045.00	002385	OPTIMUM BUSINESS MACHINES	7	2874	MAINT COPIER/FLT	1,045.00	
13789	11/12/04	210.80	002388	DOGHERRA'S	7	2875	TOWING FORD E350	210.80	
13790	11/12/04	12.39	002447	SETON IDENTIFICATION PRODUCTS		2936	NAMEPLATE/LGL 2	12.39	
13791	11/12/04	891.59	002504	TIFCO INDUSTRIES		2876	PARTS & SUPPLIES	891.59	
13792	11/12/04	178.89	002639	NEXTEL COMMUNICATIONS		2877	9/26-10/25 PHONES	178.89	
13793	11/12/04	96.76	004	NORTH BAY FORD LINC-MERCURY		2878	REV VEH PARTS	96.76	
13794	11/12/04	11,307.97	009	PACIFIC GAS & ELECTRIC		2937	9/30-10/29 HRVY WEST	44.63	
						2938	9/30-10/29 GOLF CLUB	318.89	
						2939	9/30-10/29 GOLF CLUB	2,076.76	
						2940	9/30-10/29 RIVER ST	2,100.40	
						2941	9/30-10/29 111 DUB	923.57	
						2942	9/30-10/29 111 DUB	612.75	
						2943	9/30-10/29 RIVER ST	237.58	
						2944	9/30-10/29 370 ENC	2,844.68	
						2945	9/30-10/29 370 ENC	256.22	
						2946	10/5-11/3 PACIFIC	1,046.10	
						2947	10/5-11/3 PACIFIC	640.86	
						2948	10/5-11/3 PACIFIC	205.53	
13795	11/12/04	775.74	018	SALINAS VALLEY FORD SALES		2879	REV VEH PARTS	775.74	
13796	11/12/04	2,383.74	041	MISSION UNIFORM		2880	OCT UNIFORM/LAUNDRY	22.05	
						2881	OCT UNIFORMS/LAUNDRY	2,361.69	
13797	11/12/04	138.46	045	ROYAL WHOLESALE ELECTRIC		2949	REPAIRS/MAINT PT	138.46	
13798	11/12/04	292.72	050	PITNEY BOWES INC.		2950	POSTAGE METR SUPPLYS	292.72	
13799	11/12/04	1,048.32	059	BATTERIES USA, INC.		2882	REV VEH PARTS	1,048.32	
13800	11/12/04	14,287.29	079	SANTA CRUZ MUNICIPAL UTILITIES		2951	8/27-10/27 PACIFIC	175.16	
						2952	8/27-10/27 PACIFIC	4,342.20	
						2953	8/25-10/25 GOLF CLUB	1,649.18	
						2954	8/25-10/25 370 ENC	143.85	
						2955	8/25-10/25 370 ENC	1,745.80	
						2956	8/25-10/25 RIVER ST	4,850.50	
						2957	8/25-10/25 111 DUB	1,380.60	
13801	11/12/04	7,366.50	085	DIXON & SON TIRE, INC.		2883	OUT REPAIR REV VEH	160.45	
						2884	OCT TIRES/TUBES	7,206.05	
13802	11/12/04	30.29	104	STATE STEEL COMPANY		2885	PARTS & SUPPLIES	30.29	
13803	11/12/04	878.58	107	SAN LORENZO LUMBER		2958	REPAIRS/MAINTENANCE	878.58	
13804	11/12/04	40.55	117	GILLIG CORPORATION		2886	REV VEH PARTS	40.55	
13805	11/12/04	1,260.64	135	SANTA CRUZ AUTO PARTS, INC.		2887	SMALL TOOLS	206.71	
						2888	REV VEH PARTS/SUPPLY	1,053.93	
13806	11/12/04	1,524.27	148	ZEP MANUFACTURING COMPANY		2889	REV VEH PARTS	237.07	
						2890	CLEANING SUPPLIES	1,287.20	
13807	11/12/04	868.34	166	HOSE SHOP, THE		2891	PARTS & SUPPLIES	868.34	
13808	11/12/04	790.30	170	TOWNSEND'S AUTO PARTS		2892	REV VHE PARTS/SUPPLY	790.30	
13809	11/12/04	521.86	172	CENTRAL WELDER'S SUPPLY, INC.		2893	PARTS & SUPPLIES	521.86	
13810	11/12/04	1,851.77	180	MANPOWER		2894	TEMP W/E 10/15 FLT	315.77	

5-2.2

CHECK JOURNAL DETAIL BY CHECK NUMBER
ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 11/01/04 THRU 11/30/04

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
13811	11/12/04	4,839.05	183	BAYSHORE TRUCK EQUIPMENT CO.		2959	TEMP/IT W/E 10/10	1,536.00	
13812	11/12/04	25.00	188	PACIFIC BUS MUSEUM		2895	REBUILD DIFFERENTIAL	4,839.05	
13813	11/12/04	715.41	191	GOLDEN GATE PETROLEUM		2913	ANNUAL MEMBERSHIP	25.00	
13814	11/12/04	1,073.35	196	LIFT-U-INC.		2896	OCT FUEL FLEET	715.41	
13815	11/12/04	1,940.27	282	GRAINGER		2897	REV VEH PARTS	1,073.35	
13816	11/12/04	2,851.60	294	ANDY'S AUTO SUPPLY		2898	CLEAN/SAFETY SUPPLY	1,940.27	
13817	11/12/04	153.00	367	COMMUNITY TELEVISION OF		2899	REV VEH PARTS/SUPPLY	2,851.60	
13818	11/12/04	283.57	434	VERIZON WIRELESS-PAGERS		2960	TV COVERAG 10/22 MTG	153.00	
13819	11/12/04	53.29	434B	VERIZON CALIFORNIA		2961	NOV PAGERS	283.57	
13820	11/12/04	112.58	436	WEST PAYMENT CENTER		2900	MT BIEWLASKI	53.29	
13821	11/12/04	256.45	447	FERRIS HOIST & REPAIR, INC.		2962	CA CIVIL TRIALS/LGL	112.58	
13822	11/12/04	200.00	452	DEPARTMENT OF CONSUMER AFFAIRS		2901	OUT REPAIR HOIST	256.45	
13823	11/12/04	782.35	461	VULTRON INC.		2963	M FENN/CPA LICENSE	200.00	
13824	11/12/04	375.00	478	BEE CLENE	0	2902	REV VEH PARTS	782.35	
13825	11/12/04	2,018.86	480	DIESEL MARINE ELECTRIC, INC.		2964	CUSTODIAL SVCS/CRPTS	375.00	
13826	11/12/04	321.00	481	PIED PIPER EXTERMINATORS, INC.		2903	REV VEH PARTS	2,018.86	
						2965	OCT PEST CONTROL/	271.00	
						2966	CHINA EXPRESS	50.00	
13827	11/12/04	136.76	486	BRENTON SAFETY, INC.		2904	SAFETY SUPPLIES	136.76	
13828	11/12/04	2,185.00	490	FAST RESPONSE ON-SITE		2905	PROF/TECH & FEES	1,805.00	
						2906	PROF/TECH & FEES	380.00	
13829	11/12/04	49.90	504	CUMMINS WEST, INC.		2907	REV VEH PARTS	49.90	
13830	11/12/04	215.64	511	LUMINATOR		2908	REV VEH PARTS	215.64	
13831	11/12/04	572.66	580	BLOCK AND COMPANY, INC.		2967	CURRENCY COUNTER/PT	572.66	
13832	11/12/04	793.16	664	BAY COUNTIES PITCOCK PETROLEUM		2909	ENGINE OIL/DUB	793.16	
13833	11/12/04	70.00	682	WEISS, AMY L.	7	2968	PROF SVCS 10/22	70.00	
13834	11/12/04	438.58	711	GLASS DOCTOR	7	2910	OUT REPAIR REV VEH	438.58	
13835	11/12/04	4,874.39	851	I.M.P.A.C. GOVERNMENT SERVICES		2969	4055019201231022	4,874.39	
13836	11/12/04	256.87	856	ANGI INTERNATIONAL LLC		2970	CNG ELEMENT/2200	256.87	
13837	11/12/04	967.50	873	HARO, KASUNICH & ASSOC., INC.		2971	PROF SVCS/BUS STOPS	967.50	
13838	11/12/04	240,750.64	904	RNL DESIGN		2972	PROF SVCS THRU 9/30	237,877.19	
						2973	REIMBRS EXP TO 9/30	2,873.45	
13839	11/12/04	6,297.94	909	CLASSIC GRAPHICS		2911	OUT REPAIR REV VEH	6,297.94	
13840	11/12/04	34.00	E308	FALLAU, NICHOLAS		2912	DRIVER LICENSE	34.00	
13841	11/12/04	54.94	E346	BRONDSTATTER, WALLY		2974	OFFICE SUPPLIES/PT	54.94	
13842	11/12/04	34.00	E370	HART, JUSTIN		2975	DMV FEES	34.00	
13843	11/12/04	37.90	E404	WILSON, BONNIE		2976	FLAG DISPLY CASE/OPS	37.90	
13844	11/12/04	37.75	E476	PAULSON, STEVEN		2977	OFFICE SUPPLIES/PT	37.75	
13845	11/12/04	20.07	M016	HICKLIN, DONALD KENT		2980	AUG 04 MEDICAL PREM	20.07	
13846	11/12/04	1,070.36	R429	UNIVERSITY OF CALIFORNIA,		2978	SETTLEMENT CLAIM	1,070.36	
13847	11/19/04	991.44	001	SBC		2998	NOV PHONE/IT	595.52	
						2999	NOV PHONES	395.92	
13848	11/19/04	6,820.00	001026	DRIVER ALLIANT INSURANCE		3000	WC BROKER SVCS	6,820.00	
13849	11/19/04	377.27	001031	AMSAN WEST		3001	CLEANING SUPPLIES	377.27	
13850	11/19/04	275.52	001039	GRAFFITI REMOVAL, INC.		2981	VANDAL GUARD	275.52	
13851	11/19/04	436.46	001052	MID VALLEY SUPPLY		3002	CLEANING SUPPLIES	436.46	
13852	11/19/04	12,360.31	001053	IDVILLE		3003	UNIFORMS/PT 12360	12,360.31	
13853	11/19/04	4,935.67	001063	NEW FLYER INDUSTRIES LIMITED		2982	REV VHE PARTS 257	256.50	
						2983	REV VEH PARTS 1585	1,585.02	
						2984	REV VEH PARTS 3094	3,094.15	

5-2.3

CHECK JOURNAL DETAIL BY CHECK NUMBER
ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 11/01/04 THRU 11/30/04

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
13854	11/19/04	1,500.00	001090	BLUE DOLPHIN CAFE	7	3004	NOV CUSTODIAL SVCS	1,500.00	
13855	11/19/04	1,407.05	001119	MACERICH PARTNERSHIP LP	7	9000233	CAPITOLA MALL RENT	1,407.05	
13856	11/19/04	35.67	001648	STEVE'S UNION SERVICE		2985	OCT FUEL	35.67	
13857	11/19/04	728.94	001856	BAY COMMUNICATIONS	7	3005	OUT REPAIR PHONES	728.94	
13858	11/19/04	12.94	001976	SPORTWORKS NORTHWEST, INC.		2986	SHIPPING	12.94	
13859	11/19/04	4,237.82	001A	SBC/MCI		3006	OCT PHONES/PT	2,045.08	
						3007	OCT PHONES	2,192.74	
13860	11/19/04	116.74	002063	COSTCO		3008	COFFEE CLUB SUPPLIES	81.78	
						3009	PHOTO PROCESS/OPS	34.96	
13861	11/19/04	586.99	002106	AMERICAN SUPPLY COMPANY		3010	CLEANING SUPPLIES	586.99	
13862	11/19/04	31,581.00	002116	HINSHAW, EDWARD & BARBARA	7	9000234	120 DUBOIS RENT	6,435.77	
						9000235	370 ENCINAL RENT	25,145.23	
13863	11/19/04	10,794.22	002117	IULIANO, NICK	7	9000236	111 DUBOIS RENT	10,794.22	
13864	11/19/04	605.13	002504	TIFCO INDUSTRIES		2987	PARTS & SUPPLIES	605.13	
13865	11/19/04	1,887.75	002607	CTC ANALYTICAL SERVICES		2988	OUT REPAIR REV VEH	1,887.75	
13866	11/19/04	1,142.12	002624	DIGITAL RECORDERS		2989	REV VEH PARTS	1,142.12	
13867	11/19/04	539.68	007	UNITED PARCEL SERVICE		2990	OCT/NOV FREIGHT OUT	539.68	
13868	11/19/04	12,237.99	009	PACIFIC GAS & ELECTRIC		2991	9/30-10/29 CNG/E RVR	2,287.27	
						2992	9/30-10/31 CNG/G RVR	9,504.20	
						3011	10/13-11/10 PAUL SWT	90.69	
						3012	10/9-11/8 KINGS VLG	340.06	
						3013	10/10-11/8 KINGS VLG	15.77	
13869	11/19/04	123.65	036	KELLY-MOORE PAINT CO., INC.		3014	BENCH PAINT/2200	123.65	
13870	11/19/04	399.75	041	MISSION UNIFORM		3015	OCT UNIFORMS/LAUNDRY	399.75	
13871	11/19/04	234.44	042	ORCHARD SUPPLY HARDWARE		3016	REPAIRS/MAINTENANCE	234.44	
13872	11/19/04	2,314.30	043	PALACE ART & OFFICE SUPPLY		3057	OFFICE SUPPLIES	2,314.30	
13873	11/19/04	312.60	045	ROYAL WHOLESALE ELECTRIC		3017	PLUGS/LAMPS/LITES PT	312.60	
13874	11/19/04	317.90	067	ROTO-ROOTER		3018	OUT REPAIR BLDGS/IMP	96.45	
						3019	OUT REPAIR BLDGS/IMP	221.45	
13875	11/19/04	1,227.49	074	KENVILLE LOCKSMITHS	7	3020	OCT LOCKS/KEYS	512.12	
						3021	SAFE/PARACRUZ	715.37	
13876	11/19/04	243.78	075	COAST PAPER & SUPPLY INC.		3022	CLEANING SUPPLIES	243.78	
13877	11/19/04	59.25	079	SANTA CRUZ MUNICIPAL UTILITIES		3023	OCT LANDFILL	59.25	
13878	11/19/04	2,446.19	110	JESSICA GROCERY STORE, INC.		3024	NOV CUSTODIAN SVCS	2,446.19	
13879	11/19/04	627.20	117	GILLIG CORPORATION		2993	REV VEH PARTS	627.20	
13880	11/19/04	95.10	130	CITY OF WATSONVILLE UTILITIES		3025	10/1-10/12 SAKATA	13.45	
						3026	10/1-10/12 RODRIGUEZ	9.50	
						3027	10/1-11/1 SAKATA	72.15	
13881	11/19/04	50.22	148	ZEP MANUFACTURING COMPANY		3028	CLEANING SUPPLIES/PT	50.22	
13882	11/19/04	409.72	149	SANTA CRUZ SENTINEL		3029	OCT ADVERTISING	409.72	
13883	11/19/04	113.12	161	OCEAN CHEVROLET INC		2994	REV VEH PARTS	113.12	
13884	11/19/04	4,608.00	180	MANPOWER		3030	TEMP/IT W/E 10/17	1,536.00	
						3031	TEMP/IT W/E 10/24	1,536.00	
						3032	TEMP/IT W/E 10/31	1,536.00	
13885	11/19/04	120.37	192	ALWAYS UNDER PRESSURE		3033	REPAIRS/MAINTENANCE	120.37	
13886	11/19/04	1,243.26	215	IKON OFFICE SOLUTIONS		3034	MAINT COPIER/METRO	1,243.26	
13887	11/19/04	886.83	225	MISSION PRINTERS	7	3035	PRINT BUS PASSES	886.83	
13888	11/19/04	60.00	271	CARLSON, BRENT D., M.D., INC.	7	3036	NOV DRUG TESTING	60.00	
13889	11/19/04	291.28	282	GRAINGER		3037	CLEANING SUPPLIES/PT	291.28	
13890	11/19/04	53.49	378	STEWART & STEVENSON		2995	REV VEH PARTS	53.49	

5-2-4

CHECK JOURNAL DETAIL BY CHECK NUMBER
ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 11/01/04 THRU 11/30/04

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	TRANS. TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
13891	11/19/04	193.61	395	APPLIED GRAPHICS, INC.		3038	A/L WAIT LIST/OPS	193.61	
13892	11/19/04	45.00	440	RUNFOROFFICE.COM	7	3039	OCT-DEC LOBBY REPORT	45.00	
13893	11/19/04	1,090.83	448	UNISOURCE		3040	CLEANING SUPPLIES	586.82	
						3041	COPY PAPER/ADM	504.01	
13894	11/19/04	15,463.00	475	TRAPEZE SOFTWARE GROUP, INC.		3042	TRAPEZE FOR PT	15,463.00	
13895	11/19/04	385.00	478	BEE CLENE	0	3043	CUSTODIAL SVCS/CRPTS	385.00	
13896	11/19/04	191.92	510	ASCOM HASLER LEASING		3044	DEC EQUIP RENTAL	191.92	
13897	11/19/04	71.51	566	ARROWHEAD MTN SPRING WATER		2996	OCT WATER FLEET	71.51	
13898	11/19/04	833.33	579	LAB SAFETY SUPPLY, INC.		3045	SAFETY SUPPLIES 821	833.33	
13899	11/19/04	1,565.93	583A	SBC PACIFIC BELL		3046	ACCESS ROUTERS/PT	1,565.93	
13900	11/19/04	1,071.50	592	R & S ERECTION OF		3047	REPAIR DOORS/MMF	1,071.50	
13901	11/19/04	1,806.00	616	BROWN ARMSTRONG		3048	AUDIT SERVICES	1,806.00	
13902	11/19/04	900.00	840	BOUCHARD, BRENT	7	9000237	VERNON ST RENT	900.00	
13903	11/19/04	70.15	848	SANTA CRUZ ELECTRONICS, INC.		3049	COMPUTER SUPPLIES/IT	70.15	
13904	11/19/04	3,009.30	852	LAW OFFICES OF MARIE F. SANG	7	3050	WORKERS COMP CLAIMS	1,274.00	
						3051	WORKERS COMP CLAIMS	1,735.30	
13905	11/19/04	97.90	932	A.L. LEASE COMPANY, INC.		3052	REPAIRS/MAINTENANCE	97.90	
13906	11/19/04	129.12	937	BUSINESS & LEGAL REPORTS		3053	PAMPHLETS/LEGAL	129.12	
13907	11/19/04	511.90	939	EXECUTIVE SOFTWARE		3054	DISKEEPER MAINT/IT	511.90	
13908	11/19/04	71.47	944	MOORE WALLACE		3058	TAX FORMS - 1099	71.47	
13909	11/19/04	945.40	950	PARADISE LANDSCAPE	7	3055	NOV MAINT/IRRIGTN	945.40	
13910	11/19/04	34.00	E012	ASPESEI, JOHN		2997	DRIVERS LICENSE	34.00	
13911	11/19/04	68.00	E061	HOLLY, ISAAC		3056	3 SUN HARD DRIVES/IT	68.00	
13912M	11/24/04	2,281.00	080	STATE BOARD OF EQUALIZATION		3175	OCT USE TAX PREPAY	2,281.00	MANUAL
				OCT USE TAX PREPAY					
13913M	11/29/04	105.95	R420	PAJARO VALLEY NEUROLOGICAL		3176	MEDICAL PAYMENT	105.95	MANUAL
				MEDICAL PAYMENT					
TOTAL		1,148,863.98		COAST COMMERCIAL BANK			TOTAL CHECKS	174	1,148,863.98

5-2-5

**Page 1 of the Ridership Report will be
included in the December 17, 2004
Board Packet.**

5-3.1

BUS OPERATOR LIFT TEST *PULL-OUT*

VEHICLE CATEGORY	TOTAL BUSES	AVG # DEAD IN GARAGE	AVG # AVAIL. FOR SERVICE	AVG # IN SERVICE	AVG # SPARE BUSES	AVG # LIFTS OPERATING	% LIFTS WORKING ON PULL-OUT BUSES
FLYER/HIGHWAY 17 - 40'	7	1	6	0	6	0	100%
FLYER/LOW FLOOR - 40'	12	2	10	7	3	7	100%
FLYER/LOW FLOOR - 35'	18	2	16	13	3	13	100%
FLYER/HIGH FLOOR - 35'	15	1	14	6	8	6	100%
GILLIG/SAM TRANS - 40'	10	1	9	3	6	3	100%
DIESEL CONVERSION - 35'	15	2	13	11	2	11	100%
DIESEL CONVERSION - 40'	14	3	11	8	3	8	100%
ORION/HIGHWAY 17 - 40'	11	1	10	7	3	7	100%
CHAMPION	2	0	2	1	1	1	100%
TROLLEY	1	0	1	0	1	0	100%
CNG NEW FLYER - 40'	8	1	7	6	1	6	100%

5-3.2

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

PASSENGER LIFT PROBLEMS

MONTH OF NOVEMBER 2004

BUS #	DATE	DAY	REASON
2211CN	30-Nov	TUESDAY	Coach comes out of kneel very slowly
2230CN	2-Nov	TUESDAY	After kneeling bus jerks violently up and down on acceleration
2230CN	9-Nov	TUESDAY	Problem with kneel
2301OR	9-Nov	TUESDAY	Kneel kicked on on freeway on it's own 2 beeps then went back off
2406GO	4-Nov	THURSDAY	Problem with lift
8079F	30-Nov	TUESDAY	Lift sticks when stowing
8082F	16-Nov	TUESDAY	W/C lift not working well
8082F	18-Nov	THURSDAY	Lift not responding at all
9834G	23-Nov	TUESDAY	Lift gets caught, barrier won't go up or down
9837G	1-Nov	MONDAY	Kneel delays about 5-10 seconds before working

- F New Flyer
- G Gillig
- C Champion
- LF Low Floor Flyer
- GM GMC
- CG CNG
- CN SR855 & SR854
- OR Orion/Hwy 17

Note: Lift operating problems that cause delays of less than 30 minutes.

Service Interruption Summary Report
Lift Problems
11/01/2004 to 11/30/2004

AM Peak Hour/Mile	Midday Hour/Mile	PM Peak Hour/Mile	Other Hour/Mile	Weekday Hour/Mile	Saturday Hour/Mile	Sunday Hour/Mile
00:00/0	00:00/00.00	00:00/00.00	0:00	00:00/00.00	00:00/0	00:00/0

S-3.4

XIV. Communications to METRO Board of Directors

XV. Items for Next Meeting Agenda

XVI. Adjournment

Next Meeting: Wednesday January 19, 2005 @ 6:00 pm
Santa Cruz Metro Center Conference Room
Santa Cruz Metro Center

5-5.2

REVISED

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- METRO Advisory Committee (MAC)

October 20, 2004

A Regular Meeting of the METRO Advisory Committee (MAC) met on Wednesday, October 20, 2004 at the METRO Center Conference Room, 920 Pacific Avenue, Santa Cruz, CA.

At 6:08 p.m. METRO General Manager, Les White, announced that since MAC Chair Kanoa Dynek was absent and there was a quorum, the committee could proceed with their meeting. Vice-Chair Marcelin-Sampson called the meeting to order and asked for the roll call.

1. ROLL CALL:

MEMBERS PRESENT

Dan Alper
Kanoa Dynek, Chair (arrived after roll call)
Jeff Le Blanc
Paul Marcelin-Sampson, Vice-Chair
Matthew Melzer
Stuart Rosenstein
Robert Yount

MEMBERS ABSENT

Norm Hagen
James Sheldon
Lesley Wright

VISITORS PRESENT

Jeff North, UTU

STAFF PRESENT

Bryant Baehr, Operations Manager
Mark Dorfman, Assistant General Manager
Margaret Gallagher, District Counsel

Les White, General Manager

2. AGENDA ADDITIONS/DELETIONS

Items 7 and 10 are deferred to next month.

3. ORAL/WRITTEN COMMUNICATIONS

Oral: Paul Marcelin-Sampson stated that he would attempt to keep the meeting moving along and he would be taking agenda items out of order.

KANOA DYNEK ARRIVED AT THIS TIME

Les White informed Kanoa that Vice-Chair Paul Marcelin-Sampson had been acting as Chair in Kanoa's absence. Kanoa stated that it would be fine with him for Paul to continue in that capacity.

S-5.3

REVISED

Minutes-- METRO Advisory Committee
October 20, 2004
Page 2

4. CONSIDERATION OF MINUTES OF SEPTEMBER 22, 2004 MAC MEETING

Matthew Melzer stated that his name was misspelled in the September 22, 2004 Minutes.

ACTION: MOTION: PAUL MARCELIN-SAMPSON SECOND: DAN ALPER

ACCEPT AND FILE MINUTES OF SEPTEMBER 22, 2004 MAC MEETING WITH THE CORRECTION OF MATTHEW MELZER'S NAME

**Motion passed with Kanoa Dynek, Jeff Le Blanc, Stuart Rosenstein, Matthew Melzer and Robert Yount voting for; Dan Alper and Paul Marcelin-Sampson abstaining; and Norm Hagen, James Sheldon and Lesley Wright being absent.
(The file copy of the September 22, 2004 Minutes has been corrected).**

5. PARATRANSIT TASK FORCE UPDATE

Stuart Rosenstein advised MAC of what he learned by attending the recent ParaTransit Task Force meeting. He discussed the services provided by Community Bridges, rider payment procedures, service areas, and future ridership demands due to the aging population. He passed around two informational pamphlets. One pamphlet presented demographic information relative to future Paratransit ridership, while the second one listed the four goals of the ParaTransit Task Force. Both pamphlets are available from the ParaTransit Task Force. Les White gave MAC an oral history of the Paratransit Task Force, as well as a brief explanation of the roles of METRO and Community Bridges in relation to ADA ridership. He also discussed the upcoming transition from Community Bridges to METRO. He advised MAC of several important issues that the ParaTransit Task Force will need to address. Les explained the funding sources for METRO and ParaCruz. Jeff Le Blanc stated that MASTF wanted to retain door-to-door service rather than the minimum ADA mandated curb-to-curb service. Stuart advised MAC to feel free to e-mail him if they have questions relative to the ParaTransit Task Force.

ITEM #3 WAS TAKEN OUT OF ORDER AT THIS TIME

3. ORAL/WRITTEN COMMUNICATIONS

Oral: Since Kanoa was not present when oral communications were heard, he requested permission to comment. Paul Marcelin-Sampson said that would be fine. Kanoa asked that METRO consider removing bus shelters from bus stops that are no longer in service, and placing them at bus stops that are currently active, yet unsheltered. Les White said METRO is planning to do that. He stated the metal shelters are more easily moved than the old wooden ones. He stated the shelters should be moved to their new locations sometime within the next thirty days.

Oral: Jeff Le Blanc stated that BSAC would welcome input from interested bus riders regarding bus stop improvement. He encouraged MAC members and members of the public to contact BSAC should they have any suggestions or recommendations.

Oral: Matthew Melzer expressed concern that buses which service the UCSC campus are quite often filled to capacity and leave students at the curb. He asked whether it would be feasible for bus operators to screen potential bus riders who are boarding at campus stops to

5 - 5.4

REVISED

Minutes– METRO Advisory Committee
October 20, 2004
Page 3

determine that they are boarding for an off-campus destination. Matthew stated that as an alternate plan, perhaps METRO could explore using 40' buses on campus to accommodate the crowds. Jeff North stated that it was his recollection that buses that service the UCSC campus are 35', but placing 40' buses on those routes may be feasible. He stated that when he drives campus routes, he does what he can to alert passengers that those who have off-campus destinations should be given priority-boarding status. Jeff suggested that the passengers themselves be more proactive by alerting others standing in line that they need the bus for an off-campus destination. Les White suggested placing a segregation stanchion where one side is for on-campus shuttles, and one side is for off-campus shuttles.

Oral: Jeff Le Blanc inquired as to the operation of the volume control on the talking bus. Bryant advised that a limited amount of volume control is possible. Discussion ensued relative to the talking bus, as well as confusion some people face as they try to locate specific buses at METRO Center.

6. CONSIDERATION OF METRO'S NO SMOKING POLICY

Robert Yount provided statistics on California's smoking trends. He stated his thoughts as to how bus operators should manage passengers who smoke at bus stops. He distributed a copy of a smoking policy that he would like to see METRO consider for adoption.

8. CONSIDERATION OF ACTIONS TAKEN BY THE CALIFORNIA TRANSPORTATION COMMISSION ON AUGUST 5, 2004 AND THE IMPACT ON METROBASE FUNDING

Les White distributed a news release that was issued by the Transportation Commission after they approved a re-programming of 7.5 million dollars in service transportation program funds. Les gave a brief synopsis of this issue.

9. DISCUSSION OF STATE OF CALIFORNIA GENERAL FUND DEBT TO TRANSPORTATION FUND

Les White updated MAC on the latest information relative to the general fund and the transportation fund.

11. REVIEW AND DISCUSSION OF THE STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) 2004/2009 AND THE SCCRTC EXPENDITURE PLAN BEING SUBMITTED TO THE VOTERS

No questions or comments.

12. CONSIDERATION OF BOARD RULES OF PROCEDURE

Paul Marcelin-Sampson suggested that MAC review the Board's Rules of Procedures for Meetings. Margaret Gallagher explained that the Board's Rules of Procedures would have to be modified in order to make them applicable to MAC. She explained that when rules are available in written form, it becomes possible for all members of an organization to know proper procedure. She explained that she prepared the Board's Rules of Procedures for Meetings to reflect METRO's specific needs. She offered to prepare some rules for MAC's use. Discussion ensued as to whether or not MAC would be in need of formal rules of procedure.

ACTION: MOTION: PAUL MARCELIN-SAMPSON SECOND: ROBERT YOUNT

5-5.5

REVISED

Minutes– METRO Advisory Committee
October 20, 2004
Page 4

IN SIX MONTHS MAC WILL REVISIT THE RELEVANCE OF DEVELOPMENT OF RULES OF PROCEDURE FOR MAC MEETINGS

Motion passed unanimously with Norm Hagen, James Sheldon, and Lesley Wright being absent.

13. CONSIDERATION OF MEASURE J FOR THE NOVEMBER ELECTION

Paul Marcelin-Sampson requested that in the interest of time, that the time allotted for discussion of Measure J be limited to 25 minutes. No one objected. Jeff Le Blanc stated that he was of the opinion that MAC already discussed Measure J. Les White stated that the subject was once again an agenda item due to a request from Dan Alper. He said Dan requested the item be placed on the agenda since he was unable to participate in the previous discussion. Les gave a brief history of MAC's previous discussion of Measure J. Further discussion of the pros and cons of Measure J ensued. Jeff North provided information relative to driving Highway 1 as a bus operator, Bryant Baehr provided information relative to commuter lanes, and Les White answered questions relative to the intricacies of Measure J.

ACTION: MOTION: DAN ALPER

SECOND: MATTHEW MELZER

MAC OPPOSES THE PASSAGE OF MEASURE J

Motion passed with Dan Alper, Matthew Melzer, Stuart Rosenstein and Robert Yount voting for; Jeff Le Blanc and Paul Marcelin-Sampson voting against; Kanoa Dynek abstaining; and Norm Hagen, James Sheldon and Lesley Wright being absent.

14. DISCUSSION OF SURFBOARDS ON BUSES

Matthew Melzer stated that he did not request this item to be placed on the agenda. Stuart Rosenstein suggested that METRO should look at ways to provide service to all bus riders including those who carry surfboards. Dan Alper suggested that the issue of surfboards on buses be combined with bicycles on buses. Jeff Le Blanc said he was of the opinion that METRO's primary duty was to transport passengers to their destination in a safe manner. Discussion ensued regarding the scope of METRO's responsibility relative to providing service to passengers. Bryant Baehr provided technical information and ideas as to different ways buses could be modified to accommodate a variety of passenger needs.

15. COMMUNICATIONS TO METRO GENERAL MANAGER

None.

16. COMMUNICATIONS TO THE METRO BOARD OF DIRECTORS

None.

17. ITEMS FOR NEXT MEETING AGENDA

- Attendance
- Bus Shelter Redeployment
- Route 20 Bus Size
- Talking Bus Audio Issues

5-5.6

REVISED

Minutes– METRO Advisory Committee
October 20, 2004
Page 5

- Helping People To Find Their Bus
- Bicycles and Surfboards on Buses
- Labor Costs
- No Smoking Policy
- UCSC and Cabrillo College Student Orientation to METRO

ADJOURN

There being no further business, Vice-Chair Marcelin-Sampson thanked everyone for their participation and he adjourned the meeting at 7:59 p.m.

Respectfully submitted,



Debi Prince
Administrative Secretary

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 17, 2004
TO: Board of Directors
FROM: Elisabeth Ross, Finance Manager
SUBJECT: MONTHLY BUDGET STATUS REPORT FOR OCTOBER 2004, AND APPROVAL OF BUDGET TRANSFERS

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors approve the budget transfers for the period of November 1 – 30, 2004.

II. SUMMARY OF ISSUES

- Operating revenue for the year to date totals \$12,445,089 or \$173,777 over the amount of revenue expected to be received during the first four months of the fiscal year, based on the final budget.
- Total operating expenses for the year to date, in the amount of \$10,051,798, are at 30.8% of the final budget.
- A total of \$2,112,169 has been expended through October 31st for the FY 04-05 Capital Improvement Program.

III. DISCUSSION

An analysis of the District's budget status is prepared monthly in order to apprise the Board of Directors of the District's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year. The attached monthly revenue and expense report represents the status of the District's FY 04-05 budget as of October 31, 2004. The fiscal year is 33.3% elapsed.

A. Operating Revenues

Revenues are \$173,777 over the amount projected to be received for the period. Farebox and ticket revenue is \$180,861 or 13% below budget projections for the year to date. This is probably the result of several factors including the recent service reductions, the extension of the Highway 17 Express to Metro Center moving riders off local routes onto the Express, and more cash fare passengers shifting to UCSC and Cabrillo passes. Overall, total passenger revenue in all categories is 3% below budget for the first four months of the fiscal year. Sales tax revenue is \$159,783 over budget due to higher receipts in the April-June sales period than projected. Variances are explained in the notes following the report.

5-7.1

December 17, 2004

Board of Directors

Page 2

B. Operating Expenses

Operating expenses for the year to date total \$10,051,798 or 30.8% of the final budget, with 33.3% of the year elapsed. Variances are explained in the notes following the report.

C. Capital Improvement Program

For the year to date, a total of \$2,112,169 has been expended on the Capital Improvement Program. The largest expenditure was for work on MetroBase in the amount of \$1,948,522.

IV. FINANCIAL CONSIDERATIONS

Approval of the budget transfers will increase some line item expenses and decrease others. Overall, the changes are expense-neutral.

V. ATTACHMENTS

Attachment A: Revenue and Expense Report for October 2004, and Budget Transfers

5 - 7.2

MONTHLY REVENUE AND EXPENSE REPORT
OPERATING REVENUE - OCTOBER 2004

Operating Revenue	FY 04-05 Budgeted for Month	FY 04-05 Actual for Month	FY 04-05 Budgeted YTD	FY 03-04 Actual YTD	FY 04-05 Actual YTD	YTD Variance from Budgeted	
Passenger Fares	\$ 368,625	\$ 304,666	\$ 1,396,872	\$ 1,358,429	\$ 1,216,011	\$ (180,861)	
Paratransit Fares	\$ 28,066	\$ 29,833	\$ 82,577	\$ 75,116	\$ 71,790	\$ (10,787)	
Special Transit Fares	\$ 263,700	\$ 302,992	\$ 514,140	\$ 282,181	\$ 609,987	\$ 95,847	
Highway 17 Revenue	\$ 88,996	\$ 90,300	\$ 322,129	\$ 226,086	\$ 349,883	\$ 27,754	
<i>Subtotal Passenger Rev</i>	\$ 749,387	\$ 727,791	\$ 2,315,718	\$ 1,941,812	\$ 2,247,671	\$ (68,047)	See Note 1
Advertising Income	\$ -	\$ 7,240	\$ -	\$ 17,509	\$ 21,480	\$ 21,480	See Note 2
Commissions	\$ 617	\$ 448	\$ 2,467	\$ 2,588	\$ 2,554	\$ 87	
Rent Income	\$ 13,467	\$ 24,044	\$ 53,732	\$ 48,011	\$ 96,670	\$ 42,938	See Note 3
Interest - General Fund	\$ 24,970	\$ 34,234	\$ 98,536	\$ 100,071	\$ 117,052	\$ 18,516	See Note 4
Non-Transportation Rev	\$ 500	\$ 123	\$ 2,000	\$ 739	\$ 1,020	\$ (980)	
Sales Tax Income	\$ 1,098,100	\$ 1,098,100	\$ 4,967,387	\$ 4,893,544	\$ 5,127,170	\$ 159,783	See Note 5
TDA Funds	\$ -	\$ -	\$ 1,438,313	\$ 1,348,222	\$ 1,438,313	\$ -	
FTA Op Asst - Sec 5307	\$ -	\$ -	\$ 2,950,231	\$ 2,804,435	\$ 2,950,231	\$ -	
FTA Op Asst - Sec 5311	\$ -	\$ -	\$ 92,928	\$ 65,704	\$ 92,928	\$ -	
FTA Op Asst Advance	\$ 350,000	\$ 350,000	\$ 350,000	\$ -	\$ 350,000	\$ -	
FY 03-04 Carryover	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer from Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer from Insurance Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer - Proj Mgr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Operating Revenue	\$ 2,237,041	\$ 2,241,980	\$ 12,271,311	\$ 11,222,635	\$ 12,445,089	\$ 173,777	

**MONTHLY REVENUE AND EXPENSE REPORT
OPERATING EXPENSE SUMMARY - OCTOBER 2004**

	FY 04-05 Final Budget	FY 04-05 Revised Budget	FY 03-04 Expended YTD	FY 04-05 Expended YTD	Percent Expended of Budget	
PERSONNEL ACCOUNTS						
Administration	\$ 917,905	\$ 917,905	\$ 253,275	\$ 337,372	36.8%	See Note 6
Finance	\$ 552,664	\$ 552,664	\$ 167,228	\$ 170,434	30.8%	
Customer Service	\$ 490,027	\$ 490,027	\$ 153,767	\$ 144,319	29.5%	
Human Resources	\$ 353,462	\$ 353,462	\$ 110,547	\$ 70,682	20.0%	See Note 7
Information Technology	\$ 438,670	\$ 438,670	\$ 143,604	\$ 126,687	28.9%	
District Counsel	\$ 376,655	\$ 376,655	\$ 107,111	\$ 110,490	29.3%	
Facilities Maintenance	\$ 1,050,695	\$ 1,050,695	\$ 318,379	\$ 323,497	30.8%	
Paratransit Program	\$ 236,906	\$ 236,906	\$ 68,531	\$ 149,525	63.1%	See Note 8
Operations	\$ 1,921,272	\$ 1,921,272	\$ 613,656	\$ 629,584	32.8%	
Bus Operators	\$ 12,661,130	\$ 12,661,130	\$ 3,903,568	\$ 3,969,705	31.4%	
Fleet Maintenance	\$ 4,046,043	\$ 4,040,243	\$ 1,191,316	\$ 1,139,680	28.2%	
Retired Employees/COBRA	\$ 955,033	\$ 955,033	\$ 295,269	\$ 260,299	27.3%	
Total Personnel	\$ 24,000,462	\$ 23,994,662	\$ 7,326,251	\$ 7,432,273	31.0%	
NON-PERSONNEL ACCOUNTS						
Administration	\$ 568,070	\$ 568,070	\$ 167,367	\$ 190,694	33.6%	
Finance	\$ 899,457	\$ 899,413	\$ 280,263	\$ 285,647	31.8%	
Customer Service	\$ 92,060	\$ 92,060	\$ 40,415	\$ 50,375	54.7%	See Note 9
Human Resources	\$ 31,603	\$ 34,003	\$ 5,012	\$ 13,691	40.3%	See Note 10
Information Technology	\$ 92,235	\$ 92,235	\$ 22,973	\$ 24,779	26.9%	
District Counsel	\$ 11,340	\$ 11,340	\$ 3,973	\$ 1,644	14.5%	
Risk Management	\$ 254,870	\$ 254,870	\$ 39,583	\$ 21,540	8.5%	
Facilities Maintenance	\$ 449,100	\$ 449,100	\$ 101,166	\$ 107,443	23.9%	
Paratransit Program	\$ 2,743,186	\$ 2,743,186	\$ 655,634	\$ 817,164	29.8%	
Operations	\$ 578,730	\$ 578,774	\$ 116,474	\$ 140,992	24.4%	
Bus Operators	\$ 7,000	\$ 7,000	\$ -	\$ 67	1.0%	
Fleet Maintenance	\$ 2,868,265	\$ 2,871,665	\$ 726,496	\$ 965,460	33.6%	
Op Prog/SCCIC	\$ 300	\$ 300	\$ 10	\$ 30	10.0%	
Prepaid Expense	\$ -	\$ -	\$ 2,354	\$ -	0.0%	
Total Non-Personnel	\$ 8,596,216	\$ 8,602,016	\$ 2,161,719	\$ 2,619,524	30.5%	
Subtotal Operating Expense	\$ 32,596,678	\$ 32,596,678	\$ 9,487,970	\$ 10,051,798	30.8%	
Grant Funded Studies/Programs	\$ -	\$ -		\$ -	0.0%	
Transfer to/from Cap Program	\$ -	\$ -		\$ -	0.0%	
Total Operating Expense	\$ 32,596,678	\$ 32,596,678	\$ 9,487,970	\$ 10,051,798	30.8%	
YTD Operating Revenue Over YTD Expense				\$ 2,393,291		

**CONSOLIDATED OPERATING EXPENSE
OCTOBER 2004**

	FY 04-05 Final Budget	FY 04-05 Revised Budget	FY 03-04 Expended YTD	FY 04-05 Expended YTD	% Exp YTD of Budget	
LABOR						
Operators Wages	\$ 6,753,430	\$ 6,753,430	\$ 1,941,032	\$ 2,082,953	30.8%	
Operators Overtime	\$ 1,020,350	\$ 1,020,350	\$ 353,197	\$ 304,712	29.9%	
Other Salaries & Wages	\$ 6,173,059	\$ 6,167,259	\$ 1,814,447	\$ 1,887,087	30.6%	
Other Overtime	\$ 165,700	\$ 165,700	\$ 86,663	\$ 47,090	28.4%	
	\$ 14,112,539	\$ 14,106,739	\$ 4,195,340	\$ 4,321,842	30.6%	
FRINGE BENEFITS						
Medicare/Soc Sec	\$ 161,240	\$ 161,240	\$ 47,074	\$ 48,562	30.1%	
PERS Retirement	\$ 1,510,704	\$ 1,510,704	\$ 341,407	\$ 459,674	30.4%	
Medical Insurance	\$ 2,908,041	\$ 2,908,041	\$ 1,004,463	\$ 936,071	32.2%	
Dental Plan	\$ 460,743	\$ 460,743	\$ 127,446	\$ 136,139	29.5%	
Vision Insurance	\$ 125,100	\$ 125,100	\$ 38,368	\$ 40,928	32.7%	
Life Insurance	\$ 61,065	\$ 61,065	\$ 17,332	\$ 8,962	14.7%	
State Disability Ins	\$ 217,937	\$ 217,937	\$ 44,086	\$ 61,815	28.4%	
Long Term Disability Ins	\$ 237,221	\$ 237,221	\$ 65,169	\$ 73,901	31.2%	
Unemployment Insurance	\$ 71,243	\$ 71,243	\$ 291	\$ 1,989	2.8%	See Note 11
Workers Comp	\$ 1,473,634	\$ 1,473,634	\$ 589,243	\$ 448,853	30.5%	
Absence w/ Pay	\$ 2,628,861	\$ 2,628,861	\$ 849,195	\$ 884,631	33.7%	
Other Fringe Benefits	\$ 32,135	\$ 32,135	\$ 6,835	\$ 8,907	27.7%	
	\$ 9,887,923	\$ 9,887,923	\$ 3,130,910	\$ 3,110,431	31.5%	
SERVICES						
Acctng/Admin/Bank Fees	\$ 311,700	\$ 311,700	\$ 74,053	\$ 92,535	29.7%	
Prof/Legis/Legal Services	\$ 389,680	\$ 389,680	\$ 82,920	\$ 76,790	19.7%	
Temporary Help	\$ -	\$ 4,800	\$ -	\$ 7,803	162.6%	See Note 12
Custodial Services	\$ 83,800	\$ 83,800	\$ 25,212	\$ 24,787	29.6%	
Uniforms & Laundry	\$ 37,500	\$ 37,500	\$ 7,798	\$ 23,865	63.6%	See Note 13
Security Services	\$ 392,555	\$ 392,555	\$ 68,806	\$ 80,261	20.4%	
Outside Repair - Bldgs/Eqmt	\$ 186,546	\$ 184,646	\$ 41,609	\$ 37,044	20.1%	
Outside Repair - Vehicles	\$ 274,563	\$ 274,563	\$ 89,252	\$ 100,730	36.7%	See Note 14
Waste Disp/Ads/Other	\$ 86,159	\$ 88,559	\$ 13,139	\$ 40,988	46.3%	See Note 15
	\$ 1,762,503	\$ 1,767,803	\$ 402,786	\$ 484,802	27.4%	
CONTRACT TRANSPORTATION						
Contract Transportation	\$ 100	\$ 100	\$ -	\$ -	0.0%	
Paratransit Service	\$ 2,606,136	\$ 2,606,136	\$ 625,977	\$ 740,285	28.4%	
	\$ 2,606,236	\$ 2,606,236	\$ 625,977	\$ 740,285	28.4%	
MOBILE MATERIALS						
Fuels & Lubricants	\$ 1,560,314	\$ 1,560,314	\$ 374,177	\$ 528,949	33.9%	
Tires & Tubes	\$ 164,000	\$ 164,000	\$ 22,098	\$ 55,073	33.6%	
Other Mobile Supplies	\$ 6,000	\$ 6,000	\$ 1,871	\$ 2,816	46.9%	See Note 16
Revenue Vehicle Parts	\$ 344,000	\$ 344,000	\$ 104,137	\$ 134,270	39.0%	See Note 17
	\$ 2,074,314	\$ 2,074,314	\$ 502,284	\$ 721,108	34.8%	

**CONSOLIDATED OPERATING EXPENSE
OCTOBER 2004**

	FY 04-05 Final Budget	FY 04-05 Revised Budget	FY 03-04 Expended YTD	FY 04-05 Expended YTD	% Exp YTD of Budget	
OTHER MATERIALS						
Postage & Mailing/Freight	\$ 23,174	\$ 23,174	\$ 3,765	\$ 9,410	40.6%	See Note 18
Printing	\$ 68,925	\$ 69,425	\$ 31,159	\$ 30,962	44.6%	See Note 19
Office/Computer Supplies	\$ 51,284	\$ 50,884	\$ 15,871	\$ 32,727	64.3%	See Note 20
Safety Supplies	\$ 18,375	\$ 18,375	\$ 3,098	\$ 2,947	16.0%	
Cleaning Supplies	\$ 56,100	\$ 56,100	\$ 7,645	\$ 11,286	20.1%	
Repair/Maint Supplies	\$ 65,000	\$ 65,000	\$ 13,872	\$ 16,591	25.5%	
Parts, Non-Inventory	\$ 42,000	\$ 42,000	\$ 6,758	\$ 13,809	32.9%	
Tools/Tool Allowance	\$ 9,600	\$ 9,600	\$ 1,862	\$ 3,435	35.8%	See Note 21
Promo/Photo Supplies	\$ 11,645	\$ 11,945	\$ 633	\$ 2,293	19.2%	
	\$ 346,103	\$ 346,503	\$ 84,665	\$ 123,461	35.6%	
UTILITIES						
	\$ 310,305	\$ 310,305	\$ 77,435	\$ 96,147	31.0%	
CASUALTY & LIABILITY						
Insurance - Prop/PL & PD	\$ 582,000	\$ 582,000	\$ 202,607	\$ 191,447	32.9%	
Settlement Costs	\$ 150,000	\$ 150,000	\$ 30,343	\$ 17,097	11.4%	
Repairs to Prop	\$ -	\$ -	\$ (4,322)	\$ (12,858)	0.0%	See Note 22
Prof/Other Services	\$ -	\$ -	\$ -	\$ -	0.0%	
	\$ 732,000	\$ 732,000	\$ 228,629	\$ 195,686	26.7%	
TAXES						
	\$ 48,594	\$ 48,594	\$ 8,665	\$ 10,010	20.6%	
MISC EXPENSES						
Dues & Subscriptions	\$ 51,176	\$ 51,176	\$ 14,237	\$ 13,837	27.0%	
Media Advertising	\$ -	\$ -	\$ 40	\$ 9,891	0.0%	
Employee Incentive Program	\$ 7,820	\$ 7,820	\$ 1,443	\$ 1,891	24.2%	
Training	\$ 5,900	\$ 5,900	\$ 4,434	\$ 189	3.2%	
Travel	\$ 19,915	\$ 20,015	\$ 7,170	\$ 809	4.0%	
Other Misc Expenses	\$ 17,900	\$ 17,900	\$ 6,090	\$ 4,758	26.6%	
	\$ 102,711	\$ 102,811	\$ 33,414	\$ 31,375	30.5%	
OTHER EXPENSES						
Leases & Rentals	\$ 613,450	\$ 613,450	\$ 197,865	\$ 216,650	35.3%	See Note 23
	\$ 613,450	\$ 613,450	\$ 197,865	\$ 216,650	35.3%	
Total Operating Expense	\$ 32,596,678	\$ 32,596,678	\$ 9,487,970	\$ 10,051,798	30.8%	

**MONTHLY REVENUE AND EXPENSE REPORT
FY 04-05 CAPITAL IMPROVEMENT PROGRAM**

CAPITAL PROJECTS	Program Budget	Expended in October	YTD Expended
<u>Grant Funded Projects</u>			
MetroBase	\$ 16,000,000	\$ 242,566	\$ 1,948,522
Urban Bus Replacement	\$ 1,675,432		\$ 11,953
	\$ 17,675,432		
<u>District Funded Projects</u>			
Bus Stop Improvements	\$ 10,000		\$ 5,515
IT Projects including GIRO carryover	\$ 15,200		\$ 12,190
Facilities Repairs & Improvements	\$ 26,500		
Non-Revenue Vehicle Replacement	\$ 195,000		
Office Equipment	\$ 31,400		\$ 20,081
Diagnostic Scanner	\$ 3,000	\$ 12,855	\$ 12,855
ParaCruz Equipment	\$ -	\$ 81,381	\$ 101,054
	\$ 281,100		
TOTAL CAPITAL PROJECTS	\$ 17,956,532	\$ 336,801	\$ 2,112,169
<u>CAPITAL FUNDING SOURCES</u>			
	Budget	Received in October	YTD Received
Federal Capital Grants	\$ 14,140,345	\$ -	\$ 1,241,214
State/Local Capital Grants	\$ -	\$ -	\$ -
STA Funding	\$ 860,994	\$ 215,249	\$ 215,249
District Reserves	\$ 2,955,193	\$ -	\$ 655,706
TOTAL CAPITAL FUNDING	\$ 17,956,532	\$ 215,249	\$ 2,112,169

5-7.95

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
NOTES TO REVENUE AND EXPENSE REPORT**

1. Passenger fares (farebox and pass sales) are \$180,861 or 13% under the final budget amount for the year to date. Paratransit fares are \$10,787 or 13% under budget due to fewer riders for the year to date than projected. Special transit fares (contracts) are \$95,847 or 19% over the budgeted amount. Highway 17 Express revenue is \$27,754 or 9% over the year to date budgeted amount. Together, all four passenger revenue accounts are under the budgeted amount for the first four months of the fiscal year by a net \$68,047 or 3%.
2. Advertising income is \$21,480 over budget due to sales of exterior ads on buses. Sales had been projected to begin in January 2005.
3. Rent income is \$42,938 over budget due to payment of temporary rent by A Tool Shed pending relocation.
4. Interest income is \$18,516 over budget due to higher interest rates, and a slightly higher treasury balance than projected for the period.
5. Sales tax income is \$159,783 over budget for the first four months since the September wrap-up payment was higher than anticipated. For the April-June 2004 sales period, sales tax revenue for the District was up 6.3% over the previous year, while the budget projected a 2.0% increase.
6. Administration personnel expense is at 36.8% of the budget due to high workers' comp expenses during the period.
7. Human Resources personnel expense is only at 20.0% of the budget due to a \$28,478 workers' comp credit in July.
8. Paratransit program personnel expense is at 63.1% of the budget due to hiring of additional ParaCruz staff. Funds will be allocated by line item in a budget transfer.
9. Customer Service non-personnel expense is at 54.7% of the budget due to higher printing and graphics expenses than anticipated for the fall schedule.
10. Human Resources non-personnel expense is at 40.3% of the budget due to recruitment and hiring costs for the ParaCruz department.
11. Unemployment insurance is only at 2.8% of the budget because the tax is paid on wages beginning in January and the cap has been reached for most employees by this point in the calendar year.
12. Temporary help is at 162.6% of the budget because expenses have been incurred in the IT Department for this purpose. A budget transfer will be processed to cover the overrun.
13. Uniforms and laundry expense is at 63.6% of the budget due to ParaCruz expenses. This will be covered in a budget transfer.
14. Outside repair for vehicles is at 36.7% of the budget due to engine costs.
15. Waste disposal/ads/other is at 46.3% of the budget due to expenses associated with the sale of the Sakata property.

5-7.96

16. Other mobile supplies expense is at 46.9% of the budget due to volume purchases.
17. Revenue vehicle parts are at 39.0% of the budget since this account fluctuates from month to month depending on the parts needed for repairs.
18. Postage and mailing expense is at 40.6% of the budget due to volume purchase of postage for the postage meters.
19. Printing is at 44.6% of the budget due to printing of route stickers for the fall schedule, and higher costs for printing Headways.
20. Office/computer supplies are at 64.3% of the budget due to volume purchase of IT supplies.
21. Tools/tool allowance expense is at 35.8% of the budget due to ParaCruz start-up costs.
22. Repairs to property is a casualty and liability account to which repairs to District vehicles and property are charged when another party is liable for the damage. All collections made from other parties for property repair are applied to this account to offset the District's repair costs.
23. Leases and rentals are at 35.3% of the budget primarily due to the annual payment to Greyhound for Metro Center parking and payment of lease costs for the ParaCruz facility.

FY 03-04 BUDGET TRANSFERS
11/1/04-11/30/04

	ACCOUNT #	ACCOUNT TITLE	AMOUNT
<hr/>			
TRANSFER # 05-007			
TRANSFER FROM:	503352-4100	Out Repair Equipment	\$ (1,400)
TRANSFER TO:	503321-1400	Classified Ads	\$ 1,400
REASON:	To cover reimbursement for recruitment expenses for the Fleet Maintenance Department.		
<hr/>			

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 17, 2004

TO: Board of Directors

FROM: Steve Paulson, Paratransit Administrator

SUBJECT: METRO PARACRUZ PROGRAM STATUS MONTHLY UPDATE

I. RECOMMENDED ACTION

This report is for information only- no action requested

II. SUMMARY OF ISSUES

- The Board receives monthly reports on the status of the federally mandated ADA complementary paratransit program
- Operating Statistics reported are for the month of September 2004
- Cost reflects hourly rate increased by 4% effective July 2004.
- Eligibility/certification statistics reported are through November 30, 2004

III. DISCUSSION

Operating Statistics for September 2004

	This Sept	Last Sept	% Change	FYTD	Last FYTD	% Change
Cost	\$210,099.89	\$218,129.91	-3.68%	\$600,386.16	\$625,976.93	-4.09%
Revenue	\$22,560	\$24,009	-6.04%	\$65,193	\$68,763	-5.19%
Subsidy	\$187,539.89	\$194,120.91	-3.39%	\$535,193.16	\$557,213.93	-3.95%
Rides performed	7572	8157	-7.17%	21,281	23,446	-9.23%
Cost/ Ride	\$27.75	\$26.74	3.76%	\$28.21	\$26.70	5.67%
Productivity	2.0	1.98	1.01%	1.99	1.99	

* Revenue does not equal \$3.00/ride because no revenue is generated by rides to and from certification interviews or appeals.

5 - 8.1

**Performance Measures
 Calendar year figures**

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Rides performed	6,983	6,787	8,280	7,938	7,621	7,301	7,025	6,684	7,572
late pick ups (more than 20 minutes)	297	324	487	436	403	288	324	236	379
% late	4.25%	4.77%	5.88%	5.49%	5.29%	3.94%	4.61%	3.5%	5.0%
Picked up too early (more than 10 minutes)	92	75	65	93	61	101	86	73	110
Total rides not "on time"	389	399	552	529	464	389	410	309	489
% "on time"	94.4%	94.1%	93.33%	93.34%	93.91%	94.67%	94.2%	95.4%	93.5%
missed trips	3	3	3	4	1	1	0	0	1
Excessively late scheduled (more than 60 minutes)	8	3	10	9	9	5	2	4	9
Excessively late will call (more than 100 minutes)	3	4	10	3	5	8	5	3	4
total violation w/ \$50 penalty	14	10	23	16	15	14	7	7	14
Total violation w/\$100 penalty	0	9	12	0	0	0	0	0	0
Liquidated damages	\$700	\$1,400	\$2,350	\$800	\$750	\$700	\$350	\$350	\$700

Eligibility Certification/ Recertification

During the month of November 2004, there were 70 applicants for eligibility. 91.5% were found eligible for some level of service. The total number of eligible riders is effected by expiration of temporary eligibility and other factors. As a result of mailing the new ParaCruz identification cards, staff was able to update the ridership database, resulting in a net decrease of 73 riders eligible for service during November.

There are no eligibility appeals currently pending.

IV. FINANCIAL CONSIDERATIONS

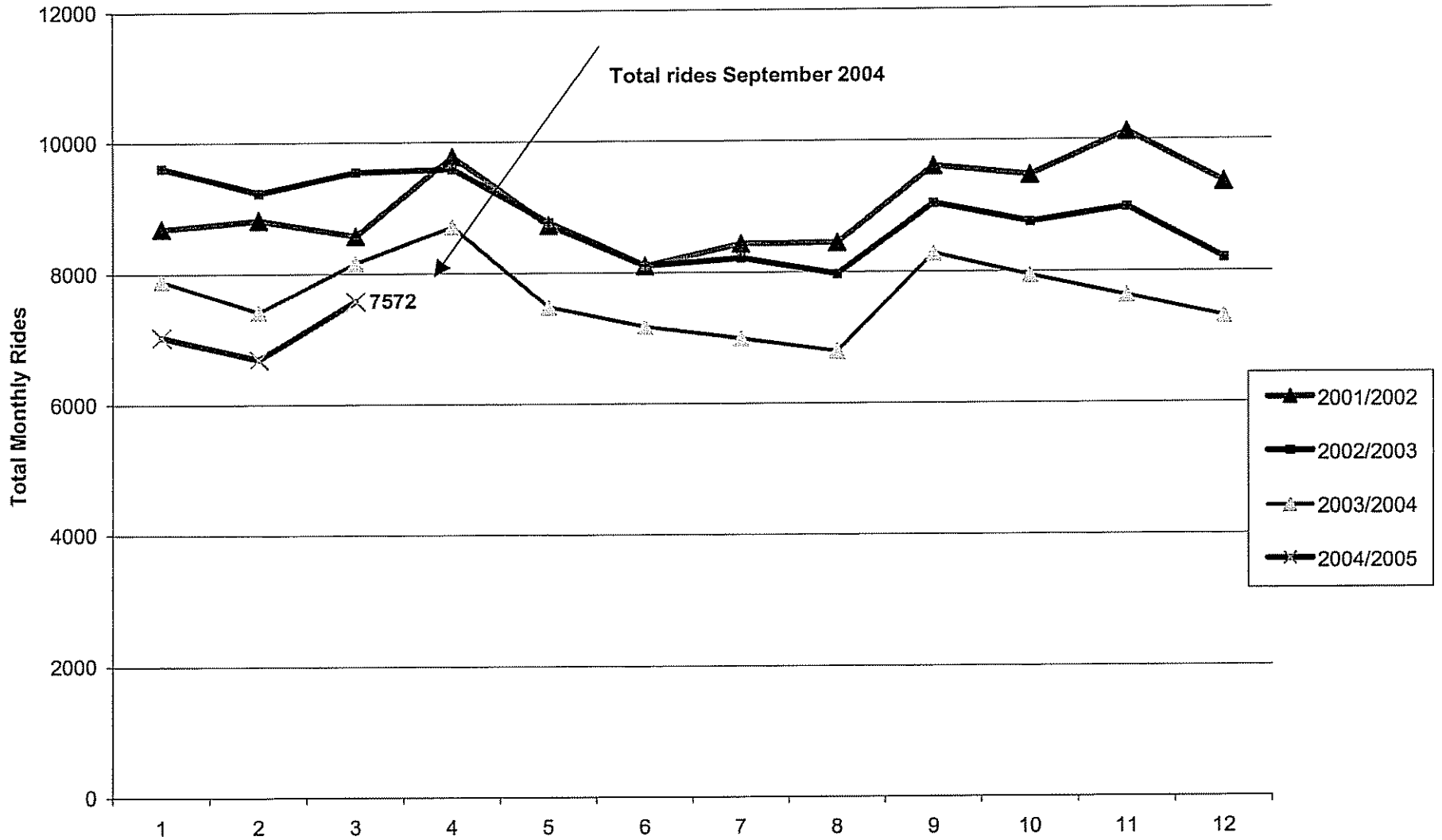
none

V. ATTACHMENTS

- Attachment A: METRO ParaCruz Rides by Month
- Attachment B: METRO ParaCruz Cost by Month
- Attachment C: Recertification and New Applicant Eligibility Determinations
- Attachment D: METRO ParaCruz Registrants by Month

5-8.2

METRO ParaCruz Rides by Month

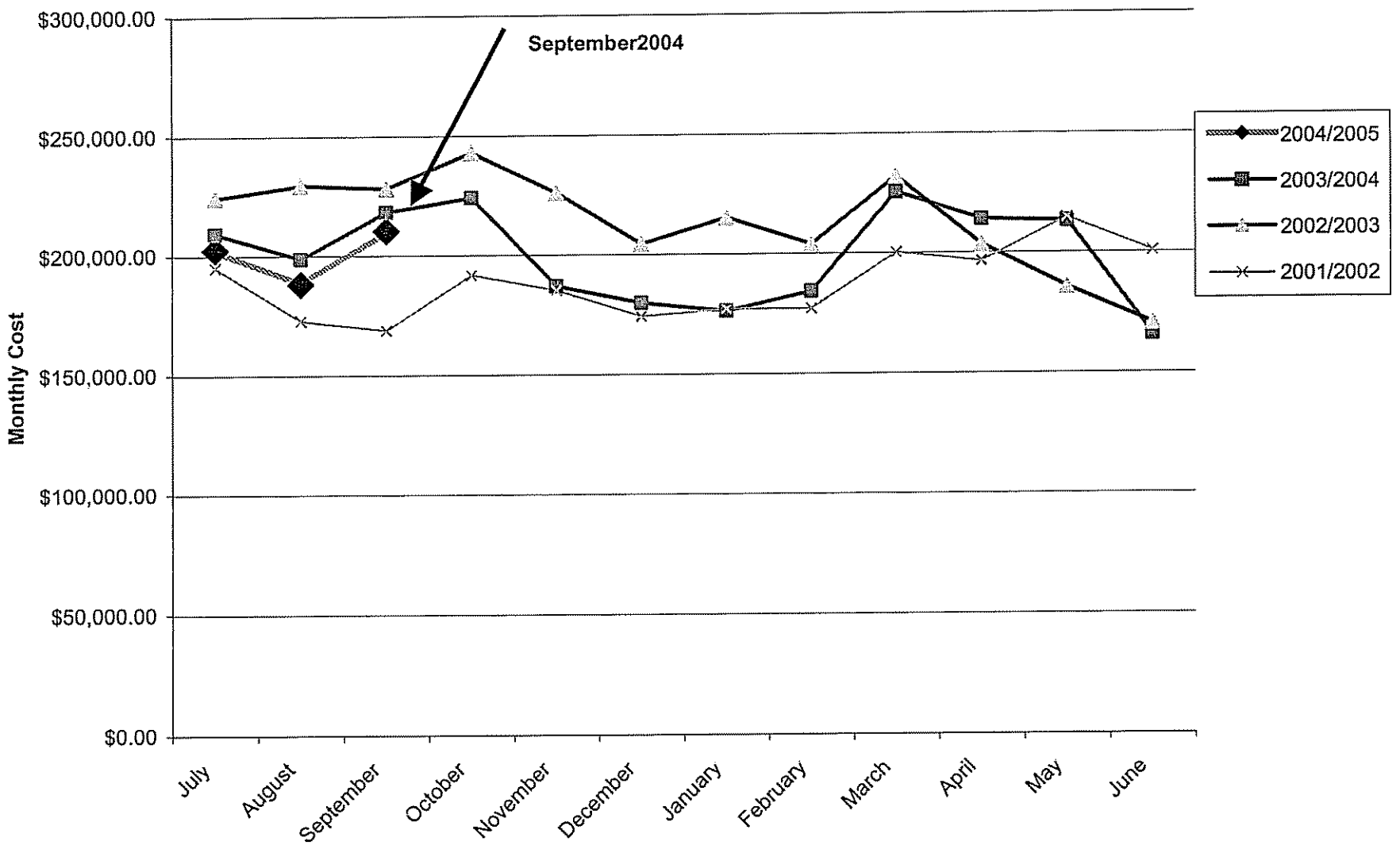


5-8.91

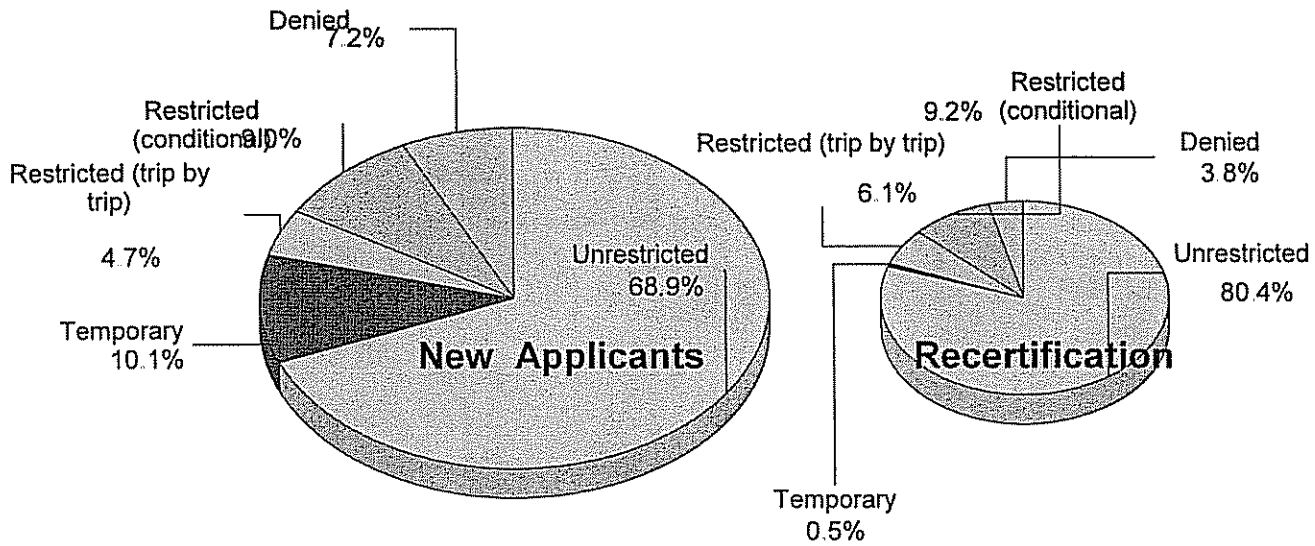
Attachment **A**

5-8.b1

METRO ParaCruz Cost By Month



METRO ParaCruz Eligibility Determinations - Aug 1 02 through Nov 30 04



New Applicants

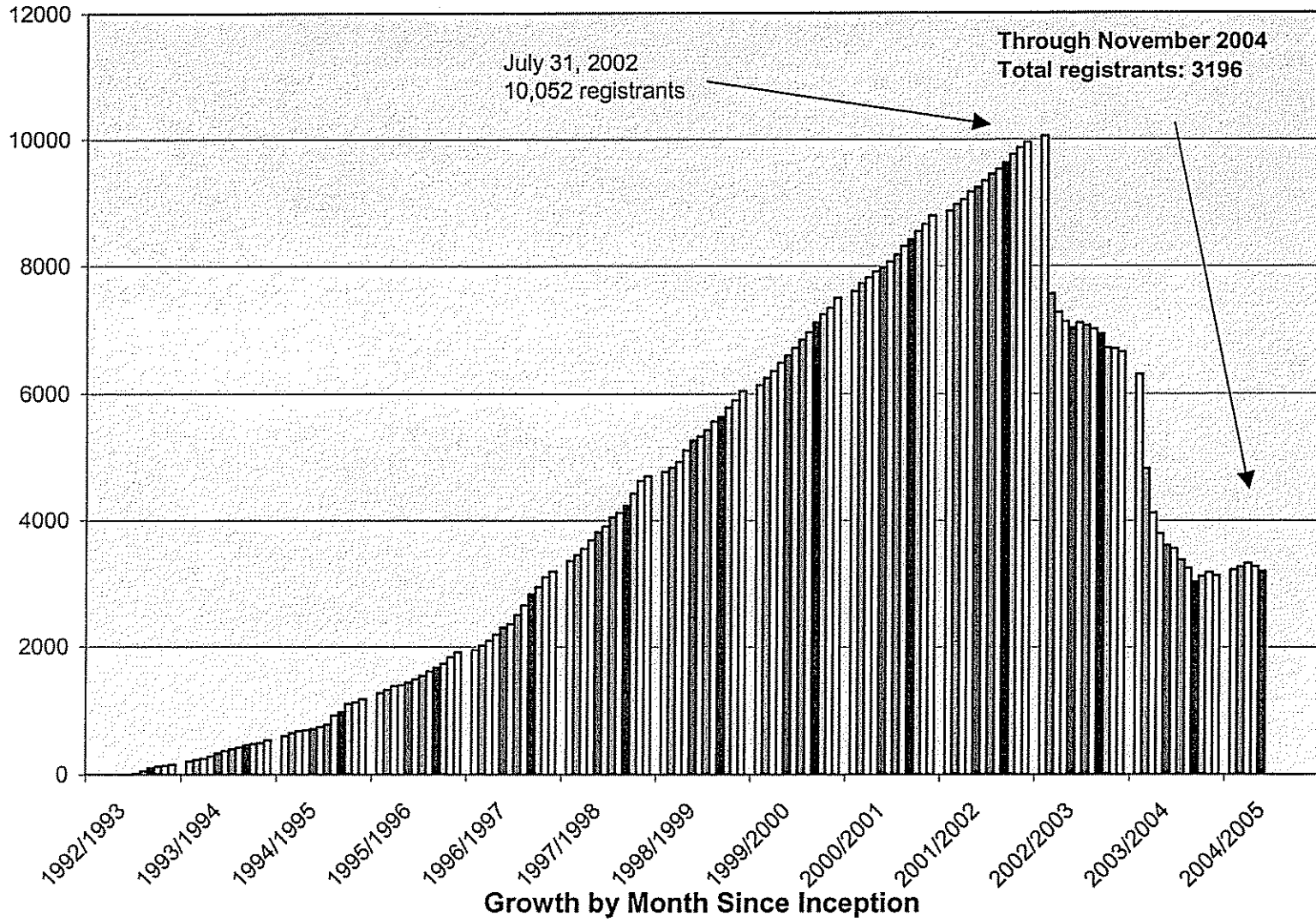
Unrestricted	1610
Temporary	237
Restricted (trip by trip)	110
Restricted (conditional)	211
Denied	169
Group Total:	2337

Recertification

Unrestricted	1064
Temporary	7
Restricted (trip by trip)	81
Restricted (conditional)	122
Denied	50
Group Total:	1324

Grand Total: 3661

METRO ParaCruz Registrants



5-8.d1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 17, 2004
TO: Board of Directors
FROM: Bryant J. Baehr, Manager of Operations
SUBJECT: UNIVERSITY OF CALIFORNIA - SANTA CRUZ SERVICE UPDATE

I. RECOMMENDED ACTION

This report is for information purposes only. No action is required

II. SUMMARY OF ISSUES

- Student trips for October 2004 decreased by (3.5)% versus October 2003. Year to date student billable trips have increased by 4.9%.
- Faculty / staff trips for October 2004 decreased by (12.4%) versus October 2003. Year to date faculty / staff billable trips have decreased by (5.7%).
- Revenue received from UCSC for October 2004 was \$244,889 versus \$207,860 for October 2003 an increase of 17.8%.

	Faculty/Staff Ridership	Student Ridership	Monthly Increase - (Decrease) Student	Monthly Increase - (Decrease) Faculty-Staff
This Year	18,179	257,287	(3.5%)	(12.4%)
Last Year	20,763	266,628		

III. DISCUSSION

UCSC started Fall instruction on September 23, 2004. A summary of the results for October 2004 is:

- Student billable trips for the month of October 2004 were 257,287 vs. 266,628 for October 2003 a decrease of (3.5%).
- Faculty / staff billable trips for the month of October 2004 were 18,179 vs. 20,763 for October 2003 a decrease of (12.4%).
- Year to date Student billable trips increased by 4.9% and faculty / staff billable trips decreased by (5.7%).
- Revenue for October 2004 was \$244,889 versus \$207,860 for October 2003.

5-10.1

IV. FINANCIAL CONSIDERATIONS

NONE

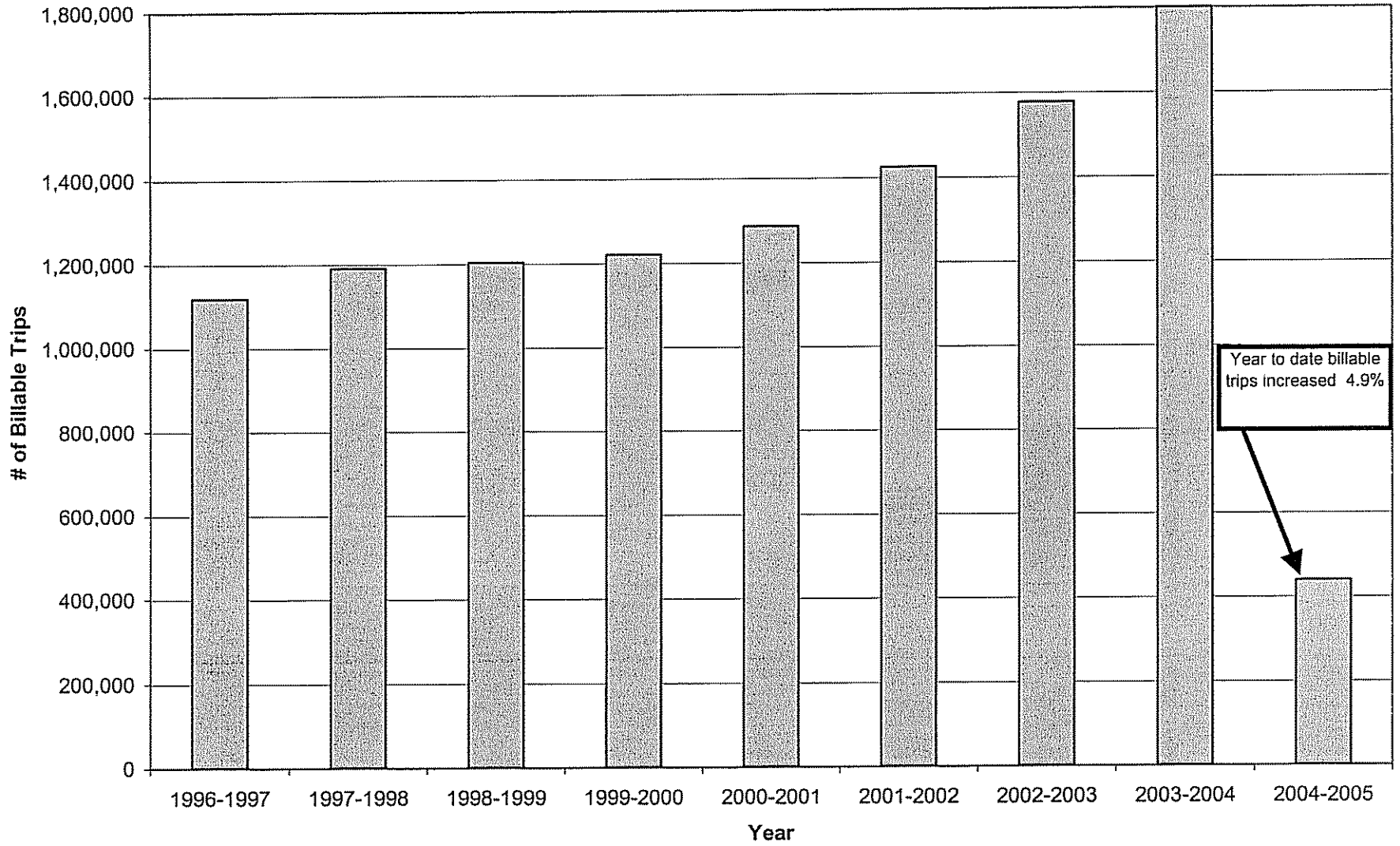
V. ATTACHMENTS

Attachment A: UCSC Student Billable Trips

Attachment B: UCSC Faculty / Staff Billable Trips

S-10.2

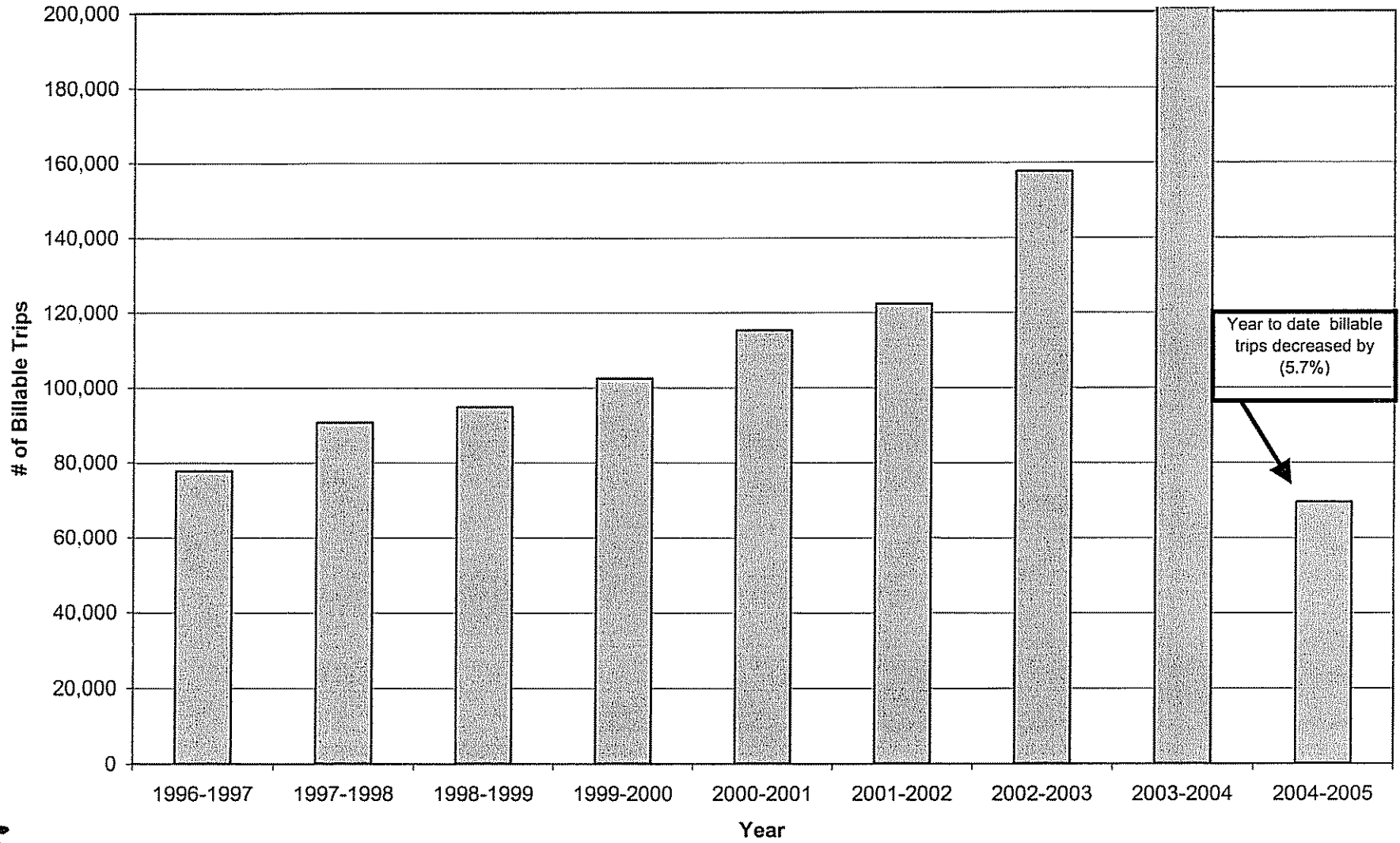
UCSC Student Billable Trips



S-10.91

Attachment A

UCSC Faculty / Staff Billable Trips



S-10.b1

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 17, 2004
TO: Board of Directors
FROM: Mark J. Dorfman, Assistant General Manager
SUBJECT: ACCEPT AND FILE VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR PREVIOUS MEETINGS

I. RECOMMENDED ACTION

That the Board of Directors accept and file the voting results from appointees to the Santa Cruz County Regional Transportation Commission.

II. SUMMARY OF ISSUES

- Per the action taken by the Board of Directors, staff is providing the minutes from the most recent meetings of the Santa Cruz County Regional Transportation Commission.
- Each month staff will provide the minutes from the previous month's SCCRTC meetings.

III. DISCUSSION

At the January Board of Directors Meeting of the Santa Cruz Metropolitan Transit District, the Board requested that staff include in the Board Packet information relating to the voting results from the appointees to the Santa Cruz County Regional Transportation Commission. Staff is enclosing the minutes from these meetings as a mechanism of complying with this request.

IV. FINANCIAL CONSIDERATIONS

There is no cost impact from this action.

V. ATTACHMENTS

- Attachment A:** Minutes of the November 4, 2004 Regular SCCRTC Meeting
Attachment B: Minutes of the November 18, 2004 Transportation Policy Workshop

5-12.1

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
AND
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

MINUTES

Thursday,
November 4, 2004
9:00 a.m.

Watsonville City Council Chambers
215 Union Street
Watsonville, CA

1. Roll Call

Members Present: Jan Beautz Dennis Norton
Tony Campos Ellen Pirie
Scott Kennedy Emily Reilly
Mike Keogh Pat Spence
Mark Stone Andy Schiffrin (Alt.)
Charles Sanchez (Alt.)

Members Present: Randy Johnson Richard De La Paz

Staff Present Pat Dellin Linda Wilshusen
Kim Shultz Tegan Speiser
Gini Pineda Luis Mendez
Karena Pushnik Rachel Moriconi
Daniel Nikuna Grace Blakeslee
Cory Caletti Lyle Broschat

Chair Beautz thanked Commissioner Kennedy for his work on the Commission citing his good ideas and willingness to work collaboratively.

2. Oral Communications

Dave Wright, Friends of the Rail Trail (FORT), announced that the Go for Health Coalition had added their endorsement for using Proposition 116 funds to acquire the Santa Cruz Branch Rail Line and that FORT was planning to file a ballot measure to be included in the November 2006 election that would allow FORT to give direction to the RTC to use Proposition 116 funds to acquire the rail line.

3. Additions or Deletions to Consent and Regular Agendas

An add-on item to the Caltrans report was distributed by Charles Sanchez, Caltrans District 5.

Staff handed out a summary of the results of transportation sales tax measures around the state and a spreadsheet showing the breakdown of votes on Measure J.

CONSENT AGENDA (Schiffrin/Kennedy)

4. Approved Minutes of October 7, 2004 Regular SCCRTC Meeting

POLICY

No Consent Items

PROJECTS and PLANNING

5. Accepted Update on Lead Agency for Santa Cruz Branch Line Rail Right-of-Way Acquisition

COMMISSION BUDGET and EXPENDITURES

6. Approved Staff Recommendations Regarding Extension to Contract with BizFu for Computer Support Services (Resolution 18-05)
7. Accepted Quarterly Report on Transportation Development Act Revenues

ADMINISTRATION

8. Approved Budget and Administration/Personnel Committee and Staff Recommendations Regarding Amendment to the FY04-05 Budget and Work Program (Resolution 19-05)
9. Approved Budget and Administration/Personnel Committee and Staff Recommendations Regarding Confirmation of Conflict of Interest Code
10. Approved Budget and Administration/Personnel Committee and Staff Recommendations Regarding Response to Triennial Performance Audit
11. Accepted First Quarter Report on the Commission's FY04-05 Work Program

5-12.92

COMMITTEE MINUTES

12. Accepted Draft Minutes of the Budget and Administration / Personnel Committee Meeting of October 22, 2004
13. Accepted Draft Minutes of the Paratransit Coordination Task Force Meeting of October 20, 2004
14. Accepted Draft Minutes of the Elderly and Disabled Transportation Advisory Committee Meeting of October 12, 2004
15. Accepted Draft Minutes of the Bicycle Committee Meeting of October 18, 2004

INFORMATION/OTHER

16. Accepted Monthly Meeting Schedule
17. Accepted SCCRTC Staff Comment Letters on Draft Environmental Documents and Plans Prepared by Other Agencies - None
18. Accepted Letters from SCCRTC Committees and Staff to Other Agencies on Policy Issues - None
19. Accepted Miscellaneous Written Comments from the Public on SCCRTC Projects and Transportation Issues
20. Accepted Handouts from Staff and Commissioners at Previous Regional Transportation Commission Meeting
21. Accepted Information Items
 - a. Letter from the Executive Director to Union Pacific Railroad Company Regarding Response to Letter on Rail Trail Activists' Actions
 - b. Staff Contact List
 - c. Letter from Caltrans Regarding Project Study Report Development for FY04-05
 - d. Letter from AMBAG to Caltrans Regarding FY05-06 FTA and FHWA Partnership Planning Grant Proposals
 - e. Evaluation from City of Santa Cruz of Beach Street Bikeway Demonstration Project
 - f. Information on Conversion of HOV Lanes to High Occupancy Toll (HOT) Lanes in Minnesota
 - g. Letter from Department of Transportation to Regional Transportation Planning Agencies Regarding Delivery of Federal Transportation Obligation Authority

5-12.93

SERVING AS THE SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

No Consent Items

REGULAR AGENDA

22. Commissioner Reports - None

23. Director's Report

Executive Director Linda Wilshusen announced that Governor Schwarzenegger had appointed Will Kempton as the new Director of Caltrans. She said that the release of the final Environmental Impact Report (EIR) for the Recreational Rail Service is tentatively scheduled for January with a public hearing planned for February. She added that she had distributed a brochure for the Lewis and Clark recreational rail service featuring the Budd rail diesel car which she toured during a recent visit to Portland.

24. Caltrans Report

Charles Sanchez, Caltrans District 5, reviewed the written reply to questions posed by Commissioner Reilly at the October 7, 2004 Commission meeting stating why reclaimed water could not be used for the Highway 1/17 Merge Lanes project. Mr. Sanchez listed a number of reasons including the fact that municipal reclaimed water is not available and that collecting storm water runoff could be detrimental to riparian wildlife habitat and natural sediment flow to the creeks.

Mr. Sanchez reported that Caltrans is still working on a solution to improve safety for pedestrians at Morrissey Boulevard and Highway 1.

Debbie Bulger, Mission Pedestrians, asked if drawings of the Highway 1/17 project were available to the public and if it was true that the plans for underpasses did not include sidewalks, bike lanes or lighting on the undersides of new bridges.

Executive Director Linda Wilshusen said she thought that underpasses and overpasses that are used by vehicles will have bike and pedestrian improvements but that some underpasses that don't officially have pedestrian access may not.

Commissioner Schiffrin asked that a written report be brought to a future meeting listing all the Hwy 1/17 project underpasses whether used by vehicles or not and the plans for each.

5-12.24

Commissioner Pirie asked that Caltrans bring a report on the possibility of continuing the southbound auxiliary lane to the Soquel Avenue exit.

25. Designation of Nominating Committee for 2005 SCCRTC Chair and Vice-Chair

Commissioner Beautz suggested Commissioners Campos, Keogh and Johnson to serve as the Nominating Committee. The Commissioners agreed by consensus.

26. Transportation Projects in the City of Watsonville - Oral Report by David Koch, Public Works Director, City of Watsonville

David Koch, Public Works Director for the City of Watsonville, provided a presentation showing photographs of recently completed and planned transportation improvement projects in the area, many of them funded by state and federal funds allocated by the RTC. Included were road projects, sidewalk and bicycle route improvements and the new slough pathway system connecting residential areas, schools and retail.

Commissioner Pirie asked if the City was planning to connect the new high school to the pedestrian paths. Mr. Koch responded that the City was looking into it.

Commissioner Reilly asked that a description of the materials used to construct the slough trails be sent to the City of Santa Cruz.

In response to questions from Commission Alternate Schiffrin, Mr. Koch said that the City of Watsonville had not yet coordinated with the Coastal Commission about tying the slough paths in to the proposed rail trail, but would like their support, and that concerns about endangered species were addressed when the City master plan was developed and incorporated into the trail design.

Commission Alternate Schiffrin said that documentation showing how the City of Watsonville resolved problems regarding endangered species might be useful to the City of Santa Cruz with its planning for the Broadway/Brommer project.

Commissioner Spence asked if there was a plan to remove non-native plants. Mr. Koch replied that there were various projects to remove non-native plants and replant with native species and that the City was requiring developers to do so also.

S-12.95

Micah Posner said he supports the trail system and that it should connect to the high school and rail lines.

27. Article 8 Transportation Development Act (TDA) Claim from the County of Santa Cruz for Bike Projects

Commission Alternate Schiffrin moved and Commissioner Pirie seconded to approve staff recommendations that the Regional Transportation Commission approve a resolution for the County of Santa Cruz's FY 2004/2005 Transportation Development Act (TDA) Article 8 project allocation requests totaling (\$165,094).

A roll call vote was taken and the motion (Resolution 20-05) passed with Commissioners Beautz, Campos, Kennedy, Norton, Pirie, Schiffrin and Stone voting "yes".

28. Review of Results of Ballot Measure J: The Local Transportation Improvement Act

Commissioners reviewed their decision at the previous meeting to only poll voters about Measure J if it failed but had gathered at least 57% of the vote.

Commissioner Reilly asked for information on measures that passed in other areas. Deputy Director Pat Dellin said that she was going to attend the Self-Help Counties Coalition meeting and would report on the mix of transportation projects and campaign materials for the measures that were successful, along with the demographics of those counties.

Commissioners debated whether to poll again even though the measure only garnered support from 42.8% of the voters.

Gine Johnson supported polling now because she feels there isn't a regional plan that can be funded.

Paul Elerick, Campaign for Sensible Transportation, said the people have spoken by defeating the measure and suggested that the campaign that supported the measure pay for any polling on the election results.

Micah Posner, People Power, said that widening highways only perpetuates a flawed system and agreed with a comment made by Commissioner Norton that it would be better to poll people on what they wanted from a transportation plan rather than what they did not like about the Expenditure Plan.

Debbie Bulger said that talking to people was the best way to find out what they want and that it was important to bring people together to form a consensus. She said she feels there is a lot of concern about how tax money is being spent to promote a particular project and noted that informational materials with a neutral position would not have included promotional aspects like pictures of smiling people in wheel chairs. She concluded that money be would be better spent on projects than on polling.

Dave Wright said any poll should include questions about how the Commission has interacted with other partners in the community and how the SCCRTC is making decisions regarding transportation needs for the County.

Paul Franklin said a survey would be better than a poll in order to get perceptions from constituents about their evaluation of transportation projects in general and not just their feelings about Measure J.

Paul Marcellin-Sampson urged random sampling techniques.

Commissioners continued to discuss whether they would support a poll. Comments included that it would be good to find out what went wrong while the ballot measure was still fresh in the minds of the voters; that it was possible that the measure failed because people didn't want to spend the money and not because they disapproved of the projects; that the widening project was too expensive for a county with such a small tax base and that it might be better to wait to poll on a different plan entirely, such as the rail line acquisition; that a lot of people didn't vote because there were so many projects in the Expenditure Plan; and that polling on projects did not take into account the influence of campaigns in favor of or opposed to the ballot measure.

Commissioner Spence pointed out that transportation funding is confusing and that some people don't understand how the funding comes in. She suggested having flow charts on the website or in the newspaper showing how transportation funding comes and how the process works.

Commissioners agreed that compromise will be necessary to get broad support. Commissioner Beautz said that a sales tax should make sure people from all areas benefit and Commissioner Norton said that asking the same question will get the same answers and that it might be time to find a new direction with a vision for the long term. Commissioner Reilly suggested looking into bus rapid transit.

Commission Alternate Schifffrin asked for an item regarding what to do next about widening Highway 1 to be put on a future agenda. He said it may make sense to look at other alternatives and their costs.

Director Wilshusen said that staff will bring back the information requested regarding the counties where transportation sales tax measures passed and said that what to do now about Hwy 1 could be addressed in the draft 2005 Regional Transportation Plan (RTP) which is expected to be released in January or February.

Commissioner Pirie asked to add whether the successful measures were for a ½ cent or a ¼ cent sales tax.

Commissioners agreed to put the item on the January agenda.

Commissioner Campos concluded the discussion by saying that compromise means everything is on the table.

29. Status Report on Highway 1 Projects

Deputy Director Pat Dellin gave the staff report. She said it was important to keep on schedule with the Project Approval/Environmental Document (PA/ED) for the Highway 1 HOV Lane Widening Project in order to keep costs down. She noted that waiting for AMBAG to complete its traffic model could push back the time to complete the PA/ED.

Ms. Dellin said that the main issue to address at this time is the selection of alternatives for the Highway 1 HOV Lane Widening Project and that the scope of work had provided for up to seven alternatives to go through the environmental process. She said that the RTC may want to consider an additional low-cost alternative since the sales tax measure did not pass.

Ms. Dellin said that there will be a presentation from Nolte Associates on alternatives at the November 18, 2004 Transportation Policy Workshop meeting and that it is hoped to have this part of the project wrapped up by January to keep on schedule. The public hearing would occur in January.

Commission Alternate Schifffrin said it would be useful for staff to contact groups concerned about Highway 1 and solicit input on alternatives. He also asked for cost information regarding alternatives to be included in the January discussion. He added that costs for transportation system management options, such as ramp metering lights, lengthening on-ramps and auxiliary lanes, should be broken down to be analyzed on an individual basis.

5-12.08

Commissioner Beautz noted that the Major Transportation Investment Study included a lot of information regarding transportation system management options.

30. Process for Recruitment of Executive Director

Executive Director Linda summarized the recommendations made at the October 22, 2004 Budget and Administration/Personnel Committee meeting.

Commissioners discussed exempting the position from the County Civil Service system, noting that if it was not exempt there would be a limited time for an interim position resulting in a shorter period of time for the recruitment process.

Commission Alternate Schiffirin said his only concern was that in the event that the Civil Service approved the exemption and the Interim Director is not appointed to the permanent position, will she be able to go back to her previous position as Deputy Director.

County Administrative Officer Susan Mauriello said that if the Commission wanted to have Deputy Director Dellin serve as Interim Director then the County would not fall behind her and could thus accommodate this concern.

Deputy Director Dellin said would be happy to serve as Interim Director.

Commissioner Spence said that Cabrillo College recently went through a successful recruitment and hired an outside consultant. Ms. Mauriello said the County had a flexible system and that she will be returning to the Budget and Administration/Personnel Committee in January with a full range of options.

Commissioner Campos said that the Commission had a unique opportunity to appoint an outstanding person for the Interim Director position and moved to approve the Budget & Administration/Personnel Committee recommendations that the Regional Transportation Commission:

1. Appoint RTC Deputy Director Pat Dellin to serve as Interim Executive Director beginning December 13, 2004;
2. Request that the County Administrative Officer immediately initiate the process to exempt the RTC Executive Director position from the County's civil service system;
3. Request that the County Administrative Officer return to the January 2005 meeting of the Budget & Administration Committee with a recruitment plan;

5-12.99

4. Request County Counsel and the County Administrative Officer to review and report back at this same meeting on options for having a contract or other agreement with the new Executive Director; and
5. Designate the Budget & Administration/Personnel Committee to oversee the recruitment process, with final decisions to be made by the full RTC and with Commissioner Jan Beautz to serve as liaison between the Committee and the County.

Commission Alternate Schiffirin seconded asking the maker to include the addition to request the CAO to take steps to ensure that the Interim Director can return to her position if not selected to permanently fill the position.

Commissioner Campos agreed and the motion passed unanimously.

Paul Marcellin-Sampson said he supported removing the position from civil service and having the Commission have direct oversight of the Executive Director position.

31. Next Meetings/Adjournment

The meeting adjourned at 11:15 a.m.

The next Transportation Policy Workshop is scheduled for Thursday, November 18, 2004 at 9:00 a.m. at the SCCRTC Offices, 1523 Pacific Avenue, Santa Cruz CA 95060.

The next regular SCCRTC meeting is scheduled for Thursday, December 2, 2004 at 9:00 a.m. at the Board of Supervisors Chambers, 701 Ocean Street Santa Cruz, CA 95060.

Respectfully submitted,

Gini Pineda, Staff

5-12.910

ATTENDEES

<u>Name</u>	<u>Representing</u>
Robert Yount	
Les White	SCMTD
Charles Sanchez	Caltrans
Debbie Bulger	Mission Pedestrians
Thomas Hiltner	SCMTD
Genevieve Bookwalter	Santa Cruz <i>Sentinel</i>
Sandra Coley	Pajaro Valley Transportation
Management Association	
Mike Dalbey	FORT
Paul Franklin	
Micah Posner	People Power
Paul Marcellin-Sampson	Metro Riders Union
Diana Torres-Wong	County Personnel
Susan Mauriello	County Administrative Officer
Ligi Leong	CAO Office
Paul Elerick	CFST
David Wright	FORT
John Presleigh	County Public Works
Edenilson Quintanilla	Board of Supervisors Office

\\Rtcserv1\Shared\RTC\2004\1104\TCminutes1104.doc

5-12.911

REGIONAL TRANSPORTATION COMMISSION

Transportation Policy Workshop

MINUTES

Thursday, November 18, 2004

9:00 am

SCCRTC Conference Room

Santa Cruz, CA 95060

Members Present: Jan Beautz Ellen Pirie
 Scott Kennedy Randy Johnson
 Marcela Tavantzis (Alt.) Dennis Norton
 Emily Reilly Edenilson Quintanilla (Alt.)
 Mike Keogh Mark Stone
 Andy Schiffrin (Alt.) Dave Murray (ex-officio) (Alt.)

Members Absent: Richard De La Paz

Staff Present: Linda Wilshusen Pat Dellin
 Tegan Speiser Karena Pushnik
 Kim Shultz Gini Pineda

Commission Vice-Chair Randy Johnson called the meeting to order.

1. Introductions

Introductions were made.

2. Oral Communications

Mike Dalbey said that when staff compiles its study regarding other transportation sales tax measures on ballots throughout the state, it will show that transit projects were important elements of the successful measures. He said that nationwide 24 of 30 transportation sales tax measures passed all of which involved significant transit components, especially rail projects. He said that mass transit was becoming a part of the conservative political agenda and passed out an article from a conservative website hosted by Paul Weyrich.

Mark Greenfield said he had traveled on the Coast Daylight train from Los Angeles to San Luis Obispo and that it was very enjoyable. He said that Amtrak wanted to thank the Commission for its support.

5-12.b1

3. Additions/Deletions to the Agenda - None

CONSENT AGENDA (Quintanilla/Reilly)

4. Minutes of September 16, 2004 TPW Meeting

REGULAR AGENDA

5. Highway 1 Widening HOV Lane Project: Process to Select Alternatives for the Project Approval/Environmental Document (PA/ED)

Deputy Director Pat Dellin gave an overview of the proposed steps and process to select alternatives for the Project Approval/Environmental Document (PA/ED). She said it was time for the Commission to choose the additional alternatives to be considered in the Environmental Review and to determine a time for a public hearing.

Chris Metzger, Nolte Associates, made a presentation on the four alternatives already considered in the PA/ED. He explained that these alternatives and the additional alternatives under discussion needed to conform to the purpose and need of the project as approved by the Commission in January 2004.

The four alternatives already included are: the no-build alternative, which would only allow for projects already funded and that stand alone from the widening project; the Transportation Systems Management alternative, which would include auxiliary lanes, ramp metering and electronic monitoring/notification systems; a six lane HOV lane widening project built to Caltrans' maximum design standards; and a six lane HOV lane widening project with reduced shoulder widths.

Mr. Metzger explained options for the three other alternatives to be considered in the Environmental Review. He illustrated the Diamond Interchange Configurations alternative which would change the configurations of interchanges in several locations, including Morrissey Boulevard, Soquel Avenue and State Park Drive. One feature in favor of this alternative is that the reduced footprint of the interchanges could provide space for park and ride lots. This plan would reconfigure the interchanges at 41st Avenue and Bay/Porter Streets into one integrated interchange system utilizing two- lane, one-way frontage roads on each side of the freeway with single off and on ramps in each direction. Mr. Metzger said that diamond interchange configurations are often preferred for bicyclists and pedestrians as they eliminate high speed free flowing ramps.

Commission Alternate Tavantzis asked if this alternative was in addition to the widening and Mr. Metzger said that it was. Pat Gelb, Parsons, said that it might be more accurate to describe this option as a part of the fourth alternative rather than as a stand alone alternative.

Commissioner Keogh asked how this type of configuration would impact signal traffic at 41st Avenue. Mr. Metzger said that there will be some level of service deterioration and that this

5-12.62

is the biggest concern regarding this configuration. If this alternative is chosen, the traffic impacts will be assessed as part of the Environmental Impact Report.

Commissioner Norton and Commissioner Beautz agreed that most people use the auxiliary lane between 41st Avenue and Bay as a freeway lane in order to avoid having to travel on local streets between Capitola and Soquel.

Commissioner Reilly asked if some of the suggested improvements could be made while keeping the actual highway to four lanes.

Mr. Metzger said that the TSM alternative would basically keep the highway at four lanes and that some additional alternatives could be worked into that alternative. He said that the Commission had some leeway in picking and choosing alternatives and could come up with a hybrid alternative.

Mr. Metzger went on to describe the second option: Improved Transit Access. This alternative would assess opportunities to provide improved transit access to and from the HOV lanes for buses, either by direct ramps from the HOV lanes to local streets and/or by bus stops along side the freeway, outside of the freeway lanes. This option is designed to reduce the time it takes a bus to enter or leave the freeway.

Commission Alternate Schiffirin asked if the cost of this option was greater than the basic project. Mr. Metzger said yes, and affirmed that this would not be a substitute for the widening, but a high end add-on.

Commissioners discussed the practicality of this option, noting that routing people from freeway bus service to other bus routes would have to be coordinated and that a bus system that was more advanced than the current system and with added bus service would most likely be necessary to make this option workable.

Commissioner Reilly asked if the TSM was correlated with traffic demand management.

Mr. Metzger said not directly and that TSM uses available tools and puts them on the system and assesses how the overall transportation system would react to the improvements, modifying the improvements in accordance with the reaction. Senior Planner Kim Shultz said that within the traffic operation analysis it is possible to go into the model and change the vehicle occupancy, particularly with regards to carpooling, or factor in flexible work hours.

Pat Gelb asked if a transit marketing analysis was being done, saying that it would help determine ridership demands.

Commission Alternate Schiffirin raised the issue of whether the improved transit access options were really alternatives or just enhancements to the original widening plan, saying that a transit only alternative would be a true alternative. After discussion it was noted that under CEQA, alternatives should not have greater environmental impacts than the basic plan.

5-12. b3

Commissioner Beautz said that she disagreed that this was merely an enhancement and pointed out that increased bus ridership would qualify this alternative under CEQA.

Mr. Metzger said that the other element of the transit focus is to make bus stops part of the interchange system using a slip ramp which is within the footprint of the freeway.

About the overall widening projects, Commissioner Beautz noted there were fewer impacts at the southern end of the project with the exception of the area in Aptos where there are two railroad structures.

Cliff Walters, Santa Cruz Big Trees Railroad, asked about service interruption when replacing railroad bridges. Mr. Metzger said that this was a big issue and would probably entail shutting bridges down while the actual construction took place and using trucks to move the freight during that time.

Commissioner Beautz made a motion, seconded by Commission Alternate Quintanilla, to accept the staff recommendations that the Regional Transportation Commission:

1. Receive an oral report from the PA/ED consultants on the proposed set of alternatives for the Project Approval/ Environmental Document (PA/ED) for the Highway 1 Widening/HOV Lane project and how the project selected at the end of the PA/ED could include elements of different alternatives studied in the PA/ED;
2. Provide preliminary comments and direction on the proposed set of PA/ED alternatives;
3. Approve the proposed process to select the PA/ED alternatives;
4. Schedule an evening public hearing in January to receive community input on the PA/ED alternatives;
5. Direct staff to publicize the alternatives and the public hearing to the media, individuals and groups;
6. Accept a report on the status of other activities related to Highway 1 projects

Commissioners discussed improved transit access options and agreed that using a center ramp should probably not be pursued. After further discussion it was decided to re-name the TSM option to "Ramp Metering and Auxiliary Lanes" to be clarify the alternative.

Commissioner Reilly asked if queue jumping for busses and carpools on ramps will be included in the TSM alternative and the answer was yes.

Commissioner Pirie said she hears continuing interest in her district about four lanes in each direction, one being an HOV lane and one a mixed use lane. Mr. Metzger said that the eight lane facility is not a recommended alternative as it does not meet the project's purpose and need as approved by the Commission. It would also have much broader environmental impacts than the six lane plan, and would require extensive right-of-way acquisition and the replacement of every structure crossing the freeway.

Mr. Metzger also discussed two other options that he does not recommend the RTC pursue: single point (urban) interchanges and braided ramps near 41st Avenue/Bay Street. He said

S-12.b4

that single point interchanges work well when there is equal traffic in each direction but that they are not considered bike and pedestrian “friendly” and have significant aesthetic impacts that are not in keeping with the style defining Santa Cruz County. Regarding braided ramps, Mr. Metzger said that this would entail an additional level of structure and no cross town movement.

Commissioner Johnson restated the motion to approve the staff recommendations and move forward with the Public Hearing. Commission Alternate Schiffirin clarified that the motion included the changes that were made to the alternative descriptions as a result of Commission discussion.

The motion, as amended, passed unanimously.

Based on Commissioner input, Commission staff will investigate holding the public hearing on the evening of January 20th, in the County Board of Supervisors Chambers, if available.

The Open Session adjourned at 10:50 a.m.

CLOSED SESSION

6. Conference with Real Property Negotiator for Acquisition of the Santa Cruz Branch Rail Line Property: Santa Cruz Branch Rail Line from Watsonville Junction to Davenport
 - Agency Negotiator: Kirk Trost, Miller, Owen & Trost
 - Negotiation Parties: SCCRTC, Union Pacific
 - Under Negotiation: Price and Terms

OPEN SESSION

7. Next Meetings / Adjournment

The next regular RTC meeting will be held Thursday, December 2, 2004 at 9:00 a.m. at the Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz, CA.

The next Transportation Policy Workshop will be held Thursday, December 16, 2004 at 9:00 a.m. at the RTC Office, 1523 Pacific Avenue, Santa Cruz, CA.

Respectfully submitted,

Gini Pineda, Staff

S-12.65

ATTENDEES

<u>Name</u>	<u>Representing</u>
Robert Yount	
Les White	SCMTD
Genevieve Bookwalter	Santa Cruz <i>Sentinel</i>
Mike Dalbey	FORT
Paul Elerick	CFST
Cliff Walters	Santa Cruz Big Trees Railroad
Rahn Garcia	County Counsel
Mark Greenfield	
Jason Butler	CHP
Donna Ziel	
Bob Scott	SCCRTC Technical Advisor

\\Rtcserv1\Shared\TPW\TPW2004\1104\TPWMinutes1104.doc

S-12.b6

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 17, 2004
TO: Board of Directors
FROM: Mark J. Dorfman, Assistant General Manager
SUBJECT: CONSIDERATION OF APPOINTMENT OF DENNIS PAPADOPULO TO THE METRO ADVISORY COMMITTEE (MAC) BY DIRECTOR SPENCE TO FILL VACANCY OF MICHAEL EDWARDS

I. RECOMMENDED ACTION

The purpose of this staff report is to request Board Approval of the appointment of Dennis Papadopulo to the Metro Advisory Committee (MAC) as the appointment of Director Spence.

II. SUMMARY OF ISSUES

- On December 19, 2003 the Board of Directors approved the creation and structure of the Metro Advisory Committee (MAC).
- Each member of the Board nominated the name of an individual that they wanted to appoint for membership on the MAC.
- Michael Edwards, appointed by Director Spence, was forced to resign for health reasons.
- Director Spence is nominating Dennis Papadopulo as the replacement.

III. DISCUSSION

On December 19, 2003 after a significant amount of discussion and multiple meetings, the Board approved the creation of a new Metro Advisory Committee (MAC) that replaced the METRO Users Group (MUG), and the Board approved the structure of the new committee. Application Forms were used to solicit interested persons to participate on MAC.

The Board of Directors appointed the individuals that they wanted to serve as members of the MAC. Each member of the Board provided the name of the individual that they wanted to nominate. Director Spence appointed Michael Edwards as her representative to MAC. Unfortunately, Mr. Edwards has been forced to resign from MAC due to health reasons. Director Spence is requesting approval of Dennis Papadopulo as her representative to MAC. Attachment A is Mr. Papadopulo's Application Form for consideration. Also attached as Attachment B is the Current Composition of the METRO Advisory Committee.

S-13.1

IV. FINANCIAL CONSIDERATIONS

No financial impacts.

V. ATTACHMENTS

Attachment A MAC Application Form of Dennis Papadopulo

Attachment B METRO Advisory Committee Composition

ATTACHMENT A

MAC Application Form

Name: Dennis Papadopulo
Address: 1803-A Felt Street
City: Santa Cruz State: CA Zip: 95062
Phone: 831-464-3032
E-Mail: KrinnyK@juno.com

Do you ride METRO Fixed Route or ParaCruz Service?: METRO Fixed Route

How often do you use METRO/ParaCruz Service? Daily

What are your particular transit interests?

Accessibility for all riders, Bus Stops and Shelters, Sensitivity training for drivers, and Routes and route scheduling.

What do you think are the biggest challenges for METRO?

A huge challenge when last I was involved was: Establishing the Metro Base. I was/am also concerned about the Metro Budget in terms of state funding and service cuts.

What do you believe that you will contribute to the MAC and METRO if appointed?

I want to bring an attitude of cooperation between MAC and METRO so that both sides benefit. I think we can find a common denominator between Metro services/drivers and the riding public and/or MAC, and do so in fair and balanced way.

What are the interests and the experiences that you have that would make you an effective member of the MAC?

I've been involved with MASTF from its beginning. I held the bus stop chair position for a number of years. As a MASTF chairperson, I learned to do sensitivity training for drivers with Mike M., I did that for several years. I was involved in the decision making regarding the

5-13.91

purchase of new metro buses. I was instrumental in promoting and urging the construction of new bus stops, shelters, the locations of bus stops, and their accessibility. I've worked with the ADA, the elderly and handicapped advisory committee. I ride at least eight buses a day, I know most of the routes and drivers. I talk with and listen to passengers about their riding experiences and their concerns regarding routes. I have an excellent relationship with Metro drivers, the Metro staff in general, the public, and other disability related organizations.

Please outline your availability in terms of meeting times/days and total time per month you could devote to the activities of the MAC?

My time is fairly free. I do have occasional doctor appointments but I can easily work around them so they don't conflict with meetings. Tuesday late afternoon and nights are not open.

Are you aware of any conflicts of interest that would prevent you from serving on the MAC if appointed? NO

5-13.02

ATTACHMENT B

METRO Advisory Committee Composition

- 1. Kanoa Dynek- Nominated by Director Skillicorn**
- 2. VACANT- Nominated by Director Spence**
- 3. Donald N. Hagen Jr.- Nominated by Director Tavantzis**
- 4. B. Jefferson LeBlanc- Nominated by Director Rotkin**
- 5. R. Paul Marcelin-Sampson- Nominated by Director Norton**
- 6. Mathew Melzer- Nominated by Chair Reilly**
- 7. Lesley Wright- Nominated by Director Hinkle**
- 8. Robert Yount- Nominated by Vice-Chair Keogh**
- 9. James Sheldon – Nominated by Director Ainsworth**
- 10. Dan Alper – Nominated by Director Stone**
- 11. Stuart Rosenstein – Nominated by Director Beautz**

S-13. b1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 17, 2004
TO: Board of Directors
FROM: Mark J. Dorfman, Assistant General Manager
SUBJECT: CONSIDERATION OF REPORT ON APPOINTEE ATTENDANCE AT METRO ADVISORY COMMITTEE (MAC) MEETINGS

I. RECOMMENDED ACTION

The purpose of this staff report is to provide a report to the Board regarding the appointee attendance at the newly created METRO Advisory Committee (MAC) meetings. No action is required.

II. SUMMARY OF ISSUES

- On December 19, 2003 the Board of Directors approved the creation and structure of the Metro Advisory Committee (MAC).
- At the June 25, 2004 Board Meeting, a request was made for a report on appointee attendance at the MAC Meetings.

III. DISCUSSION

In December 19, 2003, the Board approved the creation of a new Metro Advisory Committee (MAC) that replaced the METRO Users Group (MUG), and the Board approved the structure of the new committee. A public process was used to solicit interest in serving on the new committee.

The Board of Directors made appointments to MAC. In a discussion of the bylaws at the June 25, 2004 Board Meeting, the Board requested that staff bring a report back to the Board of Directors in six (6) months. Attachment A is the report of attendance as requested by the Board.

IV. FINANCIAL CONSIDERATIONS

No financial impacts.

V. ATTACHMENTS

Attachment A MAC Attendance Report

5-14.1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
METRO ADVISORY COMMITTEE (MAC)
2004 ATTENDANCE REPORT

Member	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Note
Alper, Dan (Stone)	X	X		X	X		X	X		
Dynek, Kanoa (Skillicom)	X	X	X			X	X			4/21/04 - Elected Vice-Chair 6/16/04 - Appointed Chair
Edwards, Michael (Spence)	X		V	A	C	A	N	T		4/21/04 - Elected Chair 6/16/04 - Resigned
Hagen, Norm (Tavantzis)	X	X	X	X	X	X		X		
Le Blanc, Jefferson (Rotkin)	X	X	X	X	X	X	X			
Marcelin-Sampson, Paul (Norton)	X	X	X	X	X		X	X		8/18/04 - Selected Vice-Chair 9/22/04 - Elected Vice-Chair
Melzer, Matthew (Reilly)	X	X				X	X	X		School Term Only
Rosenstein, Stuart (Beautz)	X	X	X		X	X	X	X		
Sheldon, James (Ainsworth)			X	X	X	X				
Wright, Lesley (Hinkle)		X	X	X				X		
Yount, Robert (Keogh)	X		X	X	X	X	X	X		

S-14.91

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 17, 2004
TO: Board of Directors
FROM: Robyn Slater, Human Resources Manager
SUBJECT: PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors recognize the anniversaries of those District employees named on the attached list and that the Chairperson present them with awards.

II. SUMMARY OF ISSUES

- None.

III. DISCUSSION

Many employees have provided dedicated and valuable years to the Santa Cruz Metropolitan Transit District. In order to recognize these employees, anniversary awards are presented at five-year increments beginning with the tenth year. In an effort to accommodate those employees that are to be recognized, they will be invited to attend the Board meetings to receive their awards.

IV. FINANCIAL CONSIDERATIONS

None.

V. ATTACHMENTS

Attachment A: Employee Recognition List

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

EMPLOYEE RECOGNITION

TEN YEAR

Michael T. Smith, Custodial Service Worker I

FIFTEEN YEARS

None

TWENTY YEARS

Gilberto Limas, Bus Operator
Joseph A. Florez, Bus Operator
Raymond F. Scargill, Supervisor of Parts & Materials

TWENTY-FIVE YEARS

Cheryl L. Brondstatter, Transit Supervisor
Peter S. Prince, Bus Operator

THIRTY YEARS

None

DRAFT

Paratransit Coordination Task Force MINUTES – MEETING # 5

Wednesday, November 17, 2004, 2:00 – 5:00 pm
Santa Cruz Civic Auditorium, ABC Room

Members Present:

Caroline Bliss-Isburg
Michael Bradshaw
Richard Camperud
Kathleen Johnson
Clay Kempf
Paul Marcelin-Sampson
Roger McKowan
Eileen Pavlik
Dennis Papadopulo
Carmen Robles
Stuart Rosenstein
Ernestina Saldana
Ellen Timberlake
Adam Tomaszewski
Arturo Zamudio

Staff Present:

Bryant Baehr, SCMTD
Mark Dorfman, SCMTD
Hal

Peg Gallagher, SCMTD
Karena Pushnik, SCCRTC
Tegan Speiser, SCCRTC
Link Spooner, Community Bridges
Sam Storey, Community Bridges

Others/Guests Present:

Genevieve Bookwalter, SC Sentinel
Pearl Mendes, Yellow Cab
Michael Molesky, E&DTAC & CCAH
Barbie Schaller, Seniors Commission

Alternates Present (* = voting):

Kirk Ance *
Michael Keogh*
James Monroe
Bonnie Morr
Andy Schiffrin*

1. **Introductions** – Attendees introduced themselves
2. **Oral Communications** - None
3. **Additions or Deletions to the Agenda** – Item 6, ADA Paratransit Implementation Update, was moved to be the first item on the Regular Agenda.

Consent Agenda

(Timberlake, Papadopulo) as amended below. Keogh and Saldana abstained.

4. **Approve the Minutes** of the October 20, 2004 Paratransit Coordination Task Force.

Amendments:

- Indicate Eileen Pavlik and Ernestina Saldana were present on the list of members present.
- Paul Marcelin-Sampson had three changes to the Demographics and Definitions presentation on page 4-6 of the minutes: 1) re: the sentence that "an annual growth

7.1

DRAFT

rate in the senior population of 2.5% is substantial," the point was to say that there are other more important influences on the cost of providing services rather than percentage of annual population growth; 2) replace the word "unmanageable" for "unbearable" in the sentence "...the pressures on ParaCruz won't be unbearable until 2030"; and, 3) he doesn't remember anyone making the comment that "In 1950, the senior population was 50% of the total population". However, he asserts that this information is incorrect for the County of Santa Cruz. He cited census information which reported it as 14.8%. (Andy Schiffrin said that he had made the statement about the City of Santa Cruz.)

Regular Agenda

6. ADA Paratransit Implementation Update - Bryant Baehr and Sam Storey (oral report)

Bryant Baehr spoke to items 6 a, b and c.

On November 1st, Metro's first day of operating ParaCruz, they provided 500 rides and received 700 phone calls. ParaCruz is now providing 285-350 rides and handling about 400 phone calls daily. Much has been learned since operation began. Continuing education is needed about the ready window and about it being a shared-ride service. ParaCruz staff is working on new outreach materials. On-time performance is improving everyday. Now in 3rd week of operation and doing well. Have been working on correcting issues as they arise.

- a. Cabrillo College Stroke Center rides – Re: prepayment of fares, Stroke Center now pays Metro in advance for rides. When their ParaCruz-qualified students take a ride, it's deducted from the Stroke Center account balance and no money is collected. Metro is doing this as a demonstration project. If it's successful, staff may take it to the Metro board to expand the program. Good communication has been developed with the Stroke Center staff who are letting the Metro know about issues so Metro can adjust and learn from these situations. The Stroke Center is, in fact, the District's largest ParaCruz customer in terms of a one-place pick up and one-place drop off.

Mr. Baehr acknowledged the assistance of Metro staff Mark Dorfman and Peg Gallagher who worked with Cabrillo to set up this pre-payment system.

- b. Prepaid coupons – These are still being offered. Metro has had a rush of people wanting to buy them which is good. The less currency that is exchanged, the better it is for both the customer and Metro.

There was a question about the status of the policy that only clients can buy coupons and not agencies. Metro staff reiterated that others can buy the coupons, but only if they are for a specific ParaCruz-eligible person. Coupons must to be linked to an individual user as it's a restricted service designed only for people eligible for the service. Metro has been able to work through situations where agencies handle client's money. A point was made that only eligible riders were able to call and schedule a ride which should assure Metro that, regardless of who pays for the ride, only an eligible rider could actually schedule a ride and use a coupon.

7.2

DRAFT

- c. Large wheelchair issues – If the wheelchair can't be secured in one of Metro's minivans, three Goshen vans are available for use on a first come, first served basis. Metro is identifying customers with oversized chairs and trying to accommodate them using the larger vehicles.

There was a question about the information that went out in recent brochures about the size restrictions of wheelchairs allowed on ParaCruz. In their upcoming January mailing, updated information will go out about accommodating larger chairs.

At this point in the transition, Metro's main ParaCruz concerns are:

- On-time performance. Metro is hampered by the same things as everyone: accidents, traffic, etc....
- Communicating with customers about their needs and how to schedule their trips
- Have a full staff of reservationists. Average wait time hit a high of 2 minutes on a Sunday. Phone system wasn't quite set up correctly. Now averaging from 45 seconds to one minute and 10 seconds in terms of hold times on phone calls.
- Overall doing well. Metro learning new things daily.

A question was asked about the availability of on-time performance statistics. Metro staff responded that they plan to bring this data to the Metro Board (and this Task Force) in December.

A question was asked about a specific person who took a ParaCruz ride for treatment at the Satellite Dialysis Center. Due to treatment complications, the rider needed to be transported to the hospital although it was not an emergency situation and did not require an ambulance. Since ParaCruz does not allow scheduling of same day rides, Metro could not accommodate this change under their current established policy. The rider was referred to LiftLine who said they try to accommodate riders with unanticipated changes such as this.

Link Spooner explained how LiftLine handled these situations when they operated ADA paratransit under contract to Metro. There were two types of rides: Demand Rides and Will Call rides. Demand rides were rides with a pick up location, a destination and a pick up return time. Dialysis set up rides on a demand basis since they know how long people will be on the machines and people get better service if they have a scheduled pick up.

On the rare occasion where a person had a complication, the trip was turned into a Will Call ride to transport the person to the hospital and a Will Call ride for them to return home. They did this since LiftLine's policy was to always provide a means to return if they have taken a person somewhere. This return ride was not always needed since many times a family member provided the ride home from the hospital.

With the new system, it's possible that the person could receive a ride with a medical voucher on LiftLine if they were eligible. However, LiftLine would want to share responsibility for the return ride with Metro since the person took the initial ride on ADA. This round trip now has three legs instead of only two.

Key points in the lengthy discussion that ensued:

DRAFT

- Could medical vouchers be used in such a situation?
- Could ParaCruz provide same day service? Is there a rationale for the current policy which prevents it?
- Metro staff responded that it's a matter of the resource and cost implications, along with the fact that it's not Metro's current adopted policy and it's not required by the ADA.
- Since the ride was scheduled in advance and only the destination was changed, is this really a same day ride? Could the Metro board look at a change in policy (or more flexibility) to allow for a change in destination in emergency situations?
- The ParaCruz system is complementary to the fixed route bus. This may require a different system. Public transit is not set up to handle unforeseen circumstances.
- The number of rides that fall into this category are actually quite few.
- Not asking for policy change at this point. Want more analysis about options, extent of the problem, how many rides like this are taken each month, what are the cost implications etc....
- Could Metro be more flexible within the existing system, possibly incorporating someone with same day ride changes into an existing ride like LiftLine does?
- Several members expressed an interest in seeing Metro look into and prepare a report about the problem of meeting unanticipated same day service needs and identify options for resolution (possibly within the existing system.) Want to see a shift in approach aimed at solving a problem rather than let "policy" be a reason not to attempt to work it out.
- Metro staff said they are talking with lots of people and learning something new everyday. Met with 18 different groups in advance of the transition. Happy to come back at next meeting with more information on this issue of same day changes.

A motion was made (Kempf/Timberlake) to request that Metro review their policy regarding necessary same day destination changes to previously scheduled paratransit service, for example, dialysis.

Ms. Timberlake proposed a friendly amendment to the motion. Not just to review the Metro policy, but also to analyze potential criteria or scheduling change solutions that could address emergency, same day change needs and report back at the next meeting. Staff could propose criteria that would be sufficient to broaden the net.

The Chair clarified the intent of the motion: To have Metro staff return at the next meeting with a report about same day rides that differentiates different kinds of same day service,

DRAFT

some handled one way and some another way, depending on the particular situation that people find themselves in. The intent is to find some balance between the policy that works generally and the particular problems that clients have that can be serious. The Task Force is asking for a report about the issue, and options for what can be done about it, including the pros and cons of different ideas.

Congratulations were expressed to Metro for better customer service since taking over ParaCruz. More kudos were offered in terms of Metro's responsiveness to some of the concerns raised by the Task Force in terms of Stroke Center payments and accommodating large wheelchairs. This issue of same day ride changes is similar.

The Chair also complimented Metro with how they had responded to the Stoke Center's situation. He added that Metro had recognized that there was a real problem and that there were ways to solve it that didn't undermine the integrity of the system.

Due to staffing constraints, Mr. Baehr asked permission to break the request being made of him into two reports: 1) What happens at Satellite Dialysis and with emergency issues and 2) What happens in less than emergency situations. He can bring the first report addressing the emergency same day ride issue to the December meeting.

The motion passed with 10 voting for the motion and 3 voting against.

Mike Molesky said this issue, Scheduling Emergency Trips, was addressed 13 years ago in the paratransit design and agreement between SCMTD and the CTSA outlined in the Paratransit Implementation Plan. He was asked to make this information available to the task force.

Sam Storey spoke to item 6d.

- d. Numbers of people and contractual options for providing rides to people outside the ADA ParaCruz service area – 6 individuals were identified as out of the service area at the time of the transition. This includes both people who had been living outside of the area for some time and people newly out of the area due to recent bus service cuts. LiftLine is accommodating 4 of these people through existing programs so that their transportation is not disrupted. A pre-existing arrangement with Yellow Cab to provide service to the remaining two people was communicated to Metro.

Mr. Baehr indicated that due to district bus stops being moved, one if not both, of the remaining people are no longer outside of the service area and now qualify for ParaCruz.

5. Review and Discuss Task Force Goal 1: Funding Effectiveness and Efficiency

- a. Issues Identified from Initial Survey and during Previous Task Force Meetings

As requested by the Task Force, Karena Pushnik reported that staff had compiled an integrated matrix of the goals and issues identified through stakeholder surveys and

DRAFT

items discussed at task force meetings thus far. The matrix includes key discussion points and space for short and long term recommendations.

The Chair suggested the following process for working on this item. Beginning with Goal #1, the task force will review each issue to see if there are recommendations and/or consensus on recommendations. Two lists will be created – one with approved recommendations and one with recommendations proposed, but not approved that could be revisited at a later date.

A question was raised about whether or not all of the issues needed to relate back to the larger goal. The Chair explained that the goals were an organizing tool for the issues and that recommendations don't necessarily need to tie back to goals. The objective is to come up with recommendations to address the issues.

The Task Force began the process of discussing and developing recommendations to address issues listed under Goal #1. Recommendations formulated so far will be distributed with the December Task Force Agenda Packet.

b. **Pick Up** List – Two items were referred to the pick-up list:

- Emergency same-day changes (such as destination) for ParaCruz rides
- Coordination and information and referral to other Transportation/Paratransit Services

7. **Confirm Next Meeting** – The next meeting was confirmed for Wednesday, December 15, 2004 from 2:00 – 5:00p.m. at the ABC Room of the Civic Auditorium. Agenda topics will be to continue discussion and developing recommendations for Goal 1: Funding Effectiveness and Efficiency and Goal 2: Customer Service and Satisfaction

8. **Adjourn** – The meeting adjourned at 4:55pm.

Respectfully submitted by,

Tegan Speiser
Sr. Transportation Planner

C:\Documents and Settings\kpushnik\Desktop\Minutes1104.doc

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 10, 2004
TO: Board of Directors
FROM: Tom Stickel, Manager of Fleet Maintenance
SUBJECT: CONSIDERATION OF AWARD OF CONTRACT FOR LONG TERM
DISABILITY INSURANCE WITH DRIVER ALLIANT INSURANCE
SERVICES ACTION REQUESTED

I. RECOMMENDED ACTION

District Staff recommends that the Board of Directors authorize the General Manager to execute a contract for Long Term Disability Insurance with Driver Alliant Insurance Services.

II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit proposals from qualified firms.
- Four firms submitted proposals for the District's review.
- A seven-member evaluation committee comprised of District staff reviewed and evaluated the proposals.
- The evaluation committee is recommending that a contract be established with Driver Alliant Insurance Services to provide Long Term Disability Insurance.

III. DISCUSSION

The District provides long-term disability insurance for its employees. The benefit provides for income continuation during absences due to disability. The current District contract will expire at the end of December 2004.

On October 8, 2004 District Request for Proposal No. 04-09 was mailed to several firms and was legally advertised. There were four insurance companies that submitted proposals, on November 3, 2004. These firms are listed in Attachment A.

A seven-member evaluation committee comprised of District staff and Union representatives have reviewed and evaluated the proposals. The names of the evaluation committee members are: Robyn Slater of Human Resources, Tom Stickel of Fleet Maintenance, Marilyn Fenn of Finance, Bonnie Morr of UTU, Ian McFadden of SEA, Will Regan of VMU, and Manny Martinez of PSA.

The evaluation committee used the following criteria as contained in the Request for Proposals:

Criteria	Point Value
Cost	40
Approach to the Scope of Required Services and ability to meet the requirements in the Scope	35
Qualifications and Experience	30
References	25

The new contract will be for a two-year period and will provide the same coverages currently contracted for at reduced rates. The new proposal offers a rate reduction to the District of 15%.

District staff is recommending that a new contract be established with Driver Alliant Insurance Services to provide Long Term Disability Insurance. Contractor will provide all services meeting all District specifications and requirements.

IV. FINANCIAL CONSIDERATIONS

Adequate funds are available in the current year budget for this contract.

V. ATTACHMENTS

Attachment A: Ranking of Firms Responding to the RFP.

Attachment B: Contract with Driver Alliant Insurance Services

NOTE: The RFP along with its Exhibits and Addendums are available for review at the Administration Office of METRO or online at www.scmtd.com

8.2

**Ranking of Firms Responding to District RFP No. 04-09
For Long Term Disability Insurance**

- 1. Driver Alliant Insurance Services of San Francisco, CA representing Assurant Employee Benefits.**
- 2. Standard Insurance Company of Walnut Creek, CA.**
- 3. UNUM Provident of Walnut Creek, CA.**
- 4. Jefferson Pilot Financial Company of Omaha, NE**

CONTRACT FOR LONG TERM DISABILITY INSURANCE (04-09)

THIS CONTRACT is made effective on January 1, 2005 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and Driver Alliant Insurance Services ("Contractor").

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02 District's Need for Long Term Disability Insurance

District has the need for Long Term Disability Insurance. In order to obtain this insurance, the District issued a Request for Proposals, dated October 8, 2004, setting forth specifications for Long Term Disability Insurance. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Long Term Disability Insurance and whose principal place of business is 600 Montgomery Street, 9th Floor, San Francisco, California. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Long Term Disability Insurance, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On December 10, 2004, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide Long Term Disability Insurance described herein. This Contract is intended to fix the provisions of this insurance.

District and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated October 8, 2004 including Addendum No. 1.

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the District for Long Term Disability Insurance signed by Contractor and dated November 3, 2004.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by District for this project in accordance with the Request for Proposals issued October 8, 2004.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued October 8, 2004.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed two (2) years and shall commence upon the issuance of the contract by the District. At the option of the District, this contract agreement may be renewed for three (3) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

District shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by the District. Contractor shall invoice District at a rate of \$1.04 per \$100 covered payroll per month for Management, Administrative, and Maintenance employees. Contractor shall invoice District at a rate of \$1.41 per \$100 covered payroll per month for Bus Operators. Contractor guarantees these rates to District for two years. District shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within forty-five (45) days of District written approval of Contractor's written invoice for said work.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by the District on a monthly basis. Contractor's invoices shall include detailed records. Expenses shall only be billed if allowed under the Contract. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement)

8. b z ²

at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address herein under set forth or to such other address as a party may designate by notice pursuant hereto.

DISTRICT

Santa Cruz Metropolitan Transit District
370 Encinal Street
Suite 100
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Driver Alliant Insurance Services
600 Montgomery Street, 9th Floor
San Francisco CA 94111
Attention: Christine Kerns, Vice President

7. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
DRIVER ALLIANT INSURANCE SERVICES

By _____
Christine Kerns
Vice President

Approved as to Form:

Margaret Rose Gallagher
District Counsel

8.63³

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP) For Long Term Disability Insurance

District RFP NO. 04-09

Date Issued: October 8, 2004

Proposal Deadline: 5:00 P.M., November 3, 2004



Contents of this RFP

- I. Instructions to Offerors
- II. General Information Form
- III. Specifications
- IV. General Conditions
- V. Contract/Agreement
- VI. FTA Requirements for Non-Construction Contracts
- VII. Protest Procedures
- Attachment A – Employee Census

PART I

INSTRUCTIONS TO OFFERORS

1. **GENERAL:** These instructions form a part of the contract documents and shall have the same force as any other portion of the contract. Failure to comply may subject the proposal to immediate rejection.
2. **OFFEROR RESPONSIBILITY:** The District has made every attempt to provide all information needed by offerors for a thorough understanding of project terms, conditions, and requirements. It is expressly understood that it is the responsibility of offerors to examine and evaluate the work required under this RFP and the terms and conditions under which the work is performed. By submitting a proposal, Offeror represents that it has investigated and agrees to all terms and conditions of this RFP.
3. **DELIVERY OF PROPOSALS TO THE DISTRICT:** Proposals (1 unbound original and 5 bound copies) must be delivered to the District Purchasing Office, 120 Dubois Street, Santa Cruz, California, 95060 on or before the deadline noted in the RFP.

Any contract or purchase order entered into as a result of this RFP shall incorporate the RFP and the proposal submitted by successful offeror. In the event of conflict between the proposal and any other contract document, the other contract document shall prevail unless specified otherwise by the District. Telephone or electronic proposals will not be accepted.

4. **LATE PROPOSALS:** Proposals received after the date and time indicated herein shall not be accepted and shall be returned to the Offeror unopened.

Requests for extensions of the proposal closing date or time will not be granted. Offerors mailing proposals should allow sufficient mail time to ensure timely receipt of their proposals before the deadline, as it is the offerors responsibility to ensure that proposals arrive before the closing time.

5. **MULTIPLE PROPOSALS:** An offeror may submit more than one proposal. At least one of the proposals shall be complete and comply with all requirements of this RFP. However, additional proposals may be in abbreviated form, using the same format, but providing only the information that differs in any way from the information contained in the master proposal. Master proposals and alternate proposals should be clearly labeled.
6. **PARTIAL PROPOSALS:** No partial proposals shall be accepted.
7. **WITHDRAWAL OR MODIFICATION OF PROPOSALS:** Proposals may not be modified after the time and date proposals are opened. Proposals may be withdrawn by Offeror before proposal opening upon written request of the official who is authorized to act on behalf of the Offeror.
8. **CHANGES TO THE RFP RECOMMENDED BY OFFERORS:** All requests for clarification or modification of the RFP shall be made in writing. Offerors are required to provide the value of each proposed modification and a brief explanation as to why the change is requested. Value shall be defined as the cost or savings to the District and the advantage to the District of the proposed change.
9. **ADDENDA:** Modifications to this RFP shall be made only by written addenda issued to all RFP holders of record. Verbal instructions, interpretations, and changes shall not serve as official expressions of the District, and shall not be binding. All cost adjustments or other changes resulting from said addenda shall be taken into consideration by offerors and included in their proposals.
10. **OFFEROR'S PROPOSAL TO THE DISTRICT:** Offerors are expected to thoroughly examine the scope of work and terms and conditions of the RFP. Offerors' terms, conditions, and prices shall constitute a firm offer to the District that cannot be withdrawn by the Offeror for ninety (90) calendar days after the closing date for

proposals, unless a longer time period is specified by the District in the RFP. Offerors shall identify all proprietary information in their proposals. Information identified as proprietary shall not be made available to the public or other offerors.

11. **SINGLE OFFEROR RESPONSIBILITY:** Single Offeror responsibility is required under this RFP. Each Offeror responding to this RFP must respond to all professional services and provide all materials, equipment, supplies, transportation, freight, special services, and other work described or otherwise required herein.
12. **EXPERIENCE AND QUALIFICATIONS:** Offeror may be required upon request of the District to substantiate that Offeror and its proposed subcontractors have the skill, experience, licenses, necessary facilities, and financial resources to perform the contract in a satisfactory manner and within the required time.
13. **SUBCONTRACTING:** The requirement for single-point responsibility does not prohibit subcontracts or joint ventures provided that the single successful Offeror assumes the following responsibilities: (1) serves as the sole general contractor with the District; (2) assumes full responsibility for the performance of all its subcontractors, joint venturers, and other agents; (3) provides the sole point of contact for all activities through a single individual designated as project manager; (4) submits information with its proposal documenting the financial standing and business history of each subcontractor or joint venturer; and, (5) submits copies of all subcontracts and other agreements proposed to document such arrangement.

Without limiting the foregoing, any such legal documents submitted under item "5" above must (a) make the District a third-party beneficiary thereunder; (b) grant to the District the right to receive notice of and cure any default by the successful offeror under the document; and (c) pass through to the District any and all warranties and indemnities provided or offered by the subcontractor or similar party.

14. **EVALUATION CRITERIA AND AWARD OF CONTRACT:** The award of the contract will be made to the responsible Offeror whose proposal is most advantageous to the District. Specific evaluation criteria are identified in the Specifications section of the RFP.
15. **DISTRICT'S PREROGATIVE:** The District reserves the right to contract with any single firm or joint venture responding to this RFP (without performing interviews), based solely upon its evaluation and judgment of the firm or joint venture in accordance with the evaluation criteria. This RFP does not commit the District to negotiate a contract, nor does it obligate the District to pay for any costs incurred in preparation and submission of proposals or in submission of a contract.

The District reserves and holds at its discretion the following rights and options in addition to any others provided by the Public Utility Code, Section 98000 and the Public Contract Code: (1) to reject any or all of the proposals; (2) to issue subsequent requests for proposals; (3) to elect to cancel the entire request for proposals; (4) to waive minor informalities and irregularities in proposals received; (5) to enter into a contract with any combination of one or more prime contractors, subcontractors, or service providers; (6) to approve or disapprove the use of proposed subcontractors and substitute subcontractors; (7) to negotiate with any, all, or none of the respondents to the RFP.

16. **EXECUTION OF CONTRACT:** The final contract shall be executed by the successful offeror and returned to the District Administrative Office no later than ten (10) calendar days after the date of notification of award by the District. All required bonds and insurance certificates shall also be submitted by this deadline. In the event successful offeror does not submit any or all of the aforementioned documents on or before the required deadline, the District may award the contract to another offeror; in such event, District shall have no liability and said party shall have no remedy of any kind against the District.
17. **DISADVANTAGED AND WOMEN'S BUSINESS ENTERPRISES:** The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the successful offeror selected for this project shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

18. NONDISCRIMINATION: The Santa Cruz Metropolitan Transit District will not discriminate with regard to race, color, creed, ancestry, national origin, religion, sex, sexual preference, marital status, age, medical condition or disability in the consideration for award of contract.

***ADDITIONAL INSTRUCTIONS TO OFFERORS ARE SET FORTH IN
OTHER SECTIONS OF THIS REQUEST FOR PROPOSALS***

PART II

GENERAL INFORMATION FORM

LONG TERM DISABILITY INSURANCE RFP NO. 04-09

(To be completed by the offeror and placed at the front of your proposal)

Legal Name of Firm

Date

Firm's Address

Telephone Number

FAX Number

Type of Organization (Partnership, Corporation, etc.)

Tax ID Number

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with the District that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals. Offeror understands that this proposal constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to the District the required insurance certificates within ten (10) calendar days of the Notice of Award.

Signature of Authorized Principal

Name of Principal-in-Charge and Title

Name of Project Manager and Title

Name, Title, Email Address and Phone Number of Person To Whom Correspondence Should be Directed

Addresses Where Correspondence Should Be Sent

Areas of Responsibility of Prime Contractor

Listing of major sub consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

LOBBYING CERTIFICATION
(Only for Contracts above \$100,000)

Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96).
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et. seq. apply to this certification and disclosure, if any.

Firm Name _____

Signature of Authorized Official _____

Name and Title of Authorized Official _____

Date _____

**BUY AMERICA PROVISION
(Only for Contracts above \$100,000)**

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive.

A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by SCMTD if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

BUY AMERICA CERTIFICATE

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: _____

Signature: _____

Company Name: _____

Title: _____

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.

Date: _____

Signature: _____

Company Name: _____

Title: _____

CONTRACTOR DBE INFORMATION

CONTRACTOR'S NAME _____
 DBE GOAL FROM CONTRACT _____ %
 FED. NO. _____
 COUNTY _____
 AGENCY _____
 CONTRACT NO. _____

CONTRACTOR'S ADDRESS _____

 PROPOSAL AMOUNT \$ _____
 PROPOSAL OPENING DATE _____
 DATE OF DBE CERTIFICATON _____
 SOURCE ** _____

This information must be submitted during the initial negotiations with the District. By submitting a proposal, offeror certifies that he/she is in compliance with the District's policy. Failure to submit the required DBE information by the time specified will be grounds for finding the proposal non-responsive.

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE
----------------------	--	------------------------------	-------------	-----------------------------	----------------

TOTAL CLAIMED DBE
 PARTICIPATION \$ _____ %

 SIGNATURE OF CONTRACTOR

 DATE

 AREA CODE/TELEPHONE

(Detach from proposal if DBE information is not submitted with proposal.)

- * If 100% of item is not to be performed or furnished by DBE, describe exact portion, including plan location of work to be performed, of item to be performed or furnished by DBE.
- ** DBE's must be certified on the date proposals are opened.
- *** Credit for a DBE supplier who is not a manufacturer is limited to 60% of the amount paid to the supplier.

NOTE: Disadvantaged business must renew their certification annually by submitting certification questionnaires in advance of expiration of current certification. Those not on a current list cannot be considered as certified.

CONTRACTOR DBE INFORMATION

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE
----------------------	--	------------------------------	-------------	-----------------------------	----------------

TOTAL CLAIMED DBE
PARTICIPATION \$ _____ _____ %

PART III

SPECIFICATIONS FOR EMPLOYEE LONG TERM DISABILITY INSURANCE

1. INTRODUCTION

The Santa Cruz Metropolitan Transit District (SCMTD) is requesting proposals for employee Long Term Disability (LTD) insurance coverage for approximately 303 active employees. SCMTD is a public entity whose primary purpose is to provide public transportation.

The SCMTD has approximately 319 active employees with a payroll over fifteen million dollars annually. Employees are divided into three sub-groups, each having retirees. Two of the groups are covered by collective bargaining agreements. These three groups are:

1. Management - 13 employees (non-union)
2. Bus Operators - 160 employees and Paratransit Operators – 25 (UTU Local 23)
3. Administrative & Maintenance - 103 employees (SEIU Local 415)
4. Administrative & Maintenance - 18 employees (UTU Local 23)

2. BACKGROUND

Administrative Office Location:	370 Encinal Street, Suite 100, Santa Cruz, CA 95060
Nature of Business:	Public Transportation
Carrier History:	UNUM Provident
Current Funding Arrangement:	Fully Insured
Proposed Funding Arrangement:	Fully Insured
Commission Amount:	No Commissions
Proposed Effective Period:	January 1, 2005 through December 31, 2006 (2 years)
Proposed Coverage Benefits:	Match current coverage benefits with enhancements priced separately
Proposed Term:	Two-year Contract - guaranteed rates Three (3) one-year renewal options 90 day notice of rate changes
Contributions:	Coverage is non-contributory
Eligibility:	Active employees (20 hours/week) Must cover current employees on non-medical temporary absence on policy effective date
Quote:	Quote current benefit level for each of the three groups or in any combination of groups

3. CURRENT BENEFITS

<u>Amount of Insurance:</u> The lesser of:	1. 60% of basic monthly earnings; or 2. 70% of basic monthly earnings less other income benefits; or 3. The maximum monthly benefit
<u>Maximum Monthly Benefit:</u>	\$ 4,000 - Management employees \$ 3,000 - Administrative & Maintenance employees \$ 3,000 - Bus Operators
<u>Minimum Monthly Benefit:</u> The greater of:	1. \$100; or 2. 10% of the monthly benefit before deductions for other income

<u>Maximum Benefit Period:</u>	Occupationally disabled first 36 months Totally disabled from any occupation after 36 months <u>Age at Disability</u> <u>Maximum Benefit Period</u> Less than 70 To age 70, but not less than 1 Year 70 and Over 1 year
<u>Elimination Period:</u>	90 days - Management 90 days - Administrative & Maintenance employees 180 days - Bus Operators
Continuation of Insurance <u>During Certain Absences:</u>	<u>Type of Absence</u> <u>Maximum Time Limit</u> Layoff or Unpaid Leave To the end of the calendar month following the calendar month in which layoff or unpaid leave begins

4. PAYROLL PREMIUM RATE HISTORY

<u>Carrier</u>	<u>Year</u>	<u>Mgt / Administrative & Maintenance</u>	<u>Bus Operators</u>
UNUM	1991	0.0156	0.0317
UNUM	1992	0.0156	0.0317
UNUM	1993	0.0156	0.0317
UNUM	1994	0.0187	0.0380
UNUM	1995	0.0146	0.0297
UNUM	1996	0.0155	0.0315
UNUM	1997	0.0155	0.0315
UNUM	1998	0.0142	0.0226
UNUM	1999	0.0142	0.0226
UNUM	2000	0.0249	0.0396
UNUM	2001	0.0249	0.0396
UNUM	2002	0.0249	0.0396
UNUM	2003	0.0122	0.0166

5. EMPLOYER PREMIUM BY FISCAL YEAR

<u>Fiscal Year</u>	<u>Annual Premiums Paid</u>
1991-1992	\$312,573
1992-1993	\$301,313
1993-1994	\$298,435
1994-1995	\$225,854
1995-1996	\$215,521
1996-1997	\$227,126
1997-1998	\$250,000
1998-1999	\$373,540
1999-2000	\$447,895
2000-2001	\$379,175
2001-2002	\$433,571
2002-2003	\$313,640
2003-2004	\$209,595

6. CLAIMS PAID THROUGH DECEMBER 31, 2003

<u>Calendar Year</u>	<u># of New Claims</u>	<u>Claims Paid By Year Incurred</u>	<u># of Remaining Open Claims</u>
1992	6	\$114,255	2
1993	9	\$71,747	2
1994	5	\$8,346	1
1995	5	\$4,043	2
1996	1	\$3,206	1
1997	5	\$158,184	4
1998	11	\$247,106	7
1999	10	\$91,330	7
2000	5	\$42,282	3
2001	4	\$29,023	2
2002	11	\$82,138	2
2003	8	\$17,414	2

7. CONTENT OF PROPOSAL

Proposals should be complete and concise in description and include the following items as well as any additional information that will contribute to the District's evaluation of service:

1. Provide a current client list of at least three other public agencies in California and the name of the contact person.
2. Describe your method of benefit payment.
3. Describe your grievance resolution process.
4. Do you have a conversion policy.
5. Do you agree that no covered employee would lose coverage as a result of a change in carriers?

8. PROCESS FOR SUBMITTAL OF PROPOSALS

A. Proposal Requirements

- 1 Contractor shall be required to meet all other provisions of the contract documents enclosed as part of this Request for Proposal package
2. Conflict of Interest - The offeror shall disclose any financial, business or other relationship with the District or any of its officers or officials that may have an impact upon the outcome of the work. The offeror shall also list current clients who may have a financial interest in the outcome of the work.
3. Professional Services Agreement - Offeror's proposal shall be based on the requirements set forth in the "Professional Services Agreement" included in this RFP. The final agreement between the District and Contractor shall be in substantially the same form and content as the "Professional Services Agreement" included herein.
4. Signature - The proposal shall be signed by an official authorized to bind the offeror and shall contain a statement to the effect that the proposal is a firm offer for a 90-day period. The proposal shall also

provide the following: name, title, address and telephone number of the individual(s) with authority to negotiate and contractually bind the company.

B. Proposal Submittal

One original unbound proposal and five bound copies must be received no later than 5.00 p.m. on November 3, 2004 at the District Purchasing Office, 120 Dubois Street, Santa Cruz, CA 95060. All responses to this RFP become the property of the District. Proposals must be clearly marked:

**"Proposal for Employee Long Term Disability Insurance
(Proposal Due Date: November 3, 2004, 5:00 pm)"**

At the matter as a final award is made, all proposals submitted in response to this RFP become a matter of Public Record and shall be regarded as Public Records, with the exception of those elements in each proposal which are defined by the proposer as business or trade secrets, and marked as "Trade Secret", "Confidential" or "Proprietary." The District shall not in any way be liable or responsible for the disclosure of any such records or portions thereof, if they are not plainly marked "Trade Secret", "Confidential" or "Proprietary", or if disclosure is required under the Public Record Act.

C. Modification or Withdrawal of Proposals

Any proposal received prior to the date and time specified above for receipt of proposals may be withdrawn or modified by written request of the offeror. To be considered, however, the modified proposal must be received by the date and time specified above.

All verbal modifications of these conditions or provisions are void and ineffective for proposal evaluation purposes. Only written changes issued to offerors by the Purchasing Office are authorized and binding.

D. Rejection of Proposals

Failure to meet the requirements for the Request for Proposals will be cause for rejection of the proposal. The District may reject any proposal if it is conditional, incomplete or contains irregularities. The District may waive an immaterial deviation in the proposal. Waiver of an immaterial deviation shall in no way modify the Request for Proposal's documents or excuses the offeror from full compliance with the contract documents if the offeror is awarded the contract. The District reserves the right to not award the contract should it determine that the proposals are not in its best interest.

E. Evaluation Criteria and Selection of the Successful Offeror

1. Selection of the successful offeror will be based on information provided in response to the RFP and a variety of factors, including costs, evaluation of proposals according to District-specified criteria, consideration of any exceptions taken to District's proposed contract terms and conditions, qualifications and experience, information provided by offeror's references for whom work of a similar nature has been done, Disadvantaged Business Enterprise (DBE) participation, and evaluation of presentations following the submission of proposals (should the District elect to accept presentations).
2. Proposals submitted by each offeror shall be evaluated separately based on how well the proposal meets the District's criteria. Selection will be based on either written proposals alone or both written proposals and oral presentations. (The District, at its sole discretion, will determine whether to hold discussions with the offerors who are in the "competitive range" or to award the contract without discussion on the basis of the initial proposal.)
3. If a single proposal is received in response to this RFP, the District will be required to perform a detailed cost/price analysis in order to award the contract.

4. The overall evaluation process will be performed by a Proposal Evaluation/Negotiation Committee. The evaluation criteria set forth at the end of this section will be the sole basis for determining the technical acceptability of proposals. The technical proposal should be specific and complete in every detail. Reference checks will be made of the top rated offerors.

The proposals will be evaluated according to the following respective criteria:

CRITERIA	EVALUATION POINTS
1. Cost	40
2. Approach to the Scope of Required Services and ability to meet the requirements presented in the Scope (which include answers to the questions in Item 7 above)	35
3. Qualifications and Experience	30
4. References	25
Total Points Possible	130

9. EMPLOYEE CENSUS

See attachment A for a census of current employees.

10. PROJECT SCHEDULE

The anticipated schedule of activities related to this RFP is as follows:

EVENT	DATE
Distribution of RFP	October 8, 2004
Proposal Submittal Deadline	November 3, 2004, 5:00 P.M.
Board Approval of Award of Contract	November 26, 2004

PART IV

GENERAL CONDITIONS TO THE CONTRACT

1. GENERAL PROVISIONS

1.01 Governing Law & Compliance with All Laws

This Contract is governed by and construed in accordance with the laws of California. Each party will perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect. Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements District is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

1.02 Right to Modify Contract

District may extend the term of this Contract, expand the Scope of Work, or otherwise amend the Contract. Any such extension, expansion or amendment shall be effective only upon written agreement of the parties in accordance with Section 13.14.

2. TERMINATION

2.01 Termination for Convenience

2.01.01 The performance of Work under this Contract may be terminated by the District upon fifteen (15) days' notice at any time without cause for any reason in whole or in part, whenever the District determines that such termination is in the District's best interest.

2.01.02 Upon receipt of a notice of termination, and except as otherwise directed by the District, the Contractor shall: (1) stop work under the Contract on the date and to the extent specified in the notice of termination; (2) place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portion of the Work under the Contract as is not terminated; (3) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination; (4) assign to the District in the manner, at the time, and to the extent directed by the District all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the District shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts; (5) settle all outstanding liabilities and claims arising out of such termination or orders and subcontracts, with the approval or ratification of the District, to the extent the District may require, which approval or ratification shall be final for all the purposes of this clause; (6) transfer title to the District and deliver in the manner, at the time, and to the extent, if any, directed by District the fabricated or unfabricated parts, work in progress, completed work, supplies and other material produced as a part of, or acquired in connection with the performance of, the work terminated and the completed or partially completed plans, drawings, information and other property which, if the Contract had been completed, would have been required to be furnished to the District; (7) use its best efforts to sell, in the manner, at the time, to the extent, and at the price(s) directed or authorized by the District, any property of the types referred to above provided, however, that the Contractor shall not be required to extend credit to any purchaser, and may acquire any such property under the conditions prescribed by and at a price(s) approved by the District, and provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made to the District to the Contractor under this Contract or shall otherwise be credited to the price or cost of the Work covered by this Contract or paid in such other manner as the District may direct; (8) complete performance of

such part of the Work as shall not have been terminated by the notice of termination; and (9) take such action as may be necessary, or as the District may direct, for the protection or preservation of the property related to this Contract which is in the possession of the Contractor and in which the District has or may acquire an interest.

2.02 Termination for Default

2.02.01 The District may, upon written notice of default to the Contractor, terminate the whole or any part of this Contract if the Contractor: (1) fails to complete the Scope of Work within time period stated in the Specifications section of the IFB; (2) fails to perform any of the other provisions of the Contract; or (3) fails to make progress as to endanger performance of this Contract in accordance with its provisions.

2.02.02 If the Contract is terminated in whole or in part for default, the District may procure, upon such terms and in such manner as the District may deem appropriate, supplies or services similar to those so terminated. Without limitation to any other remedy available to the District, the Contractor shall be liable to the District for any excess costs for such similar supplies or services, and shall continue the performance of this Contract to the extent not terminated under the provisions of this clause.

2.02.03 If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of Contractor and District shall be considered to have been terminated pursuant to termination for convenience of the District pursuant to Article 2.01 from the date of Notification of Default.

2.03 No Limitation

The rights and remedies of the District provided in this Article 2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

3. FORCE MAJEURE

3.01 General

Neither party hereto shall be deemed to be in default of any provision of this Contract, or for any failure in performance, resulting from acts or events beyond the reasonable control of such party. For purposes of this Contract, such acts shall include, but not be limited to, acts of God, civil or military authority, civil disturbance, war, strikes, fires, other catastrophes, or other "force majeure" events beyond the parties' reasonable control; provided, however, that the provisions of this Section 3 shall not preclude District from canceling or terminating this Contract (or any order for any product included herein), as otherwise permitted hereunder, regardless of any force majeure event occurring to Contractor.

3.02 Notification by Contractor

Contractor shall notify District in writing as soon as Contractor knows, or should reasonably know, that a force majeure event (as defined in Section 3.01) has occurred that will delay completion of the Scope of Work. Said notification shall include reasonable proofs required by the District to evaluate any Contractor request for relief under this Article 3. District shall examine Contractor's notification and determine if the Contractor is entitled to relief. The District shall notify the Contractor of its decision in writing. The District's decision regarding whether or not the Contractor is entitled to force majeure relief shall be final and binding on the parties.

3.03 Losses

Contractor is not entitled to damages, compensation, or reimbursement from the District for losses resulting from any "force majeure" event.

4. PROFESSIONAL STANDARDS

Contractor shall at all times during the term of this Contract possess the technical ability, experience, financial ability, overall expertise, and all other skills, licenses, and resources necessary to perform and complete the scope of work in a timely, professional manner so as to meet or exceed the provisions of this Contract.

5. PROFESSIONAL RELATIONS

5.01 Independent Contractor

No relationship of employer and employee is created by this Contract. In the performance of its work and duties, Contractor is at all times acting and performing as an independent contractor in the practice of its profession. District shall neither have nor exercise control or direction over the methods by which Contractor performs services pursuant to this Contract (including, without limitation, its officers, shareholders, and employees); provided, however, that Contractor agrees that all work performed pursuant to this Contract shall be in strict accordance with currently approved methods and practices in its profession, and in accordance with this Contract. The sole interest of District is to ensure that such services are performed and rendered in a competent and cost effective manner.

5.02 Benefits

Contractor (including, without limitation, its officers, shareholders, subcontractors and employees) has no claim under this Contract or otherwise against the District for social security benefits, workers' compensation benefits, disability benefits, unemployment benefits, vacation pay, sick leave, or any other employee benefit of any kind.

6. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS

6.01 Scope

Contractor shall exonerate, indemnify, defend, and hold harmless District (which for the purpose of Articles 6 and 7 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

6.01.01 Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which District may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, or arising out of, or in any manner connected with the Contractor's performance under the provisions of this Contract. Such indemnification includes any damage to the person(s) or property (ies) of Contractor and third persons.

6.01.02 Any and all Federal, state and local taxes, charges, fees, or contributions required to be paid with respect to Contractor, Contractor's officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security, and payroll tax withholding).

7. INSURANCE

7.01 General

Contractor, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain at minimum all of the following insurance coverage. Such insurance coverage shall be primary coverage as respects District and any insurance or self-insurance maintained by District shall be excess of Contractor's insurance coverage and shall not contribute to it.

7.02 Types of Insurance and Minimum Limits

Contractor shall obtain and maintain during the term of this Contract:

- (1) Worker's Compensation and Employer's Liability Insurance in conformance with the laws of the State of California (not required for Contractor's subcontractors having no employees).
- (2) Contractor's vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by Contractor's employees), leased or hired vehicles, shall each be covered with Automobile Liability Insurance in the minimum amount of \$1,000,000.00 combined single limit per accident for bodily injury and property damage.
- (3) Contractor shall obtain and maintain Comprehensive General Liability Insurance coverage in the minimum amount of \$1,000,000.00 combined single limit, including bodily injury, personal injury, and property damage. Such insurance coverage shall include, without limitation:
 - (a) Contractual liability coverage adequate to meet the Contractor's indemnification obligations under this contract.
 - (a) Full Personal Injury coverage.
 - (a) Broad form Property Damage coverage.
 - (a) A cross-liability clause in favor of the District.
- (4) Contractor shall obtain and maintain Professional Liability Insurance coverage in the minimum amount of \$1,000,000.00.

7.03 Other Insurance Provisions

- (1) As to all insurance coverage required herein, any deductible or self-insured retention exceeding \$5,000.00 shall be disclosed to and be subject to written approval by District.
- (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Contractor shall maintain such insurance coverage for three (3) years after expiration of the term (and any extensions) of this Contract.
- (3) All required Automobile Liability Insurance and Comprehensive or Commercial General Liability Insurance shall contain the following endorsement as a part of each policy: "The Santa Cruz Metropolitan Transit District is hereby added as an additional insured as respects the operations of the named insured."
- (4) All the insurance required herein shall contain the following clause: "It is agreed that this insurance shall not be canceled until thirty (30) days after the District shall have been given written notice of such cancellation or reduction."
- (5) Contractor shall notify District in writing at least thirty (30) days in advance of any reduction in any insurance policy required under this Contract.
- (6) Contractor agrees to provide District at or before the effective date of this Contract with a certificate of insurance of the coverage required.
- (1) All insurance shall be obtained from brokers or carriers authorized to transact business in California and are satisfactory to the District.

8. RESERVED

9. NO DISCRIMINATION

In connection with the performance of services provided under this Contract, Contractor shall not on the grounds of race, color, creed, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition or disability discriminate or permit discrimination against any person or group of persons in any manner prohibited by Federal, State, or local laws.

10. DISADVANTAGED BUSINESS ENTERPRISES

The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE's) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the Contractor shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

11. PROMPT PAYMENT

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contractor receives from District. The prime contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the District. This applies to both DBE and non-DBE subcontractors.

Prime subcontractors must include the prompt payment language of paragraph 1 in all subcontracts, regardless of subcontractor's DBE status. Failure of a prime contractor to uphold prompt payment requirements for subcontractors will result in District withholding reimbursement for completed work.

12. RESERVED

13. MISCELLANEOUS PROVISIONS

13.01 Successors and Assigns

The Contract shall inure to the benefit of, and be binding upon, the respective successors and assigns, if any, of the parties hereto, except that nothing contained in this Article shall be construed to permit any attempted assignment which would be unauthorized or void pursuant to any other provision of this Contract.

13.02 Survival of Rights and Obligations

In the event of termination, the rights and obligations of the parties which by their nature survive termination of the services covered by this Contract shall remain in full force and effect after termination. Compensation and revenues due from one party to the other under this Contract shall be paid; loaned equipment and material shall be returned to their respective owners; the duty to maintain and allow inspection of books, accounts, records and data shall be extended as provided in Section 13.15; and the hold harmless agreement contained in Article 6 shall survive.

13.03 Limitation on District Liability

The District's liability is, in the aggregate, limited to the total amount payable under this Contract.

13.04 Drug and Alcohol Policy

Contractor shall not use, possess, manufacture, or distribute alcohol or illegal drugs during the performance of the Contract or while on District premises or distribute same to District employees.

13.05 Publicity

Contractor agrees to submit to District all advertising, sales promotion, and other public matter relating to any service furnished by Contractor wherein the District's name is mentioned or language used from which the connection of District's name therewith may, within reason, be inferred or implied. Contractor further agrees not to publish or use any such advertising, sales promotion or publicity matter without the prior written consent of District.

13.06 Consent to Breach Not Waiver

No provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.

13.07 Attorneys' Fees

In the event that suit is brought to enforce or interpret any part of this Contract, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, a reasonable attorney's fee to be fixed by the court. The "prevailing party" shall be the party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover its costs shall not recover attorney's fees. No sum for attorney's fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover its costs or attorney's fees.

13.08 No Conflict of Interest

Contractor represents that it currently has no interest, and shall not have any interest, direct or indirect, that would conflict in any manner with the performance of services required under this Contract.

13.09 Prohibition of Discrimination against Qualified Handicapped Persons

Contractor shall comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in federally-assisted programs.

13.10 Cal OSHA/Hazardous Substances

13.10.01 Contractor shall comply with California Administrative Code Title 8, Section 5194, and shall directly (1) inform its employees of the hazardous substances they may be exposed to while performing their work on District property, (2) ensure that its employees take appropriate protective measures, and (3) provide the District's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on District property.

13.10.02 Contractor shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, said parties shall indemnify the District against any and all damage, loss, and injury resulting from non-compliance with this Article.

13.10.03 Contractor will comply with the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) California Health and Safety Code Section 25249.5 - 25249.13. Contractor will ensure that clear and reasonable warnings are made to persons exposed to those chemicals listed by the State of California as being known to cause cancer or reproductive toxicity.

13.10.04 Contractor shall be solely responsible for any hazardous material, substance or chemical released or threatened release caused or contributed to by Contractor. Contractor shall be solely responsible for all clean-up efforts and costs.

13.11 Non-Assignment of Contract

The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of the Contract or Contractor's right, title or interest in or to the same or any part thereof without previous written consent by the District; and any such action by Contractor without District's previous written consent shall be void.

13.12 No Subcontract

Contractor shall not subcontract or permit anyone other than Contractor or its authorized staff and subcontractors to perform any of the scope of work, services or other performance required of Contractor under this Contract without the prior written consent of the District. Any such action by Contractor without District's previous consent shall be void.

13.13 Severability

If any provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect, and shall in no way be affected, impaired or invalidated.

13.14 All Amendments in Writing

No amendment to this Contract shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

13.15 Audit

This Contract is subject to audit by Federal, State, or District personnel or their representatives at no cost for a period of four (4) years after the date of expiration or termination of the Contract. Requests for audits shall be made in writing, and Contractor shall respond with all information requested within ten (10) calendar days of the date of the request. During the four-year period that the Contract is subject to audit, Contractor shall maintain detailed records substantiating all costs and expenses billed against the Contract.

13.16 Smoking Prohibited

Contractor, its employees and agents shall not smoke in any enclosed area on District premises or in a District vehicle.

13.17 Responsibility for Equipment

13.17.01 District shall not be responsible nor held liable for any damage to person or property consequent upon the use, or misuse, or failure of any equipment used by Contractor, or any of its employees, even though such equipment be furnished, rented or loaned to Contractor by District.

13.17.02 Contractor is responsible to return to the District in good condition any equipment, including keys, issued to it by the District pursuant to this Agreement. If the contractor fails or refuses to return District-issued equipment within five days of the conclusion of the contract work the District shall deduct the actual costs to repair or replace the equipment not returned from the final payment owed to contractor or take other appropriate legal action at the discretion of the District.

13.18 Grant

Contracts

13.18.01 Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements District is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

13.19 Time of the Essence

13.19.01 Time is of the essence in this Contract

PART V

CONTRACT FOR LONG TERM DISABILITY INSURANCE (04-09)

THIS CONTRACT is made effective on January 1, 2005 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and _____ ("Contractor").

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02 District's Need for Long Term Disability Insurance

District has the need for Long Term Disability Insurance. In order to obtain this insurance, the District issued a Request for Proposals, dated October 8, 2004, setting forth specifications for Long Term Disability Insurance. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Long Term Disability Insurance and whose principal place of business is _____. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Long Term Disability Insurance, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On _____, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide Long Term Disability Insurance described herein. This Contract is intended to fix the provisions of this insurance.

District and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated October 8, 2004

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the District for Long Term Disability Insurance signed by Contractor and dated November 3, 2004.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by District for this project in accordance with the Request for Proposals issued October 8, 2004.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued October 8, 2004.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed two (2) years and shall commence upon the issuance of the contract by the District.

At the option of the District, this contract agreement may be renewed for three (3) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

District shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by the District. District shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within forty-five (45) days of District written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$_____ maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by the District on a monthly basis. Contractor's invoices shall include detailed records. Expenses shall only be billed if allowed under the Contract. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address hereinunder set forth or to such other address as a party may designate by notice pursuant hereto.

DISTRICT

Santa Cruz Metropolitan Transit District
370 Encinal Street
Suite 100
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Attention: _____

7. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR

By _____

Approved as to Form:

Margaret Rose Gallagher
District Counsel

PART VI

FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS FOR NON-CONSTRUCTION CONTRACTS

1.0 GENERAL

This Contract is subject to the terms of a financial assistance contract between the Santa Cruz Metropolitan Transit District and the Federal Transit Administration (FTA) of the United States Department of Transportation.

2.0 INTEREST TO MEMBERS OF OR DELEGATES TO CONGRESS

In accordance with 18 U.S.C. 431, no member of, nor delegates to, the Congress of the United States shall be admitted to a share or part of this Contract or to any benefit arising therefrom.

3.0 INELIGIBLE CONTRACTORS

Neither Contractor, subcontractor, nor any officer or controlling interest holder of Contractor or subcontractor, is currently, or has been previously, on any debarred bidders list maintained by the United States Government.

4.0 EQUAL EMPLOYMENT OPPORTUNITY (Not applicable to contracts for standard commercial supplies and raw materials)

In connection with the execution of this Contract, the Contractor shall not discriminate against any employee or application for employment because of race, religion, color, sex, age (40 or over), national origin, pregnancy, ancestry, marital status, medical condition, physical handicap, sexual orientation, or citizenship status. The Contractor shall take affirmative action to insure that applicants employed and that employees are treated during their employment, without regard to their race, religion, color, sex national origin, etc. Such actions shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and, selection for training including apprenticeship. Contractor further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

5.0 TITLE VI CIVIL RIGHTS ACT OF 1964

During the performance of this Contract, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

5.1 Compliance with Regulations

The Contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Contract.

5.2 Nondiscrimination

The Contractor, with regard to the work performed by it during the Contract, shall not discriminate on the grounds of race, religion, color, sex, age or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited in Section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the regulations.

5.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment

In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the grounds of race, religion, color, sex, age or national origin.

5.4 Information and Reports

The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the District or the Federal Transit Administration (FTA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information is required or a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the District, or the Federal Transit Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

5.5 Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, the District shall impose such contract sanctions as it or the Federal Transit Administration may determine to be appropriate, including, but not limited to:

- (a) Withholding of payments to the Contractor under the Contract until the Contractor complies; and/or,
- (b) Cancellation, termination or suspension of the Contract, in whole or in part.

5.6 Incorporation of Provisions

The Contractor shall include the provisions of Paragraphs (1) through (6) of this section in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as the District or the Federal Transit Administration may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Contractor may require the District to enter into such litigation to protect the interests of the District, and, in addition, the Contractor may request the services of the Attorney General in such litigation to protect the interests of the United States.

6.0 CLEAN AIR AND FEDERAL WATER POLLUTION CONTROL ACTS (Applicable only to contracts in excess of \$100,000)

Contractor shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 USC 1857[h]), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR, Part 15), which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Contractor shall report all violations to FTA and to the USEPA Assistant Administrator for Enforcement (EN0329).

7.0 CONSERVATION

Contractor shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC Section 6321, et seq.).

8.0 AUDIT AND INSPECTION OF RECORDS (Applicable only to sole source or negotiated contracts in excess of \$10,000)

Contractor agrees that the District, the Comptroller General of the United States, or any of their duly authorized representatives shall, for the purpose of audit and examination, be permitted to inspect all work, materials, payrolls and other data and records with regard to the project, and to audit the books, records and accounts with regard to the project. Further, Contractor agrees to maintain all required records for at least three years after District makes final payments and all other pending matters are closed.

9.0 LABOR PROVISIONS (Applicable only to contracts of \$2,500.00 or more that involve the employment of mechanics or laborers)

9.1 Overtime Requirements

No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to work in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half (1 1/2) times the basic rate of pay for all hours worked in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week, whichever is greater.

9.2 Violation; Liability for Unpaid Wages; Liquidated Damages

In the event of any violation of the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such district or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (b)(1) of which such individual was required or permitted to work in excess of eight (8) hours in excess of the standard work week of forty (40) hours without payment of the overtime wages required by the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5.

9.3 Withholding for Unpaid Wages and Liquidated Damages

DOT or the District shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b)(2) of 29 CFR Section 5.5.

9.4 Nonconstruction Grants

The Contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three (3) years from the completion of

the Contract for all laborers and mechanics, including guards and watchmen, working on the Contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made and actual wages paid. Further, the District shall require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the Contractor or subcontractor for inspection, copying or transcription by authorized representatives of DOT and the Department of Labor, and the Contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

9.5 Subcontracts

The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (5) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (5) of this paragraph.

10.0 CARGO PREFERENCE (Applicable only to Contracts under which equipment, materials or commodities may be transported by ocean vehicle in carrying out the project)

The Contractor agrees:

- 10.1 To utilize privately owned United States-flag commercial vessels to ship at least fifty percent (50%) of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, materials or commodities pursuant to this section, to the extent such vessels are available at fair and reasonable rates for United States- flag commercial vessels.
- 10.2 To furnish within 30 days following the date of loading for shipments originating within the United States, or within thirty (30) working days following the date of loading for shipment originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (1) above, to the District (through the prime Contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, 400 Seventh Street, S.W., Washington D. C. 20590, marked with appropriate identification of the project.
- 10.3 To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this Contract.

11.0 BUY AMERICA PROVISION

This procurement is subject to the Federal Transportation Administration Buy America Requirements in 49 CFR 661. A Buy America Certificate, if required format (see Form of Proposal or Bid Form) must be completed and submitted with the proposal. A proposal that does not include the certificate shall be considered non-responsive. A waiver from the Buy America Provision may be sought by the District if grounds for the waiver exist. Section 165a of the Surface Transportation Act of 1982 permits FTA participation on this Contract only if steel and manufactured products used in the Contract are produced in the United States. In order for rolling stock to qualify as a domestic end product, the cost of components produced in the United States must exceed sixty percent (60%) of the cost of all components, and final assembly must take place in the United States.

12.0 DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

12.1 Policy

It is the policy of the U.S. Department of Transportation that Disadvantaged Business Enterprises as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 23 apply to this Agreement.

12.2 DBE Obligation

District and Contractor agree to insure that Disadvantaged Business Enterprises as defined in 49 CFR Part 23 have the maximum opportunity to participate in the performance of contracts and subcontracts under this Agreement. In this regard, District and Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to insure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform Contracts. District and Contractor shall not discriminate on the basis of race, creed, color, national origin, age or sex in the award and performance of DOT-assisted Contracts.

12.3 Transit Vehicle Manufacturers

Transit vehicle manufacturers must certify compliance with DBE regulations.

13.0 CONFLICT OF INTEREST

No employee, officer or agent of the District shall participate in selection, or in the award of administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when (1) the employee, officer or agent; (2) any member of his or her immediate family; (3) his or her partner; or (4) an organization that employs, or is about to employ, has a financial or other interest in the firm selected for award. The District's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Contractors, potential Contractors or parties of sub agreements.

14.0 MOTOR VEHICLE EMISSION REQUIREMENTS (Applicable only to Contracts involving the purchase of new motor vehicles)

The Contractor must provide a certification that:

- (a) The horsepower of the vehicle is adequate for the speed, range, and terrain in which it will be required and also to meet the demands of all auxiliary equipment.
- (b) All gases and vapors emanating from the crankcase of a spark-ignition engine are controlled to minimize their escape into the atmosphere.
- (c) Visible emission from the exhaust will not exceed No. 1 on the Ringlemann Scale when measured six inches (6") from the tail pipe with the vehicle in steady operation.
- (d) When the vehicle has been idled for three (3) minutes and then accelerated to eighty percent (80%) of rated speed under load, the opacity of the exhaust will not exceed No. 2 on the Ringlemann Scale for more than five (5) seconds, and not more than No. 1 on the Ringlemann Scale thereafter.

15.0 MOTOR VEHICLE SAFETY STANDARDS (Applicable only to contracts involving the purchase of new motor vehicles)

The Contractor will assure that the motor vehicles purchased under this contract will comply with the Motor Vehicle Safety Standards as established by the Department of Transportation at 49 CFR Parts 390 and 571.

16.0 DEBARRED BIDDERS

The Contractor, including any of its officers or holders of a controlling interest, is obligated to inform the District whether or not it is or has been on any debarred bidders' list maintained by the United States Government. Should the Contractor be included on such a list during the performance of this project, Contractor shall so inform the District.

17.0 PRIVACY (Applicable only to Contracts involving the administration of any system of records as defined by the Privacy Act of 1974, on behalf of the Federal Government)

17.1 General

The District and Contractor agree:

- (a) To comply with the Privacy Act of 1974, 5 U.S.C. 552a (the Act) and the rules and regulations issued pursuant to the Act when performance under the Contract involves the design, development or operation of any system of records on individuals to be operated by the District, its contractors or employees to accomplish a Government function.
- (b) To notify the Government when the District or Contractor anticipates operating a system of records on behalf of the Government in order to accomplish the requirements of this Agreement, if such system contains information about individuals which information will be retrieved by the individual's name or other identifier assigned to the individual. A system of records subject to the Act may not be employed in the performance of this Agreement until the necessary approval and publication requirements applicable to the system have been carried out. The District or Contractor, as appropriate, agrees to correct, maintain, disseminate, and use such records in accordance with the requirements of the Act, and to comply with all applicable requirements of the Act.
- (c) To include the Privacy Act Notification contained in this Agreement in every subcontract solicitation and in every subcontract when the performance of Work under the proposed subcontract may involve the design, development or operation of a system of records on individuals that is to be operated under the Contract to accomplish a Government function; and
- (d) To include this clause, including this paragraph in all in subcontracts under which Work for this Agreement is performed or which is awarded pursuant to this Agreement or which may involve the design, development, or operation of such a system of records on behalf of the Government.

17.2 Applicability

For purposes of the Privacy Act, when the Agreement involves the operation of a system of records on individuals to accomplish a Government function, the District, third party contractors and any of their employees are considered to be employees of the Government with respect to the Government function and the requirements of the Act, including the civil and criminal penalties for violations of the Act, are applicable except that the criminal penalties shall not apply with regard to contracts effective prior to September 27, 1975. In addition, failure to comply with the provisions of the Act or of this clause will make this Agreement subject to termination.

17.3 Definitions

The terms used in this clause have the following meanings:

- (a) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records on behalf of the Government including the collection, use and dissemination of records.
- (b) "Records" means any item, collection or grouping of information about an individual that is maintained by the District or Contractor on behalf of the Government, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.
- (c) "System of records" on individuals means a group of any records under the control of the District or Contractor on behalf of the Government from which information is retrieved by the name of the individual or by some identifying number, symbol or other identifying particular assigned to the individual.

18.0 PATENT RIGHTS (Applicable only to research and development contracts)

If any invention, improvement or discovery of the District or contractors or subcontractors is conceived or first actually reduced to practice in the course of or under this project which invention, improvement, or discovery may be patentable under the Patent Laws of the United States of America or any foreign country, the District (with appropriate assistance of any contractor or subcontractor involved) shall immediately notify the Government (FTA) and provide a detailed report. The rights and responsibilities of the District, third party contractors and subcontractors and the Government with respect to such invention will be determined in accordance with applicable Federal laws, regulations, policies and any waivers thereof.

19.0 RIGHTS IN DATA (Applicable only to research and development contracts)

The term "subject data" as used herein means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under this Contract. The term includes graphic or pictorial delineation in media such as drawings or photographs; text in specifications or related performance or design-type documents, machine forms such as punched cards, magnetic tape or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications and related information. The term does not include financial reports, cost analyses and similar information incidental to contract administration.

All "subject data" first produced in the performance of this Agreement shall be the sole property of the Government. The District and Contractor agree not to assert any rights at common law or equity and not to establish any claim to statutory copyright in such data. Except for its own internal use, the District and Contractor shall not publish or reproduce such data in whole or in part, or in any manner or form, nor authorize others to do so, without the written consent of the Government until such time as the Government may have released such data to the public. This restriction, however, does not apply to Agreements with academic institutions.

The District and Contractor agree to grant and do hereby grant to the Government and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free, non-exclusive and irrevocable license throughout the world:

- (a) To publish, translate, reproduce, deliver, perform, use and dispose of, in any manner, any and all data not first produced or composed in the performance of this Contract but which is incorporated in the work furnished under this Contract; and
- (b) To authorize others so to do.

District and Contractor shall indemnify and save and hold harmless the Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by the District and Contractor of proprietary rights, copyrights or

rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use, or disposition of any data furnished under this Contract.

Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

The third and fourth paragraphs under Section 19.0 above are not applicable to material furnished to the District or Contractor by the Government and incorporated in the work furnished under the Contract, provided that such incorporated material is identified by the District or Contractor at the time of delivery of such work.

In the event that the project, which is the subject of this Agreement, is not completed, for any reason whatsoever, all data generated under that project shall become subject data as defined in the Rights in Data clause in this Contract and shall be delivered as the Government may direct. This clause shall be included in all subcontracts under this Contract.

20.0 NEW RESTRICTIONS ON LOBBYING

20.1 Prohibition

- (a) Section 1352 of Title 31, U.S. Code, provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) The prohibition does not apply as follows:
 - (i) Agency and legislative liaison by Own Employees.
 - (ii) Professional and technical services by Own Employees.
 - (iii) Reporting for Own Employees.
 - (iv) Professional and technical services by Other than Own Employees.

20.2 Disclosure

- (a) Each person who requests or receives from an agency a Federal contract shall file with that agency a certification, included in Form of Proposal or Bid Forms, that the person has not made, and will not make, any payment prohibited by Section 20.1 of this clause.
- (b) Each person who requests or receives from an agency a Federal contract shall file with that agency a disclosure form, Standard Form-LLL, "Disclosure of Lobbying Activities," if such person has made or has agreed to make any payment using non- appropriated funds (to include profits from any covered Federal action), which would be prohibited under Section 20.1 of this clause if paid for with appropriated funds.
- (c) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraph (c)(2) of this section. An event that materially affects the accuracy of the information reported includes:

- (i) a cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
 - (ii) a change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or
 - (iii) a change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.
- (d) Any person who requests or receives from a person referred to in paragraph (c)(i) of this section a subcontract exceeding \$100,000 at any tier under a Federal contract shall file a certification, and a disclosure form, if required, to the next tier above.
- (e) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraph (c)(i) of this section. That person shall forward all disclosure forms to the agency.

20.3 Agreement

In accepting any contract resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

20.4 Penalties.

- (a) Any person who makes an expenditure prohibited under Section 20.1 of this clause shall be subject to a civil penalty of not less than \$10,000 for each such expenditure.
- (b) Any person who fails to file or amend the disclosure form to be filed or amended if required by this clause, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- (c) Contractors may rely without liability on the representations made by their sub- contractors in the certification and disclosure form.

20.5 Cost allowability

Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of Part 31 of the Federal Acquisition Regulation.

PART VII

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT PROTEST PROCEDURES

PROCUREMENT PROTESTS

All protests shall be filed, handled and resolved in a manner consistent with the requirements of Federal Transit Administration (FTA) Circular 4220.1E Third Party Contracting Guidelines dated June 19, 2003 and the Santa Cruz Metropolitan Transit District's (DISTRICT) Protest Procedures which are on file and available upon request.

Current FTA Policy states that: "Reviews of protests by FTA will be limited to:

- (1) a grantee's failure to have or follow its protest procedures, or its failure to review a complaint or protest; or
- (2) violation of Federal law or regulation.

An appeal to FTA must be received by the cognizant FTA regional or Headquarters Office within five (5) working days of the date the protester learned or should have learned of an adverse decision by the grantee or other basis of appeal to FTA" (FTA Circular 4220.1E, Section 7, paragraph 1., Written Protest Procedures)

Protests relating to the content of this Request for Proposal (RFP) package must be filed within ten (10) calendar days after the date the RFP is first advertised. Protests relating to a recommendation for award solicited by this RFP must be filed by an interested party within five (5) calendar days after the staff's written recommendation and notice of intent to award is issued to the offerors. The date of filing shall be the date of receipt of protests or appeals by the DISTRICT.

All Protests shall be filed in writing with the Assistant General Manager, Santa Cruz Metropolitan Transit District, 370 Encinal Street, Suite 100, Santa Cruz, CA 95060. No other location shall be acceptable. The DISTRICT will respond in detail to each substantive issue raised in the protest. The Assistant General Manager shall make a determination on the protest normally within ten (10) working days from receipt of protest. Any decision rendered by the Assistant General Manager may be appealed to the Board of Directors. The Protester has the right within five (5) working days of receipt of determination to file an appeal restating the basis of the protest and the grounds of the appeal. In the appeal, the Protester shall only be permitted to raise factual information previously provided in the protest or discovered subsequent to the Assistant General Manager's decision and directly related to the grounds of the protest. The Board of Directors has the authority to make a final determination and the Board of Director's decision shall constitute the DISTRICT's final administrative remedy.

In the event the protestor is not satisfied with the DISTRICT's final administrative determination, they may proceed within 90 days of the final decision to State Court for judicial relief. The Superior Court of the State of California for the County of Santa Cruz is the appropriate judicial authority having jurisdiction over Proposal Protest(s) and Appeal(s). Bid includes the term "offer" or "proposal" as used in the context of negotiated procurements.

The Offeror may withdraw its protest or appeal at any time before the DISTRICT issues a final decision.

Should the DISTRICT postpone the date of proposal submission owing to a protest or appeal of the solicitation specifications, addenda, dates or any other issue relating to this procurement, the DISTRICT shall notify, via addendum, all parties who are on record as having obtained a copy of the solicitation documents that an appeal/protest had been filed, and the due date for proposal submission shall be postponed until the DISTRICT has issued its final decision.

A letter of protest must set forth the grounds for protest and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protestor is responsible for adhering to the DISTRICT's protest procedures.

An Offeror may seek FTA review of the DISTRICT's decision. A protest appeal to the FTA must be filed in accordance with the provisions of FTA circular 4220.1E. Any appeal to the FTA shall be made not later than five (5) working days after a final decision is rendered under the DISTRICT's protest procedure. Protest appeals should be filed with:

Federal Transit Administration
Regional Administrator Region IX
201 Mission Street, Suite 2210
San Francisco, CA 94105-1839

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**Request for Proposals (RFP)
For Long Term Disability Insurance**

District RFP NO. 04-09

Date Issued: October 8, 2004

Proposal Deadline: 5:00 P.M., November 3, 2004



**ATTACHMENT A
EMPLOYEE CENSUS**

EMPLOYEE CENSUS AS OF OCTOBER 6, 2004**MANAGEMENT EMPLOYEES**

REPCODE	DOB	AGE	SEX	SALARY
M	3/23/1945	59.58	F	\$42.68
M	3/8/1947	57.62	M	\$48.76
M	12/14/1947	56.85	M	\$72.38
M	11/1/1949	54.97	M	\$51.08
M	8/23/1950	54.16	F	\$51.08
M	12/26/1950	53.82	F	\$68.93
M	5/31/1951	53.39	M	\$59.68
M	9/10/1952	52.11	M	\$41.46
M	11/2/1952	51.96	F	\$38.80
M	12/23/1954	49.82	M	\$33.57
M	10/1/1955	49.05	M	\$29.65
M	6/24/1961	43.32	F	\$42.16
M	3/31/1965	39.55	M	\$51.64
M	3/4/1967	37.62	M	\$35.98
M	3/11/1976	28.59	M	\$33.57
M	3/4/1967	37.62	M	\$35.98
M	3/11/1976	28.59	M	\$33.57

ADMINISTRATIVE AND MAINTENANCE (SEIU) (P,S,V)

REPCODE	DOB	AGE	SEX	SALARY
P	12/7/1944	59.87	M	\$30.13
P	6/5/1947	57.38	M	\$30.13
P	8/14/1948	56.18	M	\$30.13
P	10/27/1948	55.98	M	\$30.13
P	12/16/1949	54.84	M	\$34.42
P	9/24/1950	54.07	M	\$31.29
P	9/26/1951	53.07	F	\$28.69
P	5/1/1952	52.47	F	\$26.08
P	8/18/1953	51.17	M	\$30.13
P	7/12/1954	50.27	M	\$30.13
P	3/22/1955	49.58	M	\$26.08
P	9/14/1957	47.09	M	\$31.67
P	4/4/1959	45.54	M	\$28.69
P	4/18/1960	44.50	M	\$23.68
P	9/9/1960	44.10	M	\$32.90
P	3/29/1963	41.55	F	\$30.13
S	6/18/1942	62.35	F	\$29.05
S	3/16/1943	61.60	M	\$18.71
S	5/2/1945	59.47	M	\$24.73
S	12/22/1945	58.83	F	\$24.16
S	3/18/1946	58.59	F	\$20.28
S	12/14/1946	57.85	F	\$17.15

S	9/2/1947	57.13	M	\$32.78
S	2/10/1948	56.69	M	\$18.40
S	2/24/1948	56.65	M	\$24.54
S	9/6/1948	56.12	F	\$22.34
S	6/10/1949	55.36	M	\$16.26
S	10/14/1950	54.02	M	\$19.06
S	11/13/1950	53.93	M	\$26.72
S	4/15/1951	53.52	M	\$18.77
S	3/12/1952	52.61	M	\$23.83
S	9/29/1952	52.05	F	\$21.96
S	2/21/1953	51.66	M	\$27.13
S	9/14/1953	51.10	M	\$17.06
S	3/16/1954	50.59	F	\$24.88
S	5/11/1954	50.44	M	\$23.72
S	7/12/1954	50.27	F	\$32.90
S	5/11/1954	50.44	M	\$23.72
S	7/12/1954	50.27	F	\$32.90
S	8/2/1954	50.21	M	\$17.89
S	7/25/1955	49.24	F	\$15.89
S	11/2/1955	48.96	M	\$21.02
S	12/25/1955	48.82	M	\$20.97
S	6/15/1956	48.34	M	\$32.90
S	8/5/1956	48.20	M	\$32.27
S	11/2/1956	47.96	F	\$17.06
S	11/11/1956	47.93	F	\$22.31
S	10/3/1957	47.04	M	\$24.54
S	12/2/1957	46.88	M	\$15.44
S	10/27/1958	45.98	F	\$18.63
S	8/12/1959	45.18	F	\$20.27
S	1/14/1960	44.76	M	\$24.62
S	3/15/1960	44.59	M	\$18.77
S	3/31/1960	44.55	F	\$20.49
S	4/20/1960	44.49	F	\$23.41
S	6/27/1960	44.31	M	\$16.26
S	7/14/1961	43.26	F	\$22.20
S	8/12/1961	43.18	M	\$21.66
S	12/8/1961	42.86	F	\$20.28
S	8/10/1962	42.19	F	\$24.57
S	9/29/1962	42.05	F	\$21.31
S	6/9/1963	41.36	F	\$21.96
S	7/2/1964	40.29	M	\$14.04
S	12/25/1964	39.81	F	\$21.96
S	8/30/1965	39.13	F	\$17.01
S	10/21/1965	38.99	M	\$20.27
S	4/3/1966	38.54	M	\$17.01
S	5/28/1966	38.39	F	\$21.96
S	9/1/1966	38.12	F	\$19.11
S	10/29/1966	37.96	F	\$23.05

S	11/25/1967	36.89	F	\$17.97
S	1/17/1968	36.75	M	\$17.89
S	8/15/1968	36.17	F	\$21.23
S	12/25/1968	35.81	M	\$18.77
S	5/8/1969	35.44	M	\$18.77
S	4/24/1971	33.48	M	\$26.77
S	5/8/1969	35.44	M	\$18.77
S	4/24/1971	33.48	M	\$26.77
S	11/24/1971	32.89	F	\$24.47
S	8/25/1974	30.14	M	\$18.16
S	9/11/1974	30.09	M	\$17.06
V	6/18/1944	60.34	M	\$25.24
V	10/6/1947	57.04	M	\$27.56
V	11/19/1949	54.92	M	\$27.77
V	1/21/1950	54.75	M	\$27.77
V	9/24/1950	54.07	M	\$20.71
V	1/4/1951	53.79	M	\$30.55
V	11/8/1951	52.95	M	\$27.76
V	1/11/1953	51.77	M	\$30.55
V	3/7/1953	51.62	M	\$27.76
V	9/11/1953	51.10	M	\$25.24
V	5/24/1955	49.41	M	\$19.94
V	7/16/1955	49.26	M	\$29.10
V	2/12/1957	47.68	M	\$29.10
V	6/6/1957	47.37	M	\$20.90
V	6/7/1958	46.36	M	\$30.55
V	9/1/1959	45.13	M	\$27.76
V	11/13/1959	44.93	M	\$27.77
V	12/3/1959	44.87	M	\$29.16
V	2/25/1960	44.64	M	\$22.11
V	12/3/1959	44.87	M	\$29.16
V	2/25/1960	44.64	M	\$22.11
V	5/21/1960	44.41	M	\$29.10
V	4/24/1961	43.48	M	\$25.24
V	6/10/1962	42.35	M	\$27.76
V	7/25/1973	31.22	M	\$25.24
V	3/27/1976	28.55	M	\$20.90
V	2/9/1980	24.67	M	\$19.94
V	7/9/1980	24.26	M	\$22.98

BUS OPERATORS (UTU)

REPCODE	DOB	AGE	SEX	SALARY
U	12/26/1947	56.82	M	\$24.80
U	1/12/1948	56.77	F	\$24.80
U	2/10/1948	56.69	M	\$24.80
U	3/14/1948	56.60	M	\$24.80
U	5/25/1948	56.41	F	\$23.62
U	5/28/1948	56.40	M	\$20.12
U	6/14/1948	56.35	M	\$22.46
U	9/6/1948	56.12	M	\$24.80
U	11/16/1948	55.93	F	\$24.80
U	9/6/1948	56.12	M	\$24.80
U	11/16/1948	55.93	F	\$24.80
U	12/20/1948	55.83	F	\$24.80
U	1/19/1949	55.75	M	\$24.80
U	3/19/1949	55.59	M	\$22.46
U	4/3/1949	55.55	F	\$24.80
U	4/8/1949	55.53	M	\$24.80
U	5/23/1949	55.41	M	\$22.46
U	6/27/1949	55.32	M	\$21.29
U	6/27/1949	55.32	M	\$24.80
U	8/7/1949	55.20	F	\$24.80
U	10/2/1949	55.05	F	\$22.46
U	1/21/1950	54.75	M	\$24.80
U	2/23/1950	54.65	M	\$24.80
U	4/25/1950	54.49	M	\$24.80
U	6/22/1950	54.33	F	\$23.62
U	8/18/1950	54.17	M	\$24.80
U	10/14/1950	54.02	M	\$23.62
U	10/20/1950	54.00	M	\$23.62
U	10/31/1950	53.97	M	\$24.80
U	12/3/1950	53.88	M	\$24.80
U	2/9/1951	53.69	F	\$23.62
U	5/29/1951	53.39	M	\$24.80
U	6/15/1951	53.35	M	\$24.80
U	7/10/1951	53.28	F	\$24.80
U	7/16/1951	53.26	M	\$23.62
U	12/4/1951	52.88	M	\$24.80
U	12/9/1951	52.86	M	\$22.46
U	12/23/1951	52.82	F	\$24.80
U	1/8/1952	52.78	M	\$24.80
U	1/19/1952	52.75	M	\$24.80
U	3/21/1952	52.58	M	\$24.80
U	4/2/1952	52.55	M	\$21.29
U	4/3/1952	52.55	M	\$24.80
U	6/26/1952	52.32	F	\$24.80
U	10/14/1952	52.01	M	\$24.80

U	10/21/1952	51.99	M	\$21.29
U	12/7/1952	51.87	M	\$24.80
U	1/24/1953	51.73	M	\$24.80
U	12/7/1952	51.87	M	\$24.80
U	1/24/1953	51.73	M	\$24.80
U	1/29/1953	51.72	M	\$24.80
U	4/6/1953	51.54	M	\$24.80
U	9/15/1953	51.09	F	\$23.62
U	1/1/1954	50.80	F	\$22.46
U	1/21/1954	50.74	F	\$24.80
U	2/9/1954	50.69	F	\$24.80
U	3/8/1954	50.62	M	\$24.80
U	4/13/1954	50.52	M	\$24.80
U	5/25/1954	50.40	F	\$20.12
U	6/3/1954	50.38	F	\$24.80
U	7/19/1954	50.25	M	\$24.80
U	8/8/1954	50.20	F	\$24.80
U	10/21/1954	49.99	F	\$24.80
U	12/20/1954	49.83	M	\$24.80
U	1/30/1955	49.72	M	\$24.80
U	2/17/1955	49.67	M	\$24.80
U	5/3/1955	49.46	M	\$24.80
U	5/25/1955	49.40	M	\$21.29
U	6/18/1955	49.34	M	\$24.80
U	7/7/1955	49.28	M	\$23.62
U	8/5/1955	49.21	M	\$21.29
U	9/30/1955	49.05	M	\$23.62
U	11/15/1955	48.93	F	\$24.80
U	1/16/1956	48.76	F	\$24.80
U	1/21/1956	48.74	M	\$20.12
U	3/9/1956	48.61	M	\$24.80
U	5/10/1956	48.44	M	\$24.80
U	10/29/1956	47.97	M	\$24.80
U	11/24/1956	47.90	M	\$24.80
U	6/7/1957	47.36	F	\$21.29
U	6/8/1957	47.36	M	\$24.80
U	6/20/1957	47.33	M	\$21.29
U	7/9/1957	47.28	M	\$24.80
U	7/25/1957	47.23	M	\$21.29
U	9/24/1957	47.07	F	\$23.62
U	11/21/1957	46.91	M	\$22.46
U	6/3/1958	46.38	M	\$24.80
U	11/21/1957	46.91	M	\$22.46
U	6/3/1958	46.38	M	\$24.80
U	10/6/1958	46.03	M	\$22.46
U	1/7/1959	45.78	M	\$23.62
U	2/23/1959	45.65	M	\$20.12
U	5/19/1959	45.42	M	\$24.80

U	8/30/1959	45.13	M	\$17.82
U	10/10/1959	45.02	M	\$20.12
U	10/13/1959	45.01	M	\$24.80
U	10/15/1959	45.01	M	\$24.80
U	2/3/1960	44.70	M	\$23.62
U	2/9/1960	44.69	M	\$21.29
U	4/7/1960	44.53	M	\$24.80
U	5/16/1960	44.42	M	\$21.29
U	8/29/1960	44.13	M	\$24.80
U	9/22/1960	44.07	F	\$17.82
U	10/13/1960	44.01	M	\$17.82
U	12/9/1960	43.85	M	\$24.80
U	6/11/1961	43.35	M	\$24.80
U	6/11/1961	43.35	M	\$24.80
U	8/29/1961	43.13	M	\$20.12
U	9/14/1961	43.09	M	\$24.80
U	11/20/1961	42.91	M	\$22.46
U	12/5/1961	42.87	M	\$22.46
U	3/1/1962	42.63	M	\$21.29
U	3/21/1962	42.58	F	\$24.80
U	4/25/1962	42.48	F	\$21.29
U	5/9/1962	42.44	M	\$21.29
U	8/13/1962	42.18	M	\$23.62
U	12/3/1962	41.87	F	\$23.62
U	1/8/1963	41.77	M	\$24.80
U	2/9/1963	41.68	F	\$24.80
U	7/2/1963	41.29	F	\$24.80
U	3/13/1964	40.59	M	\$23.62
U	5/18/1964	40.41	M	\$22.46
U	7/26/1964	40.22	M	\$24.80
U	9/3/1964	40.12	M	\$20.12
U	1/3/1965	39.78	M	\$22.46
U	2/21/1965	39.65	M	\$21.29
U	1/3/1965	39.78	M	\$22.46
U	2/21/1965	39.65	M	\$21.29
U	7/30/1965	39.21	F	\$24.80
U	3/30/1966	38.55	F	\$24.80
U	12/16/1966	37.83	F	\$24.80
U	6/23/1967	37.32	M	\$22.46
U	10/12/1967	37.01	F	\$17.82
U	1/29/1968	36.71	F	\$21.29
U	1/31/1968	36.71	M	\$24.80
U	2/29/1968	36.63	M	\$24.80
U	3/7/1968	36.61	M	\$21.29
U	7/13/1969	35.26	M	\$24.80
U	5/20/1970	34.41	F	\$20.12
U	9/22/1970	34.06	M	\$23.62
U	9/22/1972	32.06	M	\$17.82

U	8/23/1975	29.14	M	\$20.12
U	10/13/1975	29.00	M	\$23.62
U	9/30/1978	26.04	F	\$20.12
U	2/15/1979	25.66	M	\$17.82
U	11/29/1980	23.87	M	\$17.82

PARATRANSIT OPERATORS & STAFF (UTU)

REPCODE	DOB	AGE	SEX	SALARY
A	2/17/1942	62.68	F	\$12.11
A	5/5/1944	60.46	F	\$11.78
A	8/7/1947	57.21	M	\$11.78
A	8/9/1949	55.20	F	\$12.52
A	9/24/1950	54.07	F	\$12.06
A	1/29/1953	51.72	F	\$14.23
A	7/6/1953	51.29	F	\$11.92
A	9/22/1953	51.07	F	\$12.06
A	3/15/1956	48.59	F	\$11.19
A	1/15/1957	47.76	F	\$11.92
A	4/16/1958	46.51	F	\$18.25
A	5/14/1960	44.43	F	\$12.18
A	1/10/1965	39.76	M	\$11.78
A	11/30/1966	37.88	F	\$11.00
A	12/14/1966	37.84	F	\$12.06
A	7/13/1967	37.26	F	\$12.11
A	7/19/1969	35.24	F	\$11.00
A	5/12/1970	34.43	M	\$14.82
A	11/22/1970	33.90	M	\$11.45
A	6/20/1976	28.32	M	\$13.36
A	1/15/1979	25.74	F	\$12.18
A	8/25/1980	24.13	F	\$11.00
A	9/8/1981	23.09	F	\$11.00
A	12/11/1981	22.84	F	\$11.00

*Santa Cruz Metropolitan
Transit District*



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADDENDUM NO. 1

REQUEST FOR PROPOSALS (RFP) NO. 04-09

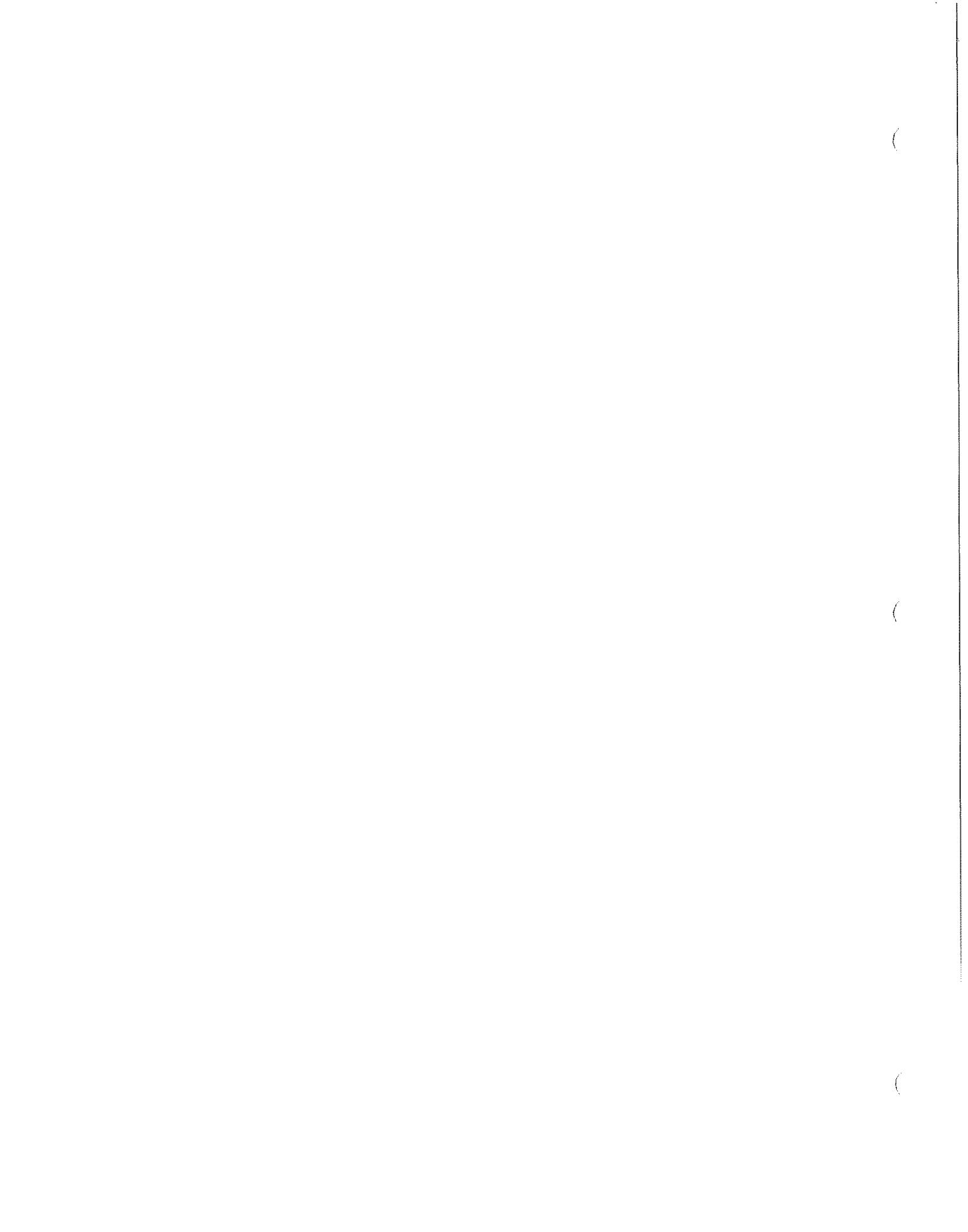
FOR LONG TERM DISABILITY INSURANCE

October 27, 2004

Receipt of this Addendum No. 1 shall be acknowledged in your proposal response. Any adjustment resulting from this addendum shall be included in the RFP. Where in conflict, the terms and conditions of this addendum supersede those in the Request for Proposal.

1. Question: what is the current rate being paid by the District? *Answer: \$1.22/\$100 of covered payroll for Management, Administrative & Maintenance Employees; \$1.66/\$100 of covered payroll for Bus Drivers.*
2. Question: What forms of deductible income do your employees currently participate in? *Answer: The District offers a Workers Compensation Program and employees pay into SDI and PERS.*
3. Request was made for copies of the current specific design plan booklets. *Answer: See attached three booklets (one for Management, one for Administrative & Maintenance Employees; and one for Bus Drivers).*
4. Request was made for a detailed claims report that would show the incurred date, paid benefits and reserve information per claim. Report would include information up to September 1, 2004. *Answer: See attached claims report.*

Lloyd Longnecker
District Buyer





Santa Cruz Metropolitan Transit District

Your Group Long Term Disability Plan

Policy No. 359237.002

Management

Underwritten by Unum Life Insurance Company of America

03-2003

Management

TABLE OF CONTENTS

CERTIFICATE OF COVERAGE	1
PLAN OUTLINE	2
TERMS YOU SHOULD KNOW	4
ENROLLMENT AND DATE INSURANCE STARTS	7
DISABILITY	8
RECURRENT DISABILITY	10
SURVIVOR BENEFIT	10
GENERAL EXCLUSIONS	11
PRE-EXISTING CONDITION EXCLUSION	11
MENTAL ILLNESS, ALCOHOLISM, AND DRUG ABUSE LIMITATION	12
CONTINUITY OF COVERAGE UPON TRANSFER OF INSURANCE CARRIERS	12
CONVERSION PRIVILEGE	13
TERMINATION	14
SOME GENERAL INFORMATION TO KNOW	15
CALIFORNIA CONTACT NOTICE	17

CERTIFICATE OF COVERAGE

Unum Life Insurance Company of America (referred to as "we," "our" and "us") welcomes your employer as a client.

This is your certificate of coverage as long as you are eligible for insurance and you become and remain insured. Keep it in a safe place.

A few words about this certificate of coverage.....

We have written it in plain English. But a few terms and provisions are written as required by insurance law. You will want to read it carefully. If you have any questions about any terms and provisions, please contact the Insurance Administrator at your work location or write to our claims paying office. We will assist you in any way we can to help you understand your benefits.

Also, if the terms of your certificate of coverage and the policy differ, the policy will govern. Your coverage may be terminated or modified in whole or in part under the terms and provisions of the policy.



President

PLAN OUTLINE

Description of Eligible Classes

Each employee employed in a position designated by the policyholder as Management

Amount of Insurance

- The lesser of:
 1. 60% of basic monthly earnings; or
 2. 70% of basic monthly earnings less other income benefits; or
 3. the maximum monthly benefit.

Note: This benefit is subject to reductions for earnings as provided in the section titled "How is the benefit figured?"
- The maximum monthly benefit is \$5,000.
- The minimum monthly benefit is the greater of:
 1. \$100.00; or
 2. 10% of the monthly benefit before deductions for other income benefits.

PRE-EXISTING CONDITION EXCLUSION FOR INCREASES IN COVERAGE

- For insured's whose amounts of insurance in excess of \$4,000 become effective on September 1, 2001.

Amounts of insurance in excess of \$4,000 will be excluded for any disability caused by, contributed to by, or resulting from a pre-existing condition, unless:

1. It begins after the first 12 months after September 1, 2001; or
2. you complete a period of 3 consecutive months starting on or after September 1, 2001, during which you have not received medical treatment, consultation, care or services including diagnostic measures, or had taken prescribed drugs or medicines.

A "pre-existing condition" means a sickness or injury for which you received medical treatment, consultation, care or services including diagnostic measures, or had taken prescribed drugs or medicines in the three months prior to September 1, 2001.

Maximum Benefit Period

Age at Disability	Maximum Benefit Period
Less than 70	To Age 70 but not less than 1 year
70 and Over	1 Year

Elimination Period:

- 90 calendar days

Minimum Requirement for Active Employment: 20 hours per week

Definition of Basic Monthly Earnings

"Basic monthly earnings" means your monthly rate of earnings from the employer in effect just prior to the date disability begins. It does not include commissions, bonuses, overtime pay and other extra compensation.

Waiting Period:

- If you were in an eligible class on or before the policy effective date: First of the month coinciding with or next following 1 year of active employment
- If you entered an eligible class after the policy effective date: First of the month coinciding with or next following 1 year of active employment

You must be in continuous active employment in an eligible class during the specified waiting period.

Contributions

- The cost of your insurance is paid entirely by your employer.

Changes Effective

Subject to the delayed effective date exceptions, changes in insurance take effect immediately.

Continuation of Your Insurance During Certain Absences

Type of Absence	Maximum Time Limit
Layoff or Unpaid Leave of Absence	To the end of the calendar month following the calendar month in which the layoff or unpaid leave of absence begins.

Discretionary Authority

In making any benefits determination under the policy, we shall have the discretionary authority both to determine your eligibility for benefits and to construe the terms of the policy.

TERMS YOU SHOULD KNOW

Many terms used in your certificate of coverage have special meanings. A list of these terms and meanings follows:

- "Active employment" means you must be working:
 1. for your employer on a full-time basis and paid regular earnings (temporary or seasonal employees are excluded);
 2. at least the minimum number of hours shown in the plan outline; and either
 3. at your employer's usual place of business; or
 4. at a location to which your employer's business requires you to travel.
- "Basic monthly earnings" - as defined in the plan outline.
- "Disability" and "disabled" mean that because of injury or sickness:
 1. you cannot perform each of the material duties of your regular occupation; and
 2. after benefits have been paid for 36 months, you cannot perform each of the material duties of any gainful occupation for which you are reasonably fitted by training, education or experience.
- "Disability benefits," when used with the term retirement plan, means money which:
 1. is payable under a retirement plan due to disability as defined in that plan; and
 2. does not reduce the amount of money which would have been paid as retirement benefits at the normal retirement age under the plan if the disability had not occurred. (If the payment does cause such a reduction, it will be deemed a retirement benefit as explained in this certificate of coverage.)
- "Eligibility date" means the date you become eligible for insurance after completing the waiting period shown in the plan outline.
- "Elimination period" means a period of consecutive days of disability for which no benefit is payable. The elimination period is shown in the plan outline and begins on the first day of disability.

Note: If disability stops during the elimination period for any 14 (or less) calendar days, then the disability will be treated as continuous. But days that you are not disabled will not count toward the elimination period.

- "Employer" means the policyholder and includes any division, any subsidiary or any affiliated company named in the policy.
- "Evidence of insurability" means a statement or proof of your medical history upon which we will determine your acceptance for insurance.
- "Gross monthly benefit" means your benefit amount before any reduction for other income benefits and earnings.
- "Home office" means the UNUM Life Insurance Company of America, 2211 Congress Street, Portland, Maine 04122.
- "Indexed pre-disability earnings" means your basic monthly earnings in effect just prior to the date your disability began adjusted on the first anniversary of benefit payments and each following anniversary. Each adjustment will be based on the lesser of 10% or the current annual percentage increase in the Consumer Price Index.

Note: The Consumer Price Index (CPI-W) is published by the U.S. Department of Labor. We reserve the right to use some other similar measurement if the Department of Labor changes or stops publishing the CPI-W.

- "Injury" means bodily injury resulting directly from an accident and independently of all other causes. The injury must occur and disability must begin while you are insured under the policy.
- "Monthly benefit" means the amount we will pay you when you are disabled.
- "Partial disability" and "partially disabled" mean that because of injury or sickness you, while unable to perform all the material duties of your regular occupation on a full-time basis, are:
 1. performing at least one of the material duties of your regular occupation or another occupation on a part-time or full-time basis; and
 2. currently earning at least 20% less per month than your indexed pre-disability earnings due to that same injury or sickness.
- "Physician" means a person who is:
 1. operating within the scope of his license; and either
 2. licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
 3. legally qualified as a medical practitioner and required to be recognized, under the policy for insurance purposes, according to the insurance statutes or the insurance regulations of the governing jurisdiction.

It will not include you or your legal spouse, daughter, son, father, mother, sister or brother.
- "Retirement benefits," when used with the term retirement plan, means money which:
 1. is payable under a retirement plan either in a lump sum or in the form of periodic payments;
 2. does not represent contributions made by you (payments which represent your contributions are deemed to be received over your expected remaining life regardless of when such payments are actually received); and
 3. is payable upon:
 - a. early or normal retirement; or
 - b. disability if the payment does reduce the amount of money which would have been paid at the normal retirement age under the plan if the disability had not occurred.
- "Retirement plan" means a plan which provides your retirement benefits and which is not funded wholly by your contributions. The term shall not include a profit-sharing plan, a thrift plan, an individual retirement account (IRA), a tax sheltered annuity (TSA), a stock ownership plan, or a non-qualified plan of deferred compensation.
- "Sickness" means illness or disease. It includes pregnancy unless excluded in the General Exclusion section of this certificate of coverage. Disability must begin while you are insured under the policy.

- "Waiting period," as shown in the plan outline, means the continuous length of time you must serve in an eligible class to reach your eligibility date.
- "You" and "your" means you, the employee.

ENROLLMENT AND DATE INSURANCE STARTS

When can you enroll?

You can enroll if you are:

1. in active employment with your employer; and
2. in a class eligible for insurance.

When does insurance start?

Insurance will start at 12:01 a.m. on the day determined as follows, but only if you enroll for insurance with us through your employer on a form satisfactory to us.

If you do not contribute toward the plan's cost, your insurance will start on your eligibility date.

But no initial, increased or additional insurance will apply to you if you are not in active employment on the effective date of such insurance because of a disability. Such insurance will start for you on the day you return to active employment.

DISABILITY

When do disability benefits become payable?

We will pay you a monthly benefit after the end of the elimination period when we receive proof that you:

1. are disabled due to sickness or injury; and
2. require the regular attendance of a physician.

What conditions must be met for benefit payments to continue?

We will pay you as long as you remain disabled and require the regular attendance of a physician. But we will not pay any longer than the maximum benefit period shown in the plan outline.

Also, you must give us proof of these facts, at your own expense, when we ask for it.

When do disability benefits for partial disability become payable?

When we receive proof that you are partially disabled within 31 days of the end of a period during which you received disability benefits, we will pay a monthly benefit. The partial disability must result from the injury or sickness that caused disability.

How is the benefit figured?

The monthly benefit will be an amount equal to the lesser of:

1. 60% of your basic monthly earnings; or
2. 70% of your basic monthly earnings less other income benefits shown below;
or
3. the maximum monthly benefit shown in the plan outline.

But, if you are earning more than 20% of your indexed pre-disability earnings in your regular occupation or another occupation, then the monthly benefit will be figured as follows:

1. During the first 12 months, the monthly benefit will not be reduced by any earnings until the gross monthly benefit plus your earnings exceed 100% of your indexed pre-disability earnings. The monthly benefit will then be reduced by that excess amount.
2. After 12 months, the following formula will be used to figure the monthly benefit.

$$(A \text{ divided by } B) \times C$$

A = Your "indexed pre-disability earnings" minus your monthly earnings received while you are disabled.

B = Your "indexed pre-disability earnings".

C = The benefit as figured above.

The benefit payable will never be less than the minimum monthly benefit shown in the plan outline.

Proof of your monthly earnings must be given to us on a quarterly basis. Benefit payments will be adjusted upon receipt of this proof of earnings.

What are "other income benefits"?

Other income benefits means those benefits as follows:

1. The amount for which you are eligible under:
 - a. Workers' or Workmen's Compensation Law;
 - b. occupational disease law; or
 - c. any other act or law of like intent.
2. The amount of any disability income benefits for which you are eligible under any compulsory benefit act or law.
3. The amount of any disability income benefits for which you are eligible under:
 - a. any other group insurance plan;
 - b. any governmental retirement system as a result of your job with your employer.
4. The amount of disability benefits and/or retirement benefits you receive under your employer's retirement plan.

As used here, "receive" does not include any amount rolled over or transferred to any eligible retirement plan as that term is defined in Section 402 of the Internal Revenue Code and any future amendments which affect the definition of an eligible retirement plan.
5. The amount of disability or retirement benefits under the United States Social Security Act, The Canada Pension Plan, or the Quebec Pension Plan, or any similar plan or act, as follows:
 - a. disability benefits for which:
 - i. you are eligible; and
 - ii. your spouse, child or children are eligible because of your disability; or
 - b. retirement benefits received by:
 - i. you; and
 - ii. your spouse, child or children because of your receipt of the retirement benefits.

These other income benefits, except retirement benefits, must be payable as a result of the same disability for which we pay a benefit.

Item 5.b will not apply to disabilities which begin after age 70 if you are already receiving Social Security retirement benefits while continuing to work beyond age 70.

Benefits under item 5.a above will be estimated if such benefits:

1. have not been awarded; and
2. have not been denied; or
3. have been denied and the denial is being appealed.

The monthly benefit will be reduced by the estimated amount. But, these benefits will not be estimated provided that you:

1. apply for benefits under item 5.a; and
2. request and sign our Agreement Concerning Benefits.

This agreement states that you promise to repay us any overpayment caused by an award received under item 5.a. If benefits have been estimated, the monthly benefit will be adjusted when we receive proof:

1. of the amount awarded; or
2. that benefits have been denied and the denial is not being appealed.

In the case of 2. directly above, a lump sum refund of the estimated amounts will be made.

"Law", "plan", or "act" means the initial enactment and all amendments.

What happens if you receive increases in these other income benefits?

After the first deduction for each of the other income benefits, we will not further reduce your monthly benefit due to any cost of living increases payable under these other income benefits.

What if you receive a lump sum payment?

We will prorate other income benefits which are paid in a lump sum on a monthly basis over the time period for which the sum is given. If no time period is stated, the sum will be prorated on a monthly basis over your expected lifetime as determined by us.

When do these benefits cease?

Disability benefits will cease on the earliest of:

1. the date you are no longer disabled;
2. the date you die;
3. the end of the maximum benefit period;
4. the date your current earnings exceed 80% of your indexed pre-disability earnings.

Must premium payments be made when you are receiving benefits?

No, we will waive premium payments during any period for which benefits are payable.

RECURRENT DISABILITY

What happens if you try to return to work and become disabled again?

"Recurrent Disability" is a disability which is related to a prior disability for which you received a monthly benefit.

We will treat a recurrent disability as part of the prior disability if, after receiving disability benefits, you:

1. return to your regular occupation on a full-time basis for less than six months; and
2. perform all the material duties of your occupation.

Benefit payments will be subject to the terms of this plan for the prior disability.

If you return to your regular occupation on a full-time basis for six months or more, a recurrent disability will be treated as a new period of disability. You must complete another elimination period.

In order to prevent overinsurance because of duplication of benefits, benefits payable under this Recurrent Disability provision will cease if benefits are payable to you under any other group long term disability policy.

SURVIVOR BENEFIT

What happens to your benefit if you die?

We will pay a benefit to your eligible survivor when we receive proof that you died:

1. after disability had continued for 180 or more consecutive days; and
2. while receiving a monthly benefit.

The benefit will be an amount equal to three times your gross monthly benefit.

If payment becomes due to your children, payment will be made to:

1. your children; or
2. a person named by us to receive payments on your children's behalf. This payment will be valid and effective against all claims by others representing or claiming to represent your children.

"Eligible survivor" means your spouse, if living, otherwise your children under age 25. But, if there are no eligible survivors, payment will be made to your estate.

GENERAL EXCLUSIONS

What disabilities aren't covered?

We will not cover any disability due to:

1. war, declared or undeclared, or any act of war;
2. intentionally self-inflicted injuries;
3. active participation in a riot.

PRE-EXISTING CONDITION EXCLUSION

Are there any other disabilities not covered?

Yes, we will not cover any disability caused by, contributed to by, or resulting from a pre-existing condition, unless:

1. it begins after the first 12 months that you were covered under the policy; or
2. you complete, after your effective date of coverage, a period of 3 consecutive months during which you have not received medical treatment, consultation, care or services including diagnostic measures, or taken prescribed drugs or medicines.

"Pre-existing condition" means a sickness or injury for which you received medical treatment, consultation, care or services including diagnostic measures, or had taken prescribed drugs or medicines in the three months prior to your effective date.

MENTAL ILLNESS, ALCOHOLISM, AND DRUG ABUSE LIMITATION

Are benefits limited for mental illness, alcoholism, and drug abuse?

Benefits for disability due to mental illness, alcoholism or drug abuse will not exceed 24 months of monthly benefit payments unless you meet one of these situations.

1. You are in a hospital or institution at the end of the 24-month period.
We will pay the monthly benefit during the confinement.

If you are still disabled when discharged, we will pay the monthly benefit for a recovery period of up to 90 days.

If you become reconfined during the recovery period for at least 14 days in a row, we will pay benefits for the confinement and another recovery period up to 90 more days.

2. You continue to be disabled and become confined:
 - a. after the 24-month period; and
 - b. for at least 14 days in a row.

We will pay the monthly benefit during the confinement.

We will not pay the monthly benefit beyond the maximum benefit period.

"Hospital" or "institution" means facilities licensed to provide care and treatment for the condition causing your disability.

"Mental illness" means mental, nervous or emotional diseases or disorders of any type.

CONTINUITY OF COVERAGE UPON TRANSFER OF INSURANCE CARRIERS

Are you covered if you are not in active employment due to injury or sickness?

We will cover you, subject to premium payments, if you:

1. were insured with the prior carrier at the time of transfer; and
2. are not in active employment due to injury or sickness.

The benefit payable will be that which would have been paid by the prior carrier had coverage remained in force, less any benefit for which the prior carrier is liable.

Will a disability due to a pre-existing condition be covered?

Benefits may be payable for a disability due to a pre-existing condition if you:

1. were insured by the prior carrier at the time of transfer; and
2. were in active employment and insured under this plan on its effective date.

We will pay you the benefits under this plan if you satisfy the pre-existing condition exclusion under:

1. this plan; or
2. the prior carrier's policy, considering continuous time insured under both policies.

The benefit will be determined according to this plan's benefit schedule, but it will not exceed the prior carrier's benefit percentage, cost of living ad-

justment benefit and maximum monthly benefit. No benefit will be paid if you cannot satisfy the pre-existing condition exclusion of 1. or 2. directly above.

CONVERSION PRIVILEGE

Under what conditions can you convert?

When your insurance under this plan terminates because you end employment with the policyholder, you may obtain converted disability income coverage without medical evidence of insurability. But you must have been insured for at least twelve consecutive months just before your insurance under this plan terminated. These twelve months will be considered to include the time you were insured for group long term disability under both this plan and the one it replaced, if any.

Who may not convert?

The conversion privilege is not available to you if:

1. your insurance under this plan terminates for any of the following reasons:
 - a. this plan terminates;
 - b. this plan is amended to exclude from coverage the class of employees to which you belong;
 - c. you no longer belong to a class of employees eligible for coverage under this plan;
 - d. you retire (when you receive payment from any employer's retirement plan as recognition of past services or have concluded your working career);
 - e. you failed to pay any required premium;
2. you are or become insured for long term disability insurance under another group plan within 31 days after termination;
3. you are disabled under the terms of this plan;
4. you recover from a disability and do not return to work for the policyholder; or
5. you are on a leave of absence.

When must you apply for the conversion coverage?

You must apply for and pay the first quarterly premium for the conversion coverage within 31 days after your insurance terminates under this plan.

Is the conversion coverage the same as that provided under this plan?

The Company governs the form of coverage, the benefits and the amounts. The benefits and amounts may differ from those under this plan.

TERMINATION

When does your insurance terminate?

You will cease to be insured on the earliest of the following dates:

- a. the date the policy terminates;
- b. the date you are no longer in an eligible class;
- c. the date your class is no longer included for insurance;
- d. the last day for which you made any required employee contribution;
- e. the date employment terminates, except:
 - i. if you are disabled your insurance will be continued during:
 - a) the elimination period; or
 - b) while benefits are being paid.
 - ii. your employer may continue your insurance by paying the required premium, subject to the time shown in the plan outline, if you are laid off.
- f. the date active employment ceases, except:
 - i. if you are disabled your insurance will be continued during:
 - a) the elimination period; or
 - b) while benefits are being paid.
 - ii. your employer may continue your insurance by paying the required premium, subject to the time shown in the plan outline, if you are on an unpaid leave of absence.

SOME GENERAL INFORMATION TO KNOW

When must we be notified of a claim?

You must give us written notice of claim within 30 days of the date disability starts. If that is not possible, you must notify us as soon as you can.

When we receive your written notice of claim, we will send you our claim forms. If you do not receive the forms within 15 days after you sent the notice, you can send written proof of claim without waiting for the form.

When does proof of claim have to be given?

You must give us proof of claim no later than 90 days after the end of the elimination period.

If it is not possible for you to give proof within these time limits, it must be given as soon as reasonably possible. But you may not give proof later than one year after the time it is otherwise required.

You must give us proof of continued disability and regular attendance of a physician within 45 days of the date we request the proof.

The proof must cover:

- a. the date disability started;
- b. the cause of disability; and
- c. how serious the disability is.

When are claims paid?

When we receive proof of claim, benefits payable under the policy will be paid monthly during any period for which we are liable.

Who are claims paid to?

All benefits are payable to you. But if a benefit is payable to your estate, or if you are a minor, or you are not competent, we have the right to pay up to \$1,000 to any of your relatives whom we consider entitled. If we pay benefits in good faith to a relative, we will not have to pay such benefits again.

What are our examination rights?

We, at our expense, will have the right and opportunity to have an employee, whose injury or sickness is the basis of claim:

- a. examined by a physician, other health professional, or vocational expert of our choice; and/or
- b. interviewed by an authorized Company representative. This right may be used as often as reasonably required.

How can statements made in any application for this insurance be used?

In the absence of fraud, all statements you made when applying for this insurance and providing evidence of insurability are considered representations and not warranties (absolute guarantees). No statements by you will be used to reduce or deny a claim:

- a. after 2 years from your most recent effective date of insurance; and
- b. unless a copy of your statements has been given to you.

Can legal proceedings be started at any time?

No, you or your authorized representative cannot start any legal action:

- a. until 60 days after proof of claim has been given; nor
- b. more than 3 years after the time proof of claim is required.

What happens if facts are misstated?

If relevant facts about you were not accurate:

- a. a fair adjustment of premium will be made; and
- b. the true facts will decide if and in what amount insurance is valid.

Does this coverage affect workers' or workmen's compensation?

The policy is not in lieu of, and does not affect, any requirement for coverage by workers' or workmen's compensation insurance.

Can the policyholder act as our agent?

For all purposes of the policy, the policyholder acts on its own or as your agent. Under no circumstances will the policyholder be deemed our agent.

CALIFORNIA CONTACT NOTICE

GENERAL QUESTIONS: If you have any general questions about your insurance, you may contact the Insurance Company by:

CALLING:

1-800-421-0344 (Customer Information Call Center)

-OR-

WRITING TO:

Unum Life Insurance Company of America
2211 Congress Street
Portland, Maine 04122

COMPLAINTS: If a complaint arises about your insurance, you may contact the Insurance Company by:

CALLING:

(Compliance Center Complaint Line)
Toll free: 1-800-321-3889, Option 2
Direct: 207-575-7568

-OR-

WRITING TO:

Deborah J. Jewett, Manager, Customer Relations
Unum Life Insurance Company of America
2211 Congress Street
Portland, Maine 04122

WHEN CALLING OR WRITING TO THE INSURANCE COMPANY, PLEASE PROVIDE YOUR INSURANCE POLICY NUMBER.

If the Certificate of Coverage was issued or delivered by an agent or broker, please contact your agent or broker for assistance.

You also can contact the California Department of Insurance. However, the California Department of Insurance should be contacted only after discussions with the Insurance Company or its agent or other representative, or both, have failed to produce a satisfactory resolution to the problem.

Department of Insurance
Consumer Communications Bureau
300 South Spring Street - South Tower
Los Angeles, California 90013
Toll Free Hotline Telephone Number: 1-800-927-4357
Local Telephone Number: 213-897-8921
Fax: 213-736-2562
Office Hours: 8:00 a.m. - 5:00 p.m.

This form is for contact information only, and it is not to be considered a condition for the policy.



Santa Cruz Metropolitan Transit District

Your Group Long Term Disability Plan

Policy No 359237 003

**Administrative &
Maintenance Employees**

Underwritten by Unum Life Insurance Company of America

03-2003

SEIU

EXHIBIT - B

Response to

**Santa Cruz Metropolitan
Transit District**

Request for Proposal

For

**Long Term Disability Insurance
RFP no. 04-09**

driver  **alliant**

INSURANCE SERVICES

Table of Contents

Section 1	General Information Form
Section 2	Cover Letter
Section 3	Qualifications of Driver Alliant
Section 4	Driver Alliant Insurance Programs
Section 5	Quotes and Pricing
Section 6	Required Proposal Documents
Section 7	Acknowledgement of Addenda
Section 8	Exceptions to Terms

SECTION 1

PART II

GENERAL INFORMATION FORM

LONG TERM DISABILITY INSURANCE RFP NO. 04-09
(To be completed by the offeror and placed at the front of your proposal)

Driver Alliant Insurance Services
Legal Name of Firm

October 29, 2004
Date

600 Montgomery Street, 9th Floor – San Francisco, CA 94111
Firm's Address

415-403-1462
Telephone Number

415-403-1465
FAX Number

Corporation
Type of Organization (Partnership, Corporation, etc.)

33-0785439
Tax ID Number

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with the District that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals. Offeror understands that this proposal constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to the District the required insurance certificates within ten (10) calendar days of the Notice of Award.



Signature of Authorized Principal

Christine Kerns – Vice President
Name of Principal-in-Charge and Title

Christine Kerns – Vice President
Name of Project Manager and Title

Christine Kerns – Vice President – 415-403-1462 ckerns@driveralliant.com
Name, Title, Email Address and Phone Number of Person To Whom Correspondence Should be Directed

600 Montgomery Street, 9th Floor – San Francisco, CA 94111
Addresses Where Correspondence Should Be Sent

Areas of Responsibility of Prime Contractor

Listing of major sub consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

Assurant Benefits_ (949) 255-5017

LOBBYING CERTIFICATION
(Only for Contracts above \$100,000)

Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg 1413 (1/19/96).
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et. seq. apply to this certification and disclosure, if any.

Firm Name Driver Alliant Insurance Services, Inc.

Signature of Authorized Official *Christine Kerns*

Name and Title of Authorized Official Christine Kerns – Vice President

Date October 29, 2004

BUY AMERICA PROVISION
(Only for Contracts above \$100,000)

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive.

A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by SCMTD if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

BUY AMERICA CERTIFICATE

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: **October 29, 2004**
Signature: *Christine Kerns*
Company Name: **Driver Alliant Insurance Services, Inc.**
Title: **Vice President**

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.

Date: _____
Signature: _____
Company Name: _____
Title: _____

SECTION 2

November 1, 2004

Mr. Lloyd Longnecker
District Buyer
Santa Cruz Metropolitan Transit District
120 Du Bois Street
Santa Cruz, CA 95060

Dear Mr. Longnecker:

Thank you for the opportunity for Driver Alliant Insurance Services to respond to the Request for Proposal for Long Term Disability Insurance for Santa Cruz Metropolitan Transit District. We are excited about the opportunity to work with you to achieve your employee benefit goals.

As California's largest public agency consultant and benefits broker for over 250 public entities, Driver Alliant Insurance Services is uniquely positioned to respond to your needs as outlined in your Request for Proposal.

Proven Track Record

- Driver Alliant is dedicated to servicing the needs of the Public Sector
- Driver Alliant has created purchasing pools to provide lower cost options to their clients.
- Driver Alliant has provided Long Term Disability quotes at 15% cost savings.
- Rates are guaranteed for 2 years.

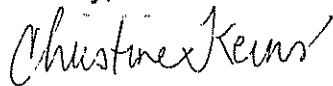
Dedicated Service Team

Santa Cruz Metropolitan Transit District will have a dedicated service team made up of professionals with a diverse background and proven performance track record. The attached proposal clearly outlines your Driver Alliant team that will support you and the work plan to be executed by each team member.

We are very excited about the opportunity to work with the Santa Cruz Metropolitan Transit District. We are interested in developing a highly effective and strong relationship with you and look forward to the opportunity to work with you and your members.

If you have any questions, please feel free to contact me at (415) 403-1462.

Sincerely,



Christine Kerns
Vice President

SECTION 3

Section 3: Qualifications of Driver Alliant

Driver Alliant Insurance Services was established in San Diego in 1925 as the Robert F. Driver Company. The merger of the Sher Company with Robert F. Driver Co., Inc. in March 1999, and the subsequent acquisition of Robert F. Driver by Alliant Resources Group in 2001, has enhanced our ability to provide a full spectrum of professional insurance services to our public agency clients.

Driver Alliant today ranks among the 20 largest insurance brokerage firms in the United States and the third largest in California. Driver Alliant has more than 515 employees in twelve offices throughout California.

Public Entity Benefits Team

Driver Alliant understands the challenges of the public sector. For this reason Driver Alliant established the Public Entity Benefit Division. The ***Santa Cruz Metropolitan Transit District*** will benefit from working with Driver Alliant's team of professionals who are dedicated and committed to working with public entities exclusively. The Public Entity Benefits Team has 5 partners, all of whom have an extensive background in providing creative solutions to public agency clients. Driver Alliant's Principal Officers are:

Driver Alliant's San Francisco Public Entity Benefits Team will manage the ***Santa Cruz Metropolitan Transit District***.

Driver Alliant offers specialized expertise in designing and supporting benefit programs on behalf of schools, cities, counties, hospitals, construction firms and employee associations ranging in size from 100 to 60,000 employees. We provide consulting and brokerage services that range from complete plan redesign and implementation to facilitation of labor management consensus and changes in benefit plans. We have developed financial forecasts, managed actuarial and legal reviews, arranged for nurse help lines, negotiated directly with providers, compared PPO networks, developed flexible benefit plan options, arranged smoking cessation programs, contracted for health newsletters, written sections of MOUs and coordinated many other projects on behalf of our clients.

Section 3: Qualifications of Driver Alliant

Driver Alliant Public Entity Programs

Driver Alliant Insurance Services has leveraged its size and expertise in the public sector to create exclusive programs specifically for Schools, Cities and Counties. These programs allow Driver Alliant to offer lower costs while matching your current benefits offerings. We are providing rates 15% lower than your current Life and AD&D for **Santa Cruz MTD** and guaranteeing them for 2 years. Additionally here are a few examples of our public sector programs that would be available to **Santa Cruz Metropolitan Transit District**.

- Life Insurance Programs
- Disability Programs
- Dental Programs
- Vision Programs
- EAP Programs
- Medical Programs

Team dedicated to Santa Cruz Metropolitan Transit District

Christine Kerns Vice President

As the lead consultant, Chris will provide overall account management of all group insurance plans. She will have joint responsibility with Patrice Souders for implementation of the benefits plan strategy, bidding processes, renewal presentations, and open enrollment meetings.

Chris will work directly with the **Santa Cruz MTD** to establish benefit programs that meet the goals and financial objectives of the City. Chris has experience leading public entities through insurance carrier changes, communications, consensus building and Benefits Committee development. She will review current plan designs and providers to determine potential areas of suggested benefit redesign and provider changes. She will be primarily responsible to leverage carriers for competitive rates and establish level of benefits.

Chris has 16 years of group insurance experience. Chris has extensive experience in client-centered marketing, sales and account management. Her background includes management roles at Kaiser, CIGNA Healthcare and PacifiCare. She started her career with a Third Party Administrator where she was responsible for group installations, system programming and account management.

Chris will be the principal consultant to the **Santa Cruz Metropolitan Transit District** for the entire benefits program.

Section 3: Qualifications of Driver Alliant

Patrice A. Souders **Account Executive**

Patrice will work with Chris in the day-to-day servicing of the **Santa Cruz Metropolitan Transit District**. Patrice will be responsible for the development of employee communication materials, review of master contracts, proactive communication of legislation that will affect the **Santa Cruz Metropolitan Transit District's** plan and education of payroll and human resources with plan benefits and administrative/billing procedures. She will also work closely with the carriers to make sure that plans run smoothly.

Patrice has ten years of group insurance experience: eight years with Driver Alliant and two years with Aetna Health Plans' National Accounts. Patrice manages and co-manages larger accounts (500 - 15,000 employees), such as the EIAHealth program, multi-state and experience rated employer accounts with multiple HMOs and other lines of health and welfare coverage.

Jonathan Marquez **Benefits Coordinator**

Jonathan will be responsible for day-to-day service activities to include: handling routine claims and billing issues, coordinating open enrollment meetings and vendor communications, and ordering supplies needed during transition and throughout the year.

Jonathan has 10 years of related group insurance experience. Jonathan has worked at the Guardian Life Insurance Company as an account manager for group products for over 4 years before coming to Driver Alliant. Jonathan has experience with group renewal negotiations, resolving contract disputes, and providing service to clients. Jonathan also spent 2 years as a senior claims analyst at PPMSI, an individual physician association, and 4 years at Prudential Healthcare paying Medical Claims. As a Claims Analyst, Jonathan excelled at resolving complicated health claims issues that involved overriding claims system logic and manually applying correct reimbursement subject to a strict Quality Assurance Review by the California Department of Insurance.

Jonathan is well versed in Life/ADD, LTD, STD, Medical, Vision and Dental product contract languages and plan designs.

SECTION 4

Section 4: Driver Alliant Insurance Programs

Driver Alliant Public Entity Programs

Driver Alliant Insurance Services has leveraged its size and expertise in the public sector to create exclusive programs specifically for Cities, Counties, Schools and Special Districts. These programs allow Driver Alliant to offer lower costs while matching your current benefits offerings. The pricing quote included in this Response to Request for Proposal includes a Driver Alliant program that matches current benefits, provides cost savings of 15% as compared to current Long Term Disability rates, and guarantees rates for 2 years. Additional examples of Driver Alliant public sector programs that are available to ***Santa Cruz Metropolitan Transit District*** are listed below:

- Life Insurance Programs
- Disability Programs
- Dental Programs
- Vision Programs
- EAP Programs
- Medical Programs

Section 5 includes Driver Alliant's detailed quote of our Public Entity Long Term Disability Insurance Program. This program has the benefit of lower cost while matching your existing contract provisions. Please review the highlights of the ASSURANT Employee Benefits offering in Section 5.

SECTION 5

Section 5: Quotes and Pricing

Please review the Assurant Employee Benefits rating proposal.

Santa Cruz Metropolitan Transit District

LTD

Effective - Jan 1, 2005

	Standard CURRENT	Assurant PROPOSED
Rate Guarantee	1 Year	2 Year
Eligible Classes		
Class 1	Mgt	Mgt
Class 2	Admin and Maint	Admin and Maint
Class 3	Bus Operators	Bus Operators
LTD Benefits		
Salary Covered (pre-disability earnings)	60.00%	60.00%
Maximum Monthly Benefit		
Class 1	\$5,000	\$5,000
Class 2 & 3	\$3,000	\$3,000
Minimum Monthly Benefit	Greater of 10% or \$100	Greater of 10% or \$100
Elimination Period		
Class 1 & 2	90 days	90 days
Class 3	180 days	180 days
Maximum Benefit Duration	To age 70, or 1 Year if over Age 70	To age 70, or 1 Year if over Age 70
Convertible	Yes	Yes
Definition of Disability	36 month Own Occ	36 month Own Occ
Mental Health / Substance Abuse Limit	2 Years	2 Years
Survivor Income Benefit	3 months	3 months
Pre-Existing (New Ee's)	3 - 12	3 - 12
PREMIUM	CURRENT	PROPOSED
Class 1 & 2 Volume (monthly)	\$350,010	\$350,010
Class 3 Volume (monthly)	\$385,774	\$385,774
Class 1 & 2 Rate (per \$100 of payroll)	\$1.22	\$1.04
Class 3 Rate (per \$100 of payroll)	\$1.66	\$1.41
Class 1 & 2 Monthly Premium	\$4,270.12	\$3,640.10
Class 3 Monthly Premium	\$6,403.86	\$5,439.42
Total Annual Premium	\$128,087.73	\$108,954.29
\$ Change from Current		-\$19,133.44
% Change from Current		-14.9%

SECTION 6

Section 6: Required Proposal Documents

Driver Alliant has reviewed all requirements outlined in the **Santa Cruz Metropolitan Transit District** Request for Proposal and agrees to comply as outlined below.

Part I – Instructions to Offerors

Driver Alliant has reviewed all instructions. This Response to Request for Proposal follows all instructions outlined.

Part II – General Information Form

The General Information Form is included in Section 1 to this Response to Request for Proposal.

Additionally, the following forms are included in Section 1:

- Lobbying Certification
- Buy America Provisions
- Contractor DBE Information

Part III – Specifications for Employee Long Term Disability Insurance

Driver Alliant's Response to this Request for Proposal complies with all specifications and processes outlined.

Responses to Number 7 - Content of Proposal

1. *Provide a current client list of at least three other public agencies in California and the name of the contact person.*

Three Driver Alliant public agency clients are listed below:

City of San Leandro	Justinian Caire
City of Pleasanton	Maribeth Linhart
City of Richmond	Andy Russo

2. *Describe your method of payment.*

Assurant Benefits provides payment for Long-Term Disability to covered plan participants. Checks are paid on a monthly basis. If different payment distribution is necessary, Assurant has the capability to customize based on each client's needs.

3. *Describe your grievance resolution process.*

Assurant Benefits utilizes a third-party arbitrator to handle any grievances that should arise.

Section 6: Required Proposal Documents

4. *Do you have a conversion policy?*

Assurant Benefits allows for a 50% income replacement up to a maximum of \$1,000 per month.

5. *Do you agree that no covered employee would lose coverage as a result of a change in carriers?*

Assurant Benefits agrees that no covered employee will lose coverage as a result of a change in carriers. Full transfer is provided as part of the Assurant standard contract.

Part IV – General Conditions to the Contract

Driver Alliant has reviewed and agrees to all conditions outlined.

Part V – Contract for Long Term Disability Insurance (04-09)

Driver Alliant has reviewed and agrees.

Part VI – Federal Transit Administration Requirements for Non-Construction Contracts

Driver Alliant has reviewed and agrees.

SECTION 7

Section 7: Acknowledgement of Addenda

Driver Alliant has reviewed the Addendum No. 1 of October 27, 2004. The quotes and pricing enclosed in this Response to RFP includes all additional information provided by ***Santa Cruz Metropolitan Transit District.***

SECTION 8

Section 8: Exceptions to Terms

Driver Alliant has no exceptions to the terms outlined in the Request for Proposal.

**BEFORE THE BOARD OF DIRECTORS OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

Resolution No. _____
On the Motion of Director: _____
Duly Seconded by Director: _____
The Following Resolution is

**RESOLUTION OF APPRECIATION
FOR THE SERVICES OF SHERYL AINSWORTH AS A MEMBER OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS**

WHEREAS, the Santa Cruz Metropolitan Transit District was formed to provide public transportation to all of the citizens of Santa Cruz County; and

WHEREAS, the City of Scotts Valley, requiring strong representation, appointed Sheryl Ainsworth as a member of the Board of Directors of the Santa Cruz Metropolitan Transit District; and

WHEREAS, Sheryl Ainsworth served as a member of the Board of Directors from April 2000 through November 2004, including serving as the Chair in 2001 and 2002; and

WHEREAS, Sheryl Ainsworth provided the Santa Cruz Metropolitan Transit District with strong leadership and insightful guidance during her terms of the office; and

WHEREAS, Sheryl Ainsworth was a guiding force for the Santa Cruz Metropolitan Transit District during the time that the District was developing the MetroBase and the Santa Cruz Metro Center Projects; and

WHEREAS, during the time that Sheryl Ainsworth served on the Board of Directors, the Transit District replaced the majority of the fixed route fleet, purchased new ParaCruz vans, redesigned and improved the ParaCruz service, including in-house operations, implemented a paratransit client recertification program, implemented bi-directional UCSC service, acquired funding for major capital improvements, and responded to a severe economic downturn; and

WHEREAS, the quality of public transit service in Santa Cruz County was improved dramatically as a result of the dedication, commitment and efforts of Sheryl Ainsworth;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Santa Cruz Metropolitan Transit District does hereby commend Sheryl Ainsworth for her efforts in the advancement of public transportation service in Santa Cruz County and expresses appreciation on behalf of itself, the staff and all of the citizens of Santa Cruz County.

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to Sheryl Ainsworth and that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

PASSED AND ADOPTED this 17th day of December, 2004 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED _____
EMILY REILLY
Chair

ATTEST _____
LESLIE R. WHITE
General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

11.2

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 17, 2004

TO: Board of Directors

FROM: Mark J. Dorfman, Assistant General Manager

SUBJECT: CONSIDERATION OF NOMINATING DIRECTORS TO SERVE AS BOARD OFFICERS FOR 2005, MAKING AN APPOINTMENT TO THE HIGHWAY 1 CONSTRUCTION AUTHORITY AND REVIEWING THE PROCESS FOR THE SELECTION OF APPOINTMENTS TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR 2005

I. RECOMMENDED ACTION

That the Board of Directors identify nominees from the Board to serve in the positions of Chair and Vice-Chair for 2005, make an appointment to the Highway 1 Construction Authority and review the process for the appointments to the Santa Cruz Regional Transportation Commission 2005.

II. SUMMARY OF ISSUES

- Article 6 of the Santa Cruz METRO Bylaws outlines that the Board of Directors shall, in December, nominate members of the Board of Directors to serve as Chair and Vice-Chair. The final selections are made in January.
- In November 2003, the Board of Directors appointed Director Marcela Tavantzis to the Highway 1 Construction Authority (HCA) for a term of 1/01/04 through 12/31/04. The HCA authorizes Santa Cruz METRO to appoint one representative to the HCA.
- Article 14.02 of the METRO Bylaws sets forth a process for the nomination and appointment of three representatives and three alternates to the Santa Cruz Regional Transportation Commission (SCCRTC).

III. DISCUSSION

The Santa Cruz METRO Board of Directors selects two officers, Chair and Vice Chair, to serve it annually. The current terms for the Chair and Vice Chair are set to expire in January 2004. The Santa Cruz Board Bylaws indicate that the Board of Directors shall nominate candidates for these offices in December and conduct elections in January at its first regular meeting.

Santa Cruz METRO became a member of the Highway 1 Construction Authority (HCA) in 2003. In November 2003, the Board of Directors appointed Director Marcela Tavantzis to the HCA for a term of 1/01/04 through 12/31/04. Director Mike Keogh was appointed as the

alternate. The JPA authorizes Santa Cruz METRO to appoint one representative and one alternate who are not required to be elected officials.

Additionally, it is necessary for the Board of Directors to make appointments (three regular and three alternate members) from the Board to sit as members of the SCCRTC. The Bylaws indicate that the Chair of the Board of Directors shall submit nominations for these six positions for the first meeting in January. Then at the first meeting, the Chair will entertain other nominations for SCCRTC representatives and alternates from the Directors. Thereafter, at the second meeting in January, the Board of Directors shall vote on the nominations via a motion and a second. A Director may move a slate of three representatives or a slate of three alternates for appointment. To be appointed a nomination must receive at least six affirmative votes. If none of the previously nominated directors receive the appointments, then the Chair shall entertain further nominations from the Directors until such time as three representatives and three alternates are approved by the Board of Directors.

IV. FINANCIAL CONSIDERATIONS

Funding support for the positions identified in this memo are contained in the adopted operating budget for 2004/2005.

V. ATTACHMENTS

Attachment A NONE

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 17, 2004
TO: Board of Directors
FROM: Leslie R. White, General Manager
SUBJECT: CONSIDER APPROVAL OF 2005 STATE LEGISLATIVE PROGRAM

I. RECOMMENDED ACTION

That the Board of Directors adopt the proposed METRO 2005 State Legislative Program attached to this Staff Report.

II. SUMMARY OF ISSUES

- Elected officials at the State level continue to actively support the goals established by the METRO Board of Directors when the legislative program is presented to them early in the legislative process.
- The current economic climate will make it difficult to obtain new funds from the California State Legislature as they convene their 2005 session.
- The large projected deficits in the State General Fund will require that transit agencies defend funds previously allocated for capital projects and advocate for full repayment of the loans from the transportation funds.
- In order for METRO to draw down Federal Section 5309 earmarked funds, all Federal Section 5307 formula funds under the Governor's jurisdiction must be programmed. METRO should advocate for agencies to program these funds or transfer them to other transit agencies that are able to program them.
- METRO will continue to incur additional costs to provide the mandated ADA complimentary paratransit service. The state has yet to provide specific funding programs to address this need.
- The activation of the "Yield to Bus" signs will require new "permissive" legislation in order for METRO to use the yield signs on a voluntary basis.
- The reliance of UCSC, Cabrillo College, and some K-12 systems on METRO services makes it important that we advocate for exploration of "cross function" funding opportunities.

III. DISCUSSION

The 2005 California State Legislature will convene in January to consider legislative actions for the coming year. The continuing poor condition of the State General Fund will be the focus of much of the attention of the Legislature. In the last Legislative Session transportation funds were "borrowed" to assist in balancing the General Fund. The financial condition of the State will once again put pressure on members of the legislature to divert funds from other programs, including transportation, to balance the General Fund. Currently, METRO receives capital funding from the State Transit Assistance Program (STAP). The level of STAP Funding received by METRO has decreased from \$1,436,436 in 2001/2002 to approximately \$900,000 in 2004/2005. This loss in capital funding negatively affects our ability to implement critical projects including additional Metrobase funds, Pacific Station funding, and routine capital purchases.

While the actions implemented by METRO in the area of ADA recertification have resulted in complementary paratransit costs stabilizing, it is likely that future years will see cost increases. Currently, the State does not have a funding program to assist transit agencies in addressing this need. Staff recommends that METRO advocate for State consideration of the complementary paratransit funding need.

In 2001 METRO, CalTrans, and other transit agencies in the under 200,000 in population urbanized areas were able to collaborate successfully and remove obstacles which could have prevented draw down of Section 5309 earmarked discretionary funds from the Federal Transit Administration. In 2005, it will be necessary for transit agencies in areas under 200,000 in population to ensure that all Section 5307 formula funds are programmed. This is necessary to achieve the ability to continue to draw down discretionary Section 5309 earmarks. This problem became severe for METRO when FTA held up funds necessary to pay for 17 paratransit vans that had been delivered. With the MetroBase construction beginning next year it will be critical that METRO have the ability to draw down federal discretionary funds. Where transit agencies have allocated funds that they will not be able to program for projects in a timely manner, Staff recommends that METRO advocate that the Governor's Office, through Caltrans, transfer these funds to other transit agencies that are able to program the funds to avoid having these allocations lapse back to the Federal Treasury and to avoid any repetition of FTA funding draw down embargo actions.

In prior years, METRO has explored the possibility of acquiring subpoena authority so that the Office of District Counsel can ensure witness participation. Staff recommends that the 2005 Legislative Program once again address this issue and explore the possibility of initiating legislation which would grant the subpoena authority to METRO.

The implementation of the Urban Bus Rule issued by the California Air Resources Board will require that METRO invest substantial funds in diesel bus conversion to CNG as well as the installation of a high capacity fueling station. Currently, the State does not have any funding programs address this level of need. Staff recommends that METRO advocate for the establishment of programs which would assist in the implementation of the Urban Bus Rule.

Service provided by METRO is relied upon by UCSC, Cabrillo College, and some of the K-12 school districts in Santa Cruz County. Currently, there is no mechanism or incentive at the State level for coordination of funding for transportation between the education functions and the transportation functions. Staff recommends that METRO advocate for the exploration of "cross function" funding opportunities.

In 1999 the California State Legislature passed AB1812 (Keeley) which established a demonstration program whereby buses re-entering traffic from bus stops were given the "right of way" and motorists were required to yield. The demonstration program was scheduled to expire on December 31, 2002. However, in 2002, the Legislature passed AB 629 (Oropeza) that extended the program for an additional year. In 2003 AB557 (Lowenthal) would have made the yield law permanent and extended the local option authority to all the transit systems in the state. While AB 557 passed the Assembly with some amendments it encountered the fierce opposition of the Chair of the Transportation Committee (Senator Kevin Murray D-Culver City) in the Senate. Senator Murray successfully convinced the Senate Transportation Committee to defeat AB557. As a result of Senator Murray's actions the authority for the use of the yield signs on buses expired on midnight December 31, 2003. Assembly Member John Laird requested an opinion from the Legislative Counsel as to whether current state statutes require that the yield sign be either removed or obscured. The Legislative Counsel has indicated that the yield signs must be either removed from the buses or obscured from view effective January 01, 2004, which they were. In order to reactivate the Yield to Bus signs, staff recommends that METRO join with the Santa Clara Valley Transportation Authority (VTA) and request that legislation be introduced in 2005 that would permit the use of the current yield signs as advisory signs.

The specific legislative goals recommended by Staff are attached to this staff report. Joshua Shaw also serves as a Legislative Advocate for METRO under a separate contract.

IV. FINANCIAL CONSIDERATIONS

Funds for the State Legislative Advocacy activities, including travel to Sacramento and the contract with Joshua W. Shaw, are included in the adopted 2004/2005 METRO Operating Budget.

V. ATTACHMENTS

Attachment A: Proposed 2005 Santa Cruz Metropolitan Transit District Legislative Program.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
2005 STATE LEGISLATIVE PROGRAM

State Goals:

1. Support legislation and actions necessary to protect existing funding sources and funding levels for transit operating assistance and capital assistance.
2. Support the introduction and passage of legislation designed to enact additional sources of transit operating and capital assistance.
3. Support efforts to insure that Federal Section 5307 formula funds in the Governor's apportionment are programmed statewide to the maximum extent possible to insure that SCMTD can access Section 5309 Federal discretionary earmarks and to insure that no funds lapse at the end of the TEA-21 authorization.
4. Support efforts to obtain operating and capital funds to meet the increasing service requirements of ADA Para transit.
5. Explore the possibility of using state education funds for the development, construction, and operation of off-campus park and ride facilities as well as public transit services at campuses in the University of California system.
6. Explore the possibility of requesting legislation to grant the SCMTD the authority to issue subpoenas.
7. Support efforts to obtain operating and capital funds to implement the CARB Urban Bus Rule requiring the use of alternate fuels.
8. Support efforts to improve communication and funding for public schools (K-12) and community college/university transportation needs.
9. Prepare and implement a county-wide public awareness program to inform the public of the impacts of lowered or cancelled state funding on METRO service and projects. Involve all stakeholders in the design and implementation of the program. Encourage communication of concerns to members of the State Legislature with emphasis on those individuals representing Santa Cruz County.
10. Request permissive legislation that would allow the reactivation of the yield signs, currently affixed to METRO buses, as advisory signs.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 17, 2004

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDER APPROVAL OF 2005 FEDERAL LEGISLATIVE PROGRAM

I. RECOMMENDED ACTION

That the Board of Directors adopt the proposed METRO 2005 Federal Legislative Program attached to this staff report.

II. SUMMARY OF ISSUES

- Elected officials at the federal level support the goals established by the METRO Board of Directors when the Legislative Program is presented to them early in the legislative process.
- In 2005, the first session of the 109th Congress will appropriate transit funds for federal FY 2006.
- In order to maximize formula funds received by METRO, staff recommends that we advocate for funding of the federal FY 2006 Transportation Appropriations Bill at the 2005 appropriated level plus 4%.
- In prior years, there have been numerous efforts to limit funding for public transit service in California. Staff recommends that METRO representatives again oppose any action that singles out specific states for lower transit funding levels or places a minimum allocation level to all states which would redirect federal funds away from populous states like California.
- As costs related to federally-mandated complimentary Paratransit continue to rise, staff recommends that METRO advocate for funding at the federal level to assist in offsetting these expenses.
- Proposals for the reauthorization of TEA-21 were finalized in 2003. Major advocacy groups (including APTA) included the High Intensity Tier Proposal developed by METRO and others in their adopted positions. Representatives of the Federal Transit Administration (FTA) have unofficially indicated their support of the concept of a High Intensity Tier component. The FTA reauthorization proposal was sent to Congress as the Security and Financial Equity Act for the 21st Century (SAFETEA). The reauthorization proposal for transit funding from the House Transportation and Infrastructure Committee, and the Senate Committee on Banking, Housing, and Urban Affairs contained the language that METRO and APTA submitted for the High Intensity Transit Tier. The reauthorization bills passed by both houses of Congress contained the High Intensity Transit Tier language and funding levels recommended by APTA and METRO. As a Final Conference Report could not be agreed upon and

14.1

passed in the current Congress the issue of transit reauthorization will have to be addressed by the 109th Congress. Staff recommends that METRO continue to advocate for the inclusion of a \$35 million High Intensity Transit Tier Program in the under 200,000 population Urbanized Area Formula Program.

- Many of the transit-intensive systems in the under 200,000 population Urbanized Areas have aging fleets, which need replacing. Additionally, there are some small systems in the Urbanized Areas with populations between 200,000 – 1 million that also have bus replacement needs which exceed the ability of the Formula Program to address. Major advocacy groups (including APTA) have recognized this need and have included a \$100 million supplemental Bus Replacement Program in their Legislative Proposals. This funding would be directed to Urbanized Areas under 1 million in population. The Bills passed by the House and Senate did not include the draft language for supplemental bus funding. Staff recommends that METRO advocate for the inclusion of a \$100 million per year Bus Fleet Modernization Program directed at areas below 1 million in population in the next authorization bill.
- Transit financing needs will continue to increase in future years. Staff recommends that METRO advocate for the transit program funding levels to increase from the projected \$7.5 billion appropriated level in 2005 to \$14.2 billion in 2009.
- It is anticipated that earmarked Discretionary Capital funding will be needed to construct the transit facility portion of the SC Metro Center (Pacific Station) Redevelopment Project. The FY 2005 Transportation Appropriations Bill contains \$1.5 million in earmarked funds for this project. Staff recommends that METRO advocate for the inclusion of a multi-year earmark totaling \$8.66 million in the new TEA-21 reauthorization bill or through the appropriations process.
- Construction of Phase I of the MetroBase Project will begin in 2005. In order to ensure adequate funding for the completion of Phase I in a timely manner, and to begin planning for Phase II, staff recommends that METRO seek an earmark of \$1.5 million for the MetroBase Project in the FY 2006 Federal Transportation Appropriations Bill.

III. DISCUSSION

In 2005, Congress will appropriate funds for federal FY 2006. The federal formula funds that METRO receives to offset operating and capital expenses are derived from the annual appropriations bill. Therefore, it is important that Congress appropriate at the highest possible levels.

In prior years, under Republican leadership, the transportation appropriations process has resulted in proposals being developed which would limit funding for California transit systems. Staff recommends that the 2005 Legislative Program include a provision that METRO continue

14.2

to vigorously resist efforts to single out specific states for lower transit funding or places a minimum allocation level to all states which would redirect funds away from more populous states like California.

While the implementation of the recertification has slowed the growth in ADA Paratransit costs, it is likely that these costs will increase in future years. Staff recommends that METRO advocate for supplemental federal capital and operating funds to assist in supporting future costs of the ADA-mandated complimentary Paratransit.

TEA-21 required (Section 3033) the completion of a study for smaller transit-intensive communities to determine if the current Formula Program was adequate to meet the needs of these communities. The report issued, pursuant to Section 3033, identified the need to include a service factor in the formula for these communities. The report found that systems, like Santa Cruz, performed at levels higher than systems in communities of 200,000 – 1 million in population. A new High Intensity Transit Tier Program was developed to respond to the needs of systems like METRO. This new program was included in the adopted legislative programs of the major transportation advocacy groups including the American Public Transportation Association (APTA). The Reauthorization bills that were passed by both the U.S. House and Senate contained the provision for the High Intensity Transit Tier using the language submitted by both METRO and APTA. However the Conference Committee that was appointed to resolve certain differences in the two reauthorization bills could not reach agreement and failed to issue a Conference Report that would allow a new authorization bill to be enacted and sent to the President. Therefore the 109th Congress will have to address transportation authorization after it convenes in January 2005. Staff recommends active advocacy for the inclusion of the High Intensity Transit Tier in the next authorization bill. Staff further recommends that METRO representatives work collaboratively with the American Public Transportation Association and the other transit-intensive communities to advocate for this new program. The proposed High Intensity Transit Tier Program is recommended to be funded initially at \$35 million and grow to \$54 million over the life of the authorization bill.

In small and medium sized communities, the formula capital program does not provide sufficient funding to keep pace with bus replacement needs. This has resulted in many small and medium sized communities having fleets whose age far exceeds the identified Federal Transit Administration criteria. Even with the recent fleet modernization program that METRO has implemented this program would benefit Santa Cruz through providing funding (\$8.8 million) for the replacement of fifteen (15) 1988 New Flyer local routed buses and seven (7) 1989 New Flyer Highway 17 Express buses. There are many medium and small sized systems like METRO that desperately need a supplemental bus funding program and therefore staff recommends that METRO continue to advocate for the inclusion of a \$100 million annual Bus Fleet Modernization Program in the new authorization bill while recognizing that this program has not generated the same level of support that the High Intensity Transit Tier program has. This program has been included in the adopted legislative program of APTA.

In order to accommodate the inclusion of new funding initiatives in the Federal Transit Program, it will be necessary for authorized levels to rise in the new bill. Therefore, staff recommends that METRO advocate for an increase in funding levels to achieve a level of \$14.2 billion in 2009.

The first phase of the Santa Cruz Metro Center (Pacific Station) Redevelopment Project was funded by the State of California through the Traffic Congestion Reduction Program (TCRP) enacted by the Legislature in 2001. The initial phase included the conceptual design activities, budget development, environmental review, and property acquisition. METRO contracted with the City of Santa Cruz Redevelopment Agency to manage this phase of the project. Currently a conceptual design has been developed. The proposed design requires the demolition and reconstruction of the current SC Metro Center facilities as well as the Greyhound facilities. Unfortunately the negative financial situation at the state level resulted in the final \$800,000 of funding for the first phase of the project being withdrawn. Therefore the Pacific Station Redevelopment Plan will require a substantial amount of federal funding for implementation. This funding will have to come in the form of federal discretionary earmarks. In 2004 METRO requested that Congress Member Sam Farr and Congress Member Anna Eshoo submit requests for an earmark in the 2005 Appropriations Bill for \$1,500,000 to finance the property acquisition portion of the Pacific Station Project. Congress Members Farr and Eshoo submitted earmark requests for the project. The recently passed FY 2005 Omnibus Appropriation Bill included a Transportation Section and that section included a \$1.5 million earmark for property acquisition for the Pacific Station Redevelopment Project. In order to maintain progress on the Pacific Station Project staff recommends that METRO actively advocate for the inclusion of a multi-year earmark for this project in the next authorization bill totaling \$8.66 million. Staff also recommends that METRO request that Representatives Farr and Eshoo, as well as Senators Feinstein and Boxer, request annual appropriation earmarks of \$1.5 million for the Pacific Station Redevelopment Project until the total funding of \$8.66 has been achieved.

The MetroBase Project continues to be the number one priority project for METRO. With construction beginning on the MetroBase Project it will be necessary to begin requesting federal earmarking to ensure the timely completion of Phase I and that planning begins for Phase II. Staff recommends that METRO advocate for earmarks of \$1.5 million for the MetroBase Project be included in each annual federal transportation appropriations bill until the project is completed in all phases.

In order to effectively advocate for the goal contained in the proposed 2005 Federal Legislative Program, it will take the concerted efforts of members of the Board of Directors, staff, other community leaders and citizens to communicate our needs to our members of Congress. METRO will continue to use the services of Chaney & Associates in Washington, DC as our legislative advocates.

14.4

IV. FINANCIAL CONSIDERATIONS

Funding necessary for travel to Washington, DC and other APTA Legislative Committee meetings is included in the 2004/2005 METRO operating budget. Additionally, funds necessary to support the services of Chaney & Associates are included in the METRO budget.

V. ATTACHMENTS

Attachment A: Proposed Santa Cruz Metropolitan Transit District 2005 Federal Legislative Program

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
2005 FEDERAL LEGISLATIVE PROGRAM**

Federal Goals:

1. Support the appropriation of federal transit funds at the maximum amount provided in the extension of the Transportation Equity Act of the 21st Century (TEA-21) and support the continuation of the guarantee and firewall provisions contained in the Act. Resist efforts to single out specific states for lower transit funding levels.
2. Support efforts to obtain funding for operating and capital costs to meet the increasing service requirements of ADA Paratransit (ParaCruz).
3. Advocate for the inclusion of service and equity factors in the Federal Transit Formula Program in the Reauthorization of TEA-21. Request that an Incentive Tier be added to the Formula Program for urbanized areas under 200,000 in population. Advocate for the Incentive Tier to be funded at \$35 million in FY2005 and increased each year of the Authorization Bill to reach a level of \$54 million in 2009.
4. Advocate for the inclusion of a Bus Fleet Modernization Program in the Reauthorization of TEA-21. Support the funding of the Fleet Modernization Program at \$100 million annually.
5. Advocate for increasing the funding levels of the Federal Transit Program from \$7.5 billion in 2005 to \$14.2 billion in 2009.
6. Advocate for and achieve TEA-21 Reauthorization Earmark of \$8.66 million for the construction of the transit facility portion of the Santa Cruz Metro Center (Pacific Station) Redevelopment Project.
7. Advocate for and achieve an Earmark in the 2006 Transportation Appropriations Bill of \$1.5 million for the Santa Cruz Metro Center (Pacific Station) Redevelopment Project.
8. Advocate for and achieve an Earmark in the 2006 Transportation Appropriations Bill of \$1.5 million for the MetroBase Project.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

STAFF REPORT

DATE: December 10, 2004

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: RECONSIDERATION OF GRANTING A RIGHT OF WAY TO PG&E TO LOCATE A TRANSFORMER ON THE VIA DEL MAR PROJECT SITE, RUN PG&E LINES UNDERNEATH THE WATSONVILLE TRANSIT CENTER SIDEWALK AND ALLOW ACCESS TO THE TRANSFORMER VIA THE TRANSIT CENTER – ACTION REQUESTED

I. RECOMMENDED ACTION

Reconsideration of Granting a Right of Way to Allow PG&E to locate a transformer at the Via del Mar site, run PG&E lines to the transformer underneath the Watsonville Transit Center sidewalk and allow access to the transformer through the Watsonville Transit Center site.

II. SUMMARY OF ISSUES

- On June 25, 2004, the Santa Cruz METRO Board of Directors authorized the general manager to execute a Right-Of-Way Agreement with PG&E to allow PG&E to use a 10 foot strip of land at the Watsonville Transit Center to facilitate the installation, operation and maintenance of a PG&E transformer on the Via Del Mar site.
- Les White executed the Right-Of-Way Agreement in accordance with the Board's instructions, which is attached as Attachment A.
- PG&E has presented METRO with an amended Right-of-Way, which is attached as Attachment B for the Board to review and consider implementing.
- Either Right-of-Way would be an actual grant of an easement, which would be recorded and are not revocable.

III. DISCUSSION

On June 25, 2004 the Board of Directors passed a unanimous vote of those present, with Directors Ainsworth, Norton and Rotkin being absent, the following motion: "Approve Easement right-of-way to allow PG&E to locate a transformer at the Via del Mar site, run PG&E lines to the transformer underneath a Watsonville Transit Center sidewalk and allow access to the transformer through the Watsonville Transit Center site as long as there is no impact to the manner of operation of the Watsonville Transit Center including Santa Cruz METRO bus service. Incorporate the language into the easement for PG&E to

supply METRO with seven days' notice for transformer or work related to the rights-of-way so as not to disrupt bus service.”

METRO staff prepared a right of way agreement (Attachment A) and forwarded it to PG&E for their review and signature. PG&E's counsel has modified METRO's proposed agreement and has prepared a right of way agreement that would be acceptable to PG&E (Attachment B).

The differences in the Agreements can be summarized as follows:

Attachment A – METRO's version	Attachment B- PG&E's version
1. METRO retains right to regulate PG&E's use of the easement to prevent inconveniences or interferences with METRO's activities.	1. No such right retained.
2. Routine maintenance (meter reading, survey and visual inspection) and emergency work allowed without notice.	2. 2-day notice for routine maintenance
3. PG&E must give 7-days notice and obtain approval from METRO before entering right of way for all work other than routing maintenance and emergency work.	3. Approval of PG&E work by METRO not required. Any <u>future</u> maintenance or replacement operation performed by PG&E shall not unreasonably interfere with METRO's operations during its normal business hours unless an emergency situation exists.
4. PG&E prohibited from disturbing Watsonville Transit Center's activities and METRO's bus service	4. See #3 above.
5. Restoration of premises is required.	5. Restoration required to as nearly as practicable to the condition prior to excavation.

Jane Barr, Project Manager for Via Del Mar has advised that the plans for the Via del Mar project have been completed and construction is under way. Ms. Barr has indicated that the PG&E transformer must be located in accordance with the plans, which requires a right-of-way Agreement with METRO. It is anticipated that Ms. Barr will be at the December 10, 2004 regular meeting.

IV. FINANCIAL CONSIDERATIONS

None.

V. ATTACHMENTS

Attachment A: Original PG&E Right of Way, approved by Board of Directors and signed by METRO's General Manager

Attachment B: Amended PG&E Right of Way proposed by PG&E's counsel

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
Land Services Office
356 E. Alisal Street
Salinas, CA 93901

Location: City/Uninc _____

Recording Fee _____

Document Transfer Tax \$ _____

Computed on Full Value of Property Conveyed, or

Computed on Full Value Less Liens & Encumbrances
Remaining at Time of Sale.

Signature of declarant or agent determining tax _____

(SPACE ABOVE FOR RECORDER'S USE ONLY)

EASEMENT

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a subdivision of the State of California,

hereinafter called first party, hereby grants to PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called second party, the right from time to time to construct, reconstruct, install, inspect, maintain, replace, remove, and use facilities of the type hereinafter specified, together with a right of way therefor, within a strip or parcel of land or along a route as hereinafter set forth, and also ingress thereto and egress therefrom, over and across the lands situate in the City of Watsonville, County of Santa Cruz, State of California, described as follows:

(APN 17-011-56)

The parcel of land described and designated PARCEL ONE in the deed from Crocker National Bank to first party dated May 9, 1986 and recorded on Volume 3985 of Official Records at page 347, Santa Cruz County Records.

Said facilities shall consist of:

Such underground conduits, pipes, manholes, service boxes, wires, cables, and electrical conductors; aboveground marker posts, risers, and service pedestals; underground and aboveground switches, fuses, terminals, and transformers with associated concrete pads; and fixtures and appurtenances necessary to any and all thereof, as second party deems necessary located within the strip of land of the uniform width of 10 feet, lying 5 feet on each side of the alignment of the facilities as initially installed hereunder, the approximate center line of which is delineated by the heavy dashed line and designated RIGHT OF WAY "A" shown upon the print of the second party's Drawing No. 12-2-59S attached hereto and made a part hereof.

15.91

First party shall not erect or construct any building or structure or drill or operate any well within said strip of land.

First party retains the right to regulate second party's use of the easement and other rights granted herein to prevent any inconvenience to or interference with the activities of first party. Except in the case of routine maintenance such as meter reading, survey and visual inspection of above ground leak and corrosion, or emergency, second party shall give notice to and obtain approval from first party in writing not less than seven (7) days notice prior to entering onto said RIGHT OF WAY "A". Said notice shall contain a description of second party's intended activities and an estimate of the time period necessary to complete said activities. Notwithstanding any statement contained herein, Second Party's intended activities shall not disturb the Watsonville Transit Center's activities or the Santa Cruz Metropolitan Transit District's bus service. Second party shall, at its sole cost and expense, and to the reasonable satisfaction of first party, restore said RIGHT OF WAY "A" as soon as reasonably possible following the completion of any activities carried out thereon by second party.

PG&E CO.:



Grantor:

First party acknowledges that they have read the attached Grant of Easement Disclosure Statement (EXHIBIT B), which by this reference is made part of this Grant of Easement.

The legal description herein, or the map attached hereto, defining the location of this utility distribution easement, was prepared by Pacific Gas and Electric Company pursuant to Section 8730 (c) of the Business and Professions Code.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

Dated 11/8/04, 2004.

PACIFIC GAS & ELECTRIC COMPANY

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

By: _____
William Culligan
Distribution Superintendent

By: [Signature]

By: _____

Area 3, Central Coast Division
Salinas Land Services
Distribution
MDB&M, T12S, R2E, Sec. 9, N 1/2 of NW 1/4
FERC License Number: N/A
Drawing No. 12-2-59S

Type of Interest #4, #43
% Quitclaimed: N/A
PM 30319078
JCN: N/A
County of Santa Cruz
Prepared By: K. Patten

15.92

State of CALIFORNIA
County of SANTA CRUZ

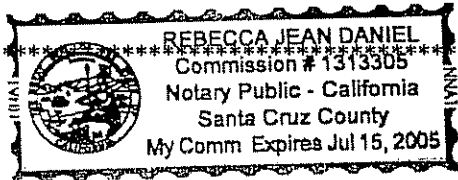
On 11-08-04 before me, the undersigned, a Notary Public for said State, personally appeared Leslie R. White () personally known to me OR () proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

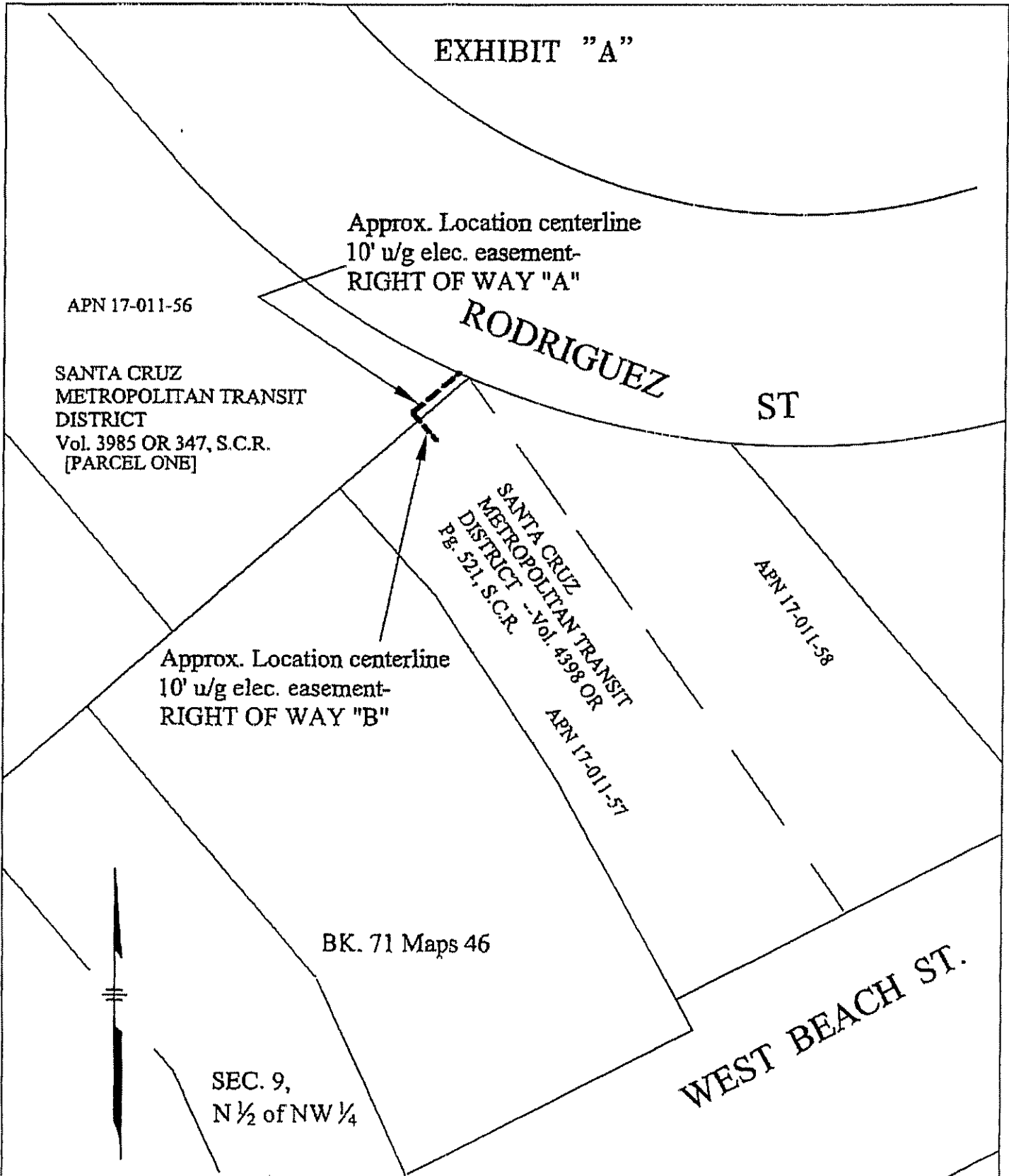
Rebecca Jean Daniel
Notary's Signature

CAPACITY CLAIMED BY SIGNER:

- () Individual(s) signing for oneself/themselves
- () Corporate Officer(s) of the above named corporation
- () Guardian of the above named individual(s)
- () Partner(s) of the above named partnership(s)
- () Attorney(s)-in-Fact of the above named principal(s)
- () Trustee(s) of the above named trust(s)
- (X) Other General Manager of Public Entity



15.93



Applicant: Mid Peninsula Housing				SCALE None	DATE 6/15/04
SECTION 9	TOWNSHIP 12S	RANGE 2E	MERIDIAN MDB&M	COUNTY OF: Santa Cruz	CITY OF: Watsonville
PLAT MAP Q-20-4C REFERENCES SJL-8571A			F.B.:	DR. BY: K. Patten	CH. BY: DBB
			CC DIVISION	30319078 AUTHORIZ	12-2-59S DRAWING NO.

15.04



EXHIBIT B

GRANT OF EASEMENT DISCLOSURE STATEMENT

This Disclosure Statement will assist you in understanding your rights as a property owner when granting an easement to Pacific Gas and Electric Company (PG&E) to accommodate your, or your neighbor's, new utility service extension. Please read this disclosure carefully before signing the Grant of Easement.

- You are under no obligation or threat of condemnation by PG&E to grant this easement.
- The granting of this easement is an accommodation to PG&E's applicant requesting the extension of PG&E utility facilities to the applicant's property or project, pursuant to the Line Extension Rules 15 and 16, as authorized by the California Public Utilities Commission. As this is an accommodation to a single customer or group of customers and not PG&E, the California Public Utilities Commission has not authorized PG&E to purchase such easements.
- By granting this easement to PG&E, the facilities installed within the easement across your property may be used to serve additional customers in the area.
- Removal and/or pruning of trees or other vegetation on your property may be necessary for the installation of PG&E facilities. You have the option of having PG&E's contractors perform this work on your property, or having the applicant or the applicant's contractor perform this work. Additionally, in order to comply with California fire laws and safety orders, PG&E or its contractors will periodically perform vegetation maintenance activities on your property as provided for in this grant of easement.
- The description of the location in which the PG&E utility facilities are to be installed upon, in, on, or across your property must be satisfactory to you.
- The California Public Utilities Commission has authorized that the installation of certain utility facilities for utility service may be performed by the applicant. In addition to granting this easement to PG&E, you will need to give your consent to the applicant, or applicant's contractor, working on your property. Upon completion of the applicant's installation, the utility facilities will be inspected by PG&E. When the facility installation is determined to be acceptable the facilities will be conveyed to PG&E.

By signing the Grant of Easement, you are acknowledging that you have read this disclosure and understand that you are granting the easement to PG&E of your own free will. Please return the signed and notarized Grant of Easement and this Disclosure Statement to PG&E. The duplicate copy of the Grant of Easement and this Disclosure Statement is for your records.

15.95

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
Land Services Office
356 E. Alisal Street
Salinas, CA 93901

Location: City/Uninc _____

Recording Fee _____

Document Transfer Tax \$ _____

Computed on Full Value of Property Conveyed, or

Computed on Full Value Less Liens & Encumbrances
Remaining at Time of Sale.

Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

EASEMENT

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a subdivision of the State of California,

hereinafter called first party, hereby grants to PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called second party, the right from time to time to construct, reconstruct, install, inspect, maintain, replace, remove, and use facilities of the type hereinafter specified, together with a right of way therefor, within a strip or parcel of land or along a route as hereinafter set forth, and also ingress thereto and egress therefrom, over and across the lands situate in the City of Watsonville, County of Santa Cruz, State of California, described as follows:

(APN 17-011-56)

The parcel of land described and designated PARCEL ONE in the deed from Crocker National Bank to first party dated May 9, 1986 and recorded on Volume 3985 of Official Records at page 347, Santa Cruz County Records.

Said facilities shall consist of:

Such underground conduits, pipes, manholes, service boxes, wires, cables, and electrical conductors; aboveground marker posts, risers, and service pedestals; underground and aboveground switches, fuses, terminals, and transformers with associated concrete pads; and fixtures and appurtenances necessary to any and all thereof, as second party deems necessary located within the strip of land of the uniform width of 10 feet, lying 5 feet on each side of the alignment of the facilities as initially installed hereunder, the approximate center line of which is delineated by the heavy dashed line and designated RIGHT OF WAY "A" shown upon the print of the second party's Drawing No. 12-2-59S attached hereto and made a part hereof.

15. b1

First party shall not erect or construct any building or structure or drill or operate any well within said strip of land.

In the case of routine maintenance except in the event of an emergency second party shall give notice to first party in writing not less than two (2) days prior to entering onto said RIGHT OF WAY "A".

Any future maintenance or replacement operations to be preformed by second party on said lands shall be done in such a manner so as not to unreasonably interfere with first party's operations during its normal business hours except in such cases where such maintenance of replacement operations must be preformed due to emergency conditions.

In the event second party shall make any excavation on said lands pursuant to this grant, second party shall restore said lands as nearly as practicable to their condition prior to such excavation including, without limiting the generality of the foregoing, pavement, sidewalk, lawns and shrubs.

PG&E CO :



Grantor: _____

First party acknowledges that they have read the attached Grant of Easement Disclosure Statement (EXHIBIT B), which by this reference is made part of this Grant of Easement.

The legal description herein, or the map attached hereto, defining the location of this utility distribution easement, was prepared by Pacific Gas and Electric Company pursuant to Section 8730 (c) of the Business and Professions Code.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

Dated _____, 2004.

PACIFIC GAS & ELECTRIC COMPANY

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

By: _____
William Culligan
Distribution Superintendent

By: _____

15.62

By: _____

Area 3, Central Coast Division
Salinas Land Services
Distribution
MDB&M, T12S, R2E, Sec. 9, N 1/2 of NW 1/4
FERC License Number: N/A
Drawing No. 12-2-59S
LD affected
LD Ref.

Type of Interest #4, #43
% Quitclaimed: N/A
PM 30319078
JCN: N/A
County of Santa Cruz
Prepared By: K. Patten
Checked By: D. Ben
Revision Number:

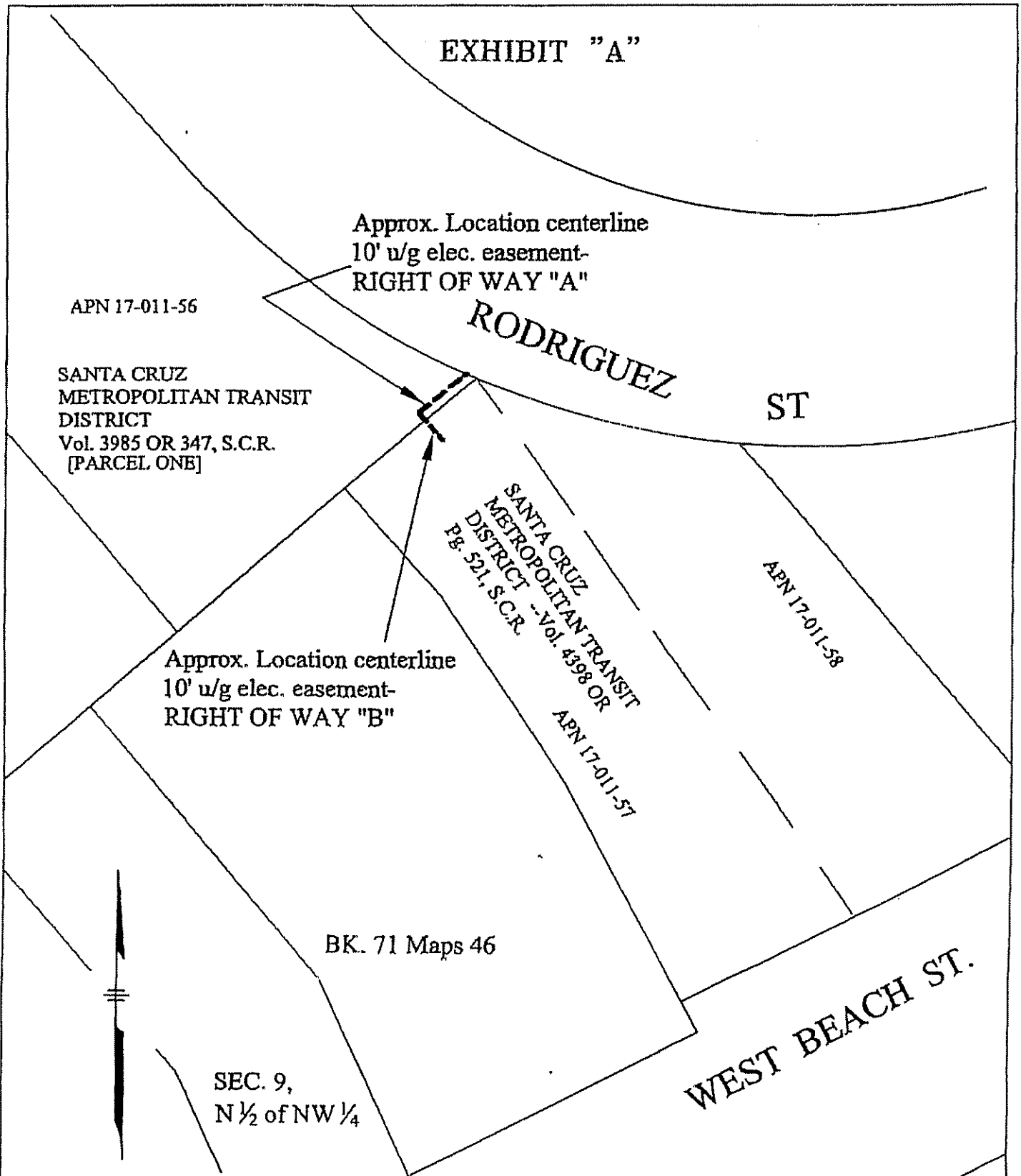
State of _____
County of _____

On _____ before me, the undersigned, a Notary Public for said State, personally appeared _____ () personally known to me OR ()
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
WITNESS my hand and official seal.

Notary's Signature

- CAPACITY CLAIMED BY SIGNER:
- () Individual(s) signing for oneself/themselves
 - () Corporate Officer(s) of the above named corporation
 - () Guardian of the above named individual(s)
 - () Partner(s) of the above named partnership(s)
 - () Attorney(s)-in-Fact of the above named principal(s)
 - () Trustee(s) of the above named trust(s)
 - () Other _____

15.63



Applicant: Mid Peninsula Housing				SCALE: None	DATE: 6/15/04
SECTION: 9	TOWNSHIP: 12S	RANGE: 2E	MERIDIAN: MDB&M	COUNTY OF: Santa Cruz	CITY OF: Watsonville
PLAT MAP Q-20-4C		REFERENCES SJL-8571A		DR. BY: K. Patten	CH. BY: DBB
		CC DIVISION	30319078 AUTHORIZ	12-2-59S DRAWING NO.	

15.64



EXHIBIT B

GRANT OF EASEMENT DISCLOSURE STATEMENT

This Disclosure Statement will assist you in understanding your rights as a property owner when granting an easement to Pacific Gas and Electric Company (PG&E) to accommodate your, or your neighbor's, new utility service extension. Please read this disclosure carefully before signing the Grant of Easement.

- You are under no obligation or threat of condemnation by PG&E to grant this easement.
 - The granting of this easement is an accommodation to PG&E's applicant requesting the extension of PG&E utility facilities to the applicant's property or project, pursuant to the Line Extension Rules 15 and 16, as authorized by the California Public Utilities Commission. As this is an accommodation to a single customer or group of customers and not PG&E, the California Public Utilities Commission has not authorized PG&E to purchase such easements.
 - By granting this easement to PG&E, the facilities installed within the easement across your property may be used to serve additional customers in the area.
 - Removal and/or pruning of trees or other vegetation on your property may be necessary for the installation of PG&E facilities. You have the option of having PG&E's contractors perform this work on your property, or having the applicant or the applicant's contractor perform this work. Additionally, in order to comply with California fire laws and safety orders, PG&E or its contractors will periodically perform vegetation maintenance activities on your property as provided for in this grant of easement.
 - The description of the location in which the PG&E utility facilities are to be installed upon, in, on, or across your property must be satisfactory to you.
 - The California Public Utilities Commission has authorized that the installation of certain utility facilities for utility service may be performed by the applicant. In addition to granting this easement to PG&E, you will need to give your consent to the applicant, or applicant's contractor, working on your property. Upon completion of the applicant's installation, the utility facilities will be inspected by PG&E. When the facility installation is determined to be acceptable the facilities will be conveyed to PG&E.
- By signing the Grant of Easement, you are acknowledging that you have read this disclosure and understand that you are granting the easement to PG&E of your own free will. Please return the signed and notarized Grant of Easement and this Disclosure Statement to PG&E. The duplicate copy of the Grant of Easement and this Disclosure Statement is for your records.

15.65