

**NOTICE OF REGULAR MEETING  
OF THE  
MERCED COUNTY REGIONAL WASTE MANAGEMENT  
AUTHORITY BOARD/  
TRANSIT JOINT POWERS AUTHORITY FOR  
MERCED COUNTY/  
MCAG GOVERNING BOARD**

City of Atwater, Council Chambers  
750 Bellevue Road  
Atwater, CA 95301  
(209) 723-3153

**THURSDAY, JUNE 19, 2008 – 3:00 P.M.**

**1. PLEDGE OF ALLEGIANCE**

**MEMBERS OF THE PUBLIC MAY ADDRESS ANY ITEM ON  
THE AGENDA DURING CONSIDERATION OF THAT ITEM.**

**2. ROLL CALL**

**3. ORAL COMMUNICATIONS**

**PERSONS WISHING TO ADDRESS AGENDA ITEMS OR  
COMMENT ON ANY ITEM NOT ON THE AGENDA, MAY DO  
SO AT THIS TIME. COMMENTS ARE LIMITED TO THREE  
MINUTES PER PERSON. PLEASE STATE YOUR NAME AND  
ADDRESS FOR THE RECORD.**

**FOR ITEMS NOT ON THE AGENDA, NO ACTION WILL BE  
TAKEN AT THIS TIME. IF IT REQUIRES ACTION, IT WILL  
BE REFERRED TO STAFF AND/OR PLACED ON THE NEXT  
AGENDA.**

**COPIES OF STAFF REPORTS OR OTHER WRITTEN  
DOCUMENTATION RELATING TO ITEMS OF BUSINESS  
REFERRED TO ON THE AGENDA ARE ON FILE IN  
THE OFFICE OF MERCED COUNTY ASSOCIATION OF  
GOVERNMENTS. PERSONS WITH QUESTIONS  
CONCERNING AGENDA ITEMS MAY CALL MCAG TO  
MAKE INQUIRY REGARDING THE NATURE OF THE ITEM  
DESCRIBED ON THE AGENDA.**





# **14. City-County Congress Next Steps**

Jesse Brown

For discussion and possible direction.

\* **15. Election of Governing Board Chair and Vice Chair for  
FY 2008-2009**

**16. Oral Report – Jurisdictions**

\* *Action*

# *Attachment*

+ *Enclosure*

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*The next MCAG Governing Board meeting will be held on Thursday, July 17, 2008 at 3:00 p.m, County of  
Merced, Board of Supervisors Chambers, 2222 M Street, Merced, CA*

## CITIZENS ADVISORY COMMITTEE

### Meeting Highlights June 6, 2008

#### CAC representative to Governing Board items:

#### **7. Federal Transportation Act - Principles**

Jesse Brown provided the committee a brief history of past Federal Transportation Acts (FTA). He explained that the FTA shapes how funds are spent with revenue from the federal gas tax.

Richard Jantz made a motion to recommend the MCAG Governing Board support California's Principles for the new Federal Transportation Act. Seconded by Dennis Cote.

**MOTION CARRIED UNANIMOUSLY.**

#### **10. Regional Housing Needs Allocation – Methodology and Allocation**

Matt explained that the RHNA Plan must include the projected housing need for each jurisdiction and projected housing need by income group among jurisdictions through the year 2014. He further explained that the final planning document would be brought back to the committee for review in August.

Tom Grave made a motion to recommend the MCAG Governing Board adopt the RHNA methodology and provide the draft allocations to member jurisdictions.

Seconded by John Price.

**MOTION CARRIED UNANIMOUSLY.**

#### **5. Role of CAC – Oral Report**

Jesse Brown provided an overview of the CAC's role within the MCAG organization. He emphasized the importance of their recommendations to the Governing Board, the creditability of their single voice, and that MCAG relies on them to provide their local communities with information they receive from the CAC meetings. Jesse assured the CAC that MCAG staff is readily available to answer any questions they may have and that staff values the opinion of each and every member.

| <b>MCAG staff follow-up item</b> | <b><u>Action</u></b> | <b><u>Date</u></b> |
|----------------------------------|----------------------|--------------------|
| CAC Goal Setting                 | Agenda               | August?            |
| Bicycle Plans                    | Agenda               | August             |
| 3. Local Development Fees        | Agenda               | August             |

## **MCAG GOVERNING BOARD**

**MAY 15, 2008**

### **MINUTES**

The regular meeting of the **MERCED COUNTY ASSOCIATION OF GOVERNMENTS GOVERNING BOARD** held on Thursday, May 15, 2008, at the County of Merced, Board of Supervisors Chambers, 2222 M Street, Merced, California, was called to order by Chair Nelson at 3:29 P.M.

#### **DIRECTORS PRESENT**

Kathleen Crookham  
Joan Faul (left at 4:50 p.m.)  
Tommy Jones  
Johnny Mays  
Mike Nelson  
Jerald O'Banion  
Joe Oliveira  
Gurpal Samra  
Bill Spriggs

#### **DIRECTORS ABSENT**

Deidre Kelsey  
John Pedrozo

#### **OTHERS PRESENT**

Ken Baxter, Caltrans  
Jesse Brown, MCAG staff  
Rich Green, MCAG staff  
Joe Hughes, Go21  
Richard Jantz, CAC  
Scott Johnston, Merced County Solid Waste  
Larnold Jones, Merced County Transit – “The Bus”  
Robin Lamas, MCAG staff  
Mark Li, KNN  
Cindy Morse, Legal Counsel  
Mark Niskanen, J.B. Anderson Planning  
Larry Shankland, Merced County Transit – “The Bus”  
Candice Steelman, MCAG staff

#### **11. Oral Report: Citizens Advisory Committee**

Richard Jantz gave the Citizens Advisory Committee report.

## **12. Consent Agenda**

- a. Minutes of the March 20, 2008 Governing Board meeting
- b. 511 Memorandum of Understanding (MOU) Agreement for Sharing Access to Sacramento Region 511 Phone System
- c. 2007/2008 Regional Surface Transportation Program (RSTP) Exchange Funds
- d. Formal Amendment No. 10 to the 2007 Federal Transportation Improvement Program
- e. Formal Amendment No. 11 to the 2007 Federal Transportation Improvement Program
- f. Minor Administrative Amendment No. 12 to the 2007 Federal Transportation Improvement Program
- g. MCAG Performance Audit
- g. FY 2008/2009 Work Program and Budget
- i. FY 2007/2008 Budget Revision – 4/01/2008
- j. Regional Transportation Impact Fee (RTIF) FY 2006-2007 Financial Audit
- k. SB 1507 – Oppose Letter
- l. 3<sup>rd</sup> Quarter Warrant Register – 3<sup>rd</sup> Quarter Report
- m. California Highway Patrol Call Box Program Agreement
- n. Resolution Approving Submittal of a Grant Application to the Governor's Office of Homeland Security's California Transit Security Grant Program

Director Samra moved to approve the Consent Agenda.

Seconded by Director O'Banion.

**MOTION CARRIED UNANIMOUSLY.**

## **13. Information Only**

- a. Minutes of the May 14, 2008 Technical Review Board meeting (handed out at the meeting)
- b. Letter of April 4, 2008 to Mr. Jesse Brown from Will Kempton, Director, Department of Transportation regarding the San Joaquin Valley Blueprint
- c. 2009 Federal Transportation Improvement Program Update
- d. California Communities Flyer
- e. Regional Transportation Impact Fee Report
- f. 42<sup>nd</sup> Annual Conference and Exhibition Flyer

So noted.

## **14. Oral Report - Caltrans**

Ken Baxter gave a brief report from Caltrans.

**15. Growth Options for the 21<sup>st</sup> Century (Go21)**

Jesse Brown introduced Joseph Hughes, Senior Organizer of Go21, who gave a brief report on rail freight issues and two pieces of legislation pending before Congress.

Director O'Banion moved to authorize the Chair to sign a letter to our Congressional delegation and other key Congressional leaders in support of the passage of S 1126 and HR 2116.

Seconded by Director Spriggs.

No vote – Director Mays.

**MOTION CARRIED.**

**16. Oral Report – Blueprint Presentation**

Candice Steelman gave a brief presentation on the Blueprint Program.

**17. Blueprint Scenarios Selection**

Rich Green gave a review of the five growth scenarios for the Blueprint based on comments from previous Technical Planning Committee, Citizens Advisory Committee, Technical Review Board, and Planners Roundtable meetings, and from meetings with each City Manager/CEO and planning staff.

After a discussion between the Directors, Director Jones moved to approve Scenario D be used as the base in developing the Valleywide Scenario.

**ROLL CALL VOTE**

Ayes – Directors Jones, Crookham, O'Banion, Nelson, Faul, Spriggs

Noes – Directors Samra, Oliveira, Mays

**MOTION CARRIED.**

**18. Oral Report – One Voice Washington DC Trip**

The One Voice Washington DC trip report will be given at a later date.

**19. Citizens Advisory Committee Membership**

Director Crookham moved to appoint Kyle Ford, Citizen at Large, Mary Ford, Small Business, Diana Westmoreland-Pedrozo, Agriculture and Tom Crawley, Finance, to the Citizens Advisory Committee.

Seconded by Director Samra.

**MOTION CARRIED UNANIMOUSLY.**

**20. SR 99 / 165 Project Study Report (PSR) Update**

Director O'Banion moved to approve maintaining the current administrative functions for the SR 99 / 165 Project Study Report with MCAG, and continue the task order with Bender-Rosenthal for contract management and study committee support.

Seconded by Director Samra.

**MOTION CARRIED UNANIMOUSLY.**

**21. Draft FY 2008/2009 Local Transportation Fund Distribution**

Director Samra moved to approve:

The Draft Local Transportation Fund Apportionment Schedule; and  
Authorize staff to forward claim forms to the local jurisdictions.

Seconded by Director O'Banion.

**MOTION CARRIED UNANIMOUSLY.**

**22. Regional Transportation Impact Fee (RTIF) Expenditure for the Los Banos Bypass**

Director Samra moved to approve an expenditure of \$2,300,000 of RTIF funds for Right-of-Way acquisition for Project I: Hwy 152 Los Banos Bypass.

Seconded by Director Mays.

**MOTION CARRIED UNANIMOUSLY.**

**23. Oral Report – Jurisdictions**

So noted.

**THERE BEING NO FURTHER BUSINESS OF THE MCAG GOVERNING BOARD  
THE MEETING WAS ADJOURNED AT 4:56 P.M.**

\_\_\_\_\_/s/  
Robin Lamas  
Administrative Assistant II

**MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: MCAG GOVERNING BOARD**

**FROM: JUDI PERRY, ACCOUNTANT**

**RE: AUTHORIZE CONSENT TO ASSIGNMENT AND ASSUMPTION OF CALL BOX AGREEMENT BY AND AMONG COMARCO WIRELESS TECHNOLOGIES, INC., CASE SYSTEMS, INC., AND MERCED COUNTY SAFE**

**BACKGROUND**

In 1996, the Merced County Association of Governments (MCAG) Governing Board authorized the formation of the Service Authority for Freeway Emergencies (SAFE) and the implementation of a Call Box Program. MCAG implemented the first phase of the call box program on May 25, 2000 with the installation of 70 call boxes along Highway 152 and Interstate 5 within Merced County. Phase II of the call box program was implemented July 17, 2001 with the installation of 18 call boxes on Highway 99 between the Merced/Stanslaus County line and the City of Livingston. In 2006 all call boxes were upgraded to digital service, including TTY capabilities for the hearing impaired.

**DISCUSSION**

One of the key elements of the call box program is the continued maintenance of the call boxes to assure they are in working order when required. MCAG currently contracts for these services with Comarco Wireless Technologies, Inc. The current contract is for the term December 31, 2006 through December 31, 2010.

Due to the acquisition of the Call Box Business from Comarco Wireless Technologies, Inc. to CASE Systems, Inc. it is necessary to either prepare an RFP for new services or approve a Consent to Assignment and Assumption of Call Box Agreement to continue the current level of services within the current contract terms.

CASE Systems, Inc. is a privately held company whose employees includes key Call Box personnel previously employed by Comarco Wireless Technologies, Inc. Call Box Business Department. Because of the high quality of service this staff has provided in the past, staff is

requesting the MCAG Governing Board authorize the Consent to Assignment and Assumption of Call Box Agreement to assure continuation of services within the current contract terms.

The Technical Review Board concurs with the requested action.

### **REQUESTED ACTION**

Authorize the Consent to Assignment and Assumption of Call Box Agreement by and among Comarco Wireless Technologies, Inc., CASE Systems, Inc., and Merced County SAFE for the current period ending December 31, 2010.

Attachments: Consent to Assignment and Assumption of Call Box Agreement  
Agreement of sale between Comarco Wireless Technologies, Inc. Call Box  
Business and CASE Systems, Inc.  
Letter from CASE Systems, Inc.  
CASE Systems, Inc. organization chart

**ITEM 5c**

**MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: MCAG GOVERNING BOARD**

**FROM: ROBIN LAMAS, ADMINISTRATIVE ASSISTANT**

**RE: MCAG DISADVANTAGED BUSINESS ENTERPRISE (DBE) PLAN FOR  
FY 2008/09**

In accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR, Part 26, Merced County Association of Governments is required to annually adopt a Disadvantaged Business Enterprise (DBE) Plan. The plan is to ensure that disadvantaged business enterprises have an equal opportunity to receive and participate in DOT/FTA assisted contracts.

The FFY 2008/09 DBE Program Plan sets forth an Annual Anticipated DBE Participation Level goal at 2.7%. The goal is developed by calculating the number of DBE's available as a fraction of the total number of firms available to perform the work needed to fulfill FFY 08/09 FTA-assisted contracts. An authorizing resolution needs to be adopted authorizing the Executive Director to sign and execute the Disadvantaged Business Enterprise Plan.

The Technical Review Board concurs with the requested action.

**REQUESTED ACTION**

Adopt Resolution 2008/6-19-01 approving the FY 2008/09 Disadvantaged Business Enterprise Plan.

Attachment: Resolution 2008/6-19-01

**RESOLUTION NO. 2008/6-19-01**

**RESOLUTION OF THE MERCED COUNTY ASSOCIATION OF GOVERNMENTS  
(MCAG) ADOPTING THE FY 2008/09 DISADVANTAGED BUSINESS ENTERPRISE  
PLAN AND GOAL OF 2.7% FOR MERCED COUNTY ASSOCIATION OF  
GOVERNMENTS**

**WHEREAS**, the Merced County Association of Governments wishes to adopt a Disadvantaged Business Enterprise Plan; and

**WHEREAS**, the Federal Transit Administration (FTA) requires that a Disadvantaged Business Enterprise Plan and Goal must be adopted annually;

**NOW, THEREFORE, BE IT RESOLVED** by the Merced County Association of Governments Governing Board, that of any United States Department of Transportation funds used for contract services, it will assure that minority and women owned businesses, otherwise know as Disadvantaged Business Enterprises, shall have the opportunity to participate to the maximum extent feasible in all required aspects of procurement and contracting in accordance with 49 CFR Part 26 and other applicable statutes, regulations and executive orders.

**BE IT FURTHER RESOLVED** that AN annual Anticipated DBE Participation Level (AADPL) goal of 2.7% is hereby established for the Merced County Association of Governments for the 2008/2009 Fiscal Year.

The foregoing resolution was approved at the regular meeting of the Merced County Association of Governments Governing Board on June 19, 2008, by \_\_\_\_\_ who moved its adoption, which motion was duly seconded by \_\_\_\_\_, and which was adopted by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

\_\_\_\_\_  
Jesse B. Brown, Executive Director  
Merced County Association of  
Governments

\_\_\_\_\_  
Michael G. Nelson, Chair  
Merced County Association of  
Governments

**ITEM 5d**

**MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: MCAG GOVERNING BOARD**

**FROM: MATT FELL, SENIOR PLANNER**

**RE: REGIONAL HOUSING NEEDS ALLOCATION – METHODOLOGY AND ALLOCATION**

**BACKGROUND**

MCAG is required by State law to periodically identify the existing and projected housing need for the Merced County region. Merced County's last Regional Housing Needs Assessment (RHNA) Plan was adopted in 2002. The next is due by August 31, 2008. It must cover the planning period January 1, 2007 through June 30, 2014.

The RHNA Plan must include:

- Projected housing need for each jurisdiction
- Projected housing need by income group among jurisdictions

The Regional Housing Needs Plan presents planning objectives. The method(s) by which each jurisdiction addresses these planning objectives is decided within individual housing elements. It is important to distinguish that the housing need determines the land to be set aside for housing units in jurisdiction's housing elements; it is not an actual requirement to construct the housing units within that time period.

**PROCESS**

Several elements must be included in the process of developing the RHNA Plan, including development of a methodology for the allocation, and provision of review, comment, and appeal periods. The following steps have occurred:

| <b>Task</b>   | <b>Date</b>           |
|---|-----------------------|
| 1. HCD determines regional housing need   | Aug. 31, 2007         |
| 2. MCAG accepts HCD's determination   | Nov. 29, 2007         |
| 3. Request information from jurisdictions and prepare draft RHNA methodology in consultation with HCD | Nov. 2007 – Jan. 2008 |
| 4. Release draft methodology  | March 6, 2008         |
| 5. Minimum 60-day comment period on draft methodology   | March 6 – May 6, 2008 |

The following steps remain:

| <b>Task</b>   | <b>Date</b>             |
|---|-------------------------|
| 6. Adopt RHNA methodology and provide draft RHNA to jurisdictions | June 19, 2008           |
| 7. 60-day period for jurisdictions to appeal draft RHNA           | June 20 – Aug. 20, 2008 |
| 8. 45-day period for public comment                               | June 20 – Aug. 5, 2008  |
| 9. Draft RHNA Plan for MCAG committee review                      | July 2008               |
| 10. Conduct public hearing on appeals, if any                     | Aug. 21, 2008           |
| 11. MCAG adopts final RHNA Plan                                   | Aug. 21, 2008           |
| 12. Submit Plan to HCD  | by Aug. 31, 2008        |

After the methodology is adopted, the draft allocations will be provided to the jurisdictions. They have 60 days to appeal the draft RHNA allocations. There will also be a concurrent 45-day public comment period.

The Technical Review Board concurs with the requested action.

### **REQUESTED ACTION**

Adopt the RHNA methodology and provide the draft allocations to member jurisdictions.

Attachment: Regional Housing Needs Allocation for Merced County - Methodology and Draft Allocation.  
RHNA – Proposed Methodology

Regional Housing Needs Allocation for Merced County  
**Methodology and Draft Allocation**  
(Released March 6, 2008)

**A. County-wide Housing Need**

The State's Department of Housing and Community Development (HCD) determines what the county-wide housing need projection is. On August 31, 2007, HCD transmitted to MCAG the region's total housing need for the 2007-2014 RHNA period. The total regional need is a minimum of 16,583 housing units. HCD distributed the housing units among the four household income categories using historic rates of household formation. The household income category definitions are:

- Very Low: Income not exceeding 50 % median family income in the county
- Low: Income between 50% and 80% of median family income
- Moderate: Income between 80% and 120% of median family income
- Above Moderate: Income above 120% of median family income

Total units by income categories are:

| <b>Income Category</b> | <b>Housing Unit Need</b> | <b>Percent</b> |
|------------------------|--------------------------|----------------|
| Very Low               | 3,800                    | 23%            |
| Low                    | 2,766                    | 17%            |
| Moderate               | 3,197                    | 19%            |
| Above Moderate         | 6,820                    | 41%            |
| <b>TOTAL</b>           | <b>16,583</b>            | <b>100%</b>    |

MCAG must maintain these percentages and the corresponding number of units on a countywide basis as it allocates units to the local jurisdictions.

**B. Methodology**

The method used by MCAG to allocate the housing need amongst the seven jurisdictions is as follows. The number of each step corresponds to the numbered columns in the attachment:

1. Establish Base Year "2007 Household Population" by jurisdiction from Department of Finance (DOF) estimates. (*Source: Report E-1, May 2007*)
2. Derive "2014 Household Population" by jurisdiction from MCAG's Regional Transportation Plan (RTP), adjusted downward 1% to match DOF's latest county-wide projections. (*Source: RTP, April 2007, DOF Population Projections, July 2007*)

A shift of 1500 population was applied from Dos Palos to Merced County, because MCAG's population projection assumes the eventual annexation of South Dos Palos/Midway into Dos

Palos. Since these are existing housing units, they should not count against Dos Palos' future need.

A reduction of 844 population was taken from Gustine and applied to the other jurisdictions, because the implied growth from 2007 to 2014 in the prior Gustine forecast was 5% per year, while Gustine's historical growth from 2000 to 2007 was only 1.33% per year. To keep the future number reasonable, the historical growth rate was applied to the forecast period.

3. Establish "Year 2007 Occupied Housing Units" from DOF. (*Source: Report E-5a, May 2007*)
4. Use Person-Per-Household rates from DOF. (*Source: Report E-5a, May 2007*)
5. Calculate "Year 2014 Housing Units" by dividing "2014 Household Population" by "PPH" (column 2 divided by column 4).
6. Calculate "New Housing Units 2007-2014" by subtracting base year units from future year units (subtract column 3 from column 5).
7. Calculate "Total Housing Unit Need" by adjusting with HCD-specified vacancy and replacement factors: owner vacancies 1.8%, renter vacancies 5.0%, replacement 1.0%.
8. Calculate "Need by Income Category" by multiplying the Total Need by the percent in each income group by jurisdiction (*Source: Census 2000*), adjusted to match HCD county-wide totals by group.

**C. Draft Allocation**

The result of applying this methodology is the "Need by Income Category" by jurisdiction:

|               | <b>Very Low</b> | <b>Low</b> | <b>Moderate</b> | <b>Above Moderate</b> |
|---------------|-----------------|------------|-----------------|-----------------------|
| Atwater       | 517             | 402        | 488             | 974                   |
| Dos Palos     | 51              | 37         | 29              | 68                    |
| Gustine       | 55              | 26         | 33              | 88                    |
| Livingston    | 86              | 83         | 75              | 131                   |
| Los Banos     | 525             | 403        | 602             | 1,470                 |
| Merced        | 918             | 574        | 540             | 1,044                 |
| Merced County | 1,648           | 1,241      | 1,430           | 3,045                 |
| Total         | 3,800           | 2,766      | 3,197           | 6,820                 |

**MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: MCAG GOVERNING BOARD**

**FROM: ANNA FUENTES, GRANT PROGRAM MANAGER**

**SUBJECT: ABANDONED VEHICLE ABATEMENT PROGRAM**

**BACKGROUND**

Based on expressed interest in the establishment of an Abandoned Vehicle Abatement (AVA) Program in Merced County, staff is submitting this item for information and discussion.

Section 22710 of the California Vehicle Code (VC) allows counties to form a Service Authority for the the “abatement, removal, or the disposal as a public nuisance of any abandoned, wrecked, dismantled, or inoperative vehicle ... from private or public property”. (In their publication titled the Abandoned Vehicle Abatement Program Handbook, attached, the California Highway Patrol (CHP), serving as the administrator of the Abandoned Vehicle Abatement program, provides definitions for each of these terms that are consistent with the Vehicle Code. Section 22710 also allows for the imposition of a one dollar (\$1.00) vehicle registration fee.

Formation of the Service Authority, imposition of the one dollar registration fee, and adoption of the Plan will require a two-thirds vote by the Board of Supervisors, and a vote in favor by the majority of the cities having a majority of the incorporated population. Should MCAG be designated the Service Authority for Merced County, this item would go to the MCAG Governing Board for their approval.

A draft Abandoned Vehicle Abatement Plan, consistent with Section 22710 of the Vehicle Code, is attached. It is important to note that the Plan requires each participating jurisdiction adopt an ordinance consistent with Sections 22660 and 22661 of the VC and that the plan provides an estimate of the number of vehicles to be abated on a county-wide basis. A sample ordinance is attached, however participating jurisdictions wishing to keep their existing ordinance should refer to the CHP Handbook for compliance with Vehicle Code Sections 22660 and 22661.

**Disbursement of Funds**

In accordance with Section 22710(d)(6) VC, funds generated via the vehicle registration fee will be disbursed quarterly with 50% of those funds being allocated to a jurisdiction based on the percentage of vehicles abated by that jurisdiction out of the total number of abandoned vehicles abated by all jurisdictions. The remaining 50% will be disbursed based on “population and geographic area, as determined by the Authority for its member agencies.” Fresno’s Service Authority’s distributes this 50% strictly based on per capita and the draft AVA Plan does so as well. Fresno’s Service

Authority's distributes this 50% strictly based on per capita and the draft AVA Plan does so as well. Stanislaus' Service Authority on the other hand, distributes 45% based on per capita, and the remaining 5% split evenly among the jurisdictions.

### **Costs Categories**

The Vehicle Code does not address reimbursable costs other than to state that monies collected can only be used for the abatement, removal, or the disposal of any abandoned, wrecked, dismantled, or inoperative vehicle. Therefore, MCAG staff contacted both the Stanislaus Council of Governments and the Council of Fresno City Governments to inquire about reimbursable costs.

Fresno's Service Authority reimburses jurisdictions for "personnel costs" and "services and supplies". Major equipment purchases, towing expenses, and vehicle lease costs all fall into the services and supplies category. Personnel costs are reimbursable at \$62.00/hour with a standard time of 2 hours for each voluntary abatement and 4 hours for each towed abatement. The \$62.00 rate is considered a full cost absorption rate, including all overhead costs of the program such as salaries, benefits, telephone, copies, office supplies, rent, utilities, etc. (The \$62.00 rate was originally tied to the Special Inspection Rate included in the 1997 Uniform Building Code, with increases based on the Consumer Price Index.) Jurisdictions are permitted to use a higher hourly rate if pre-approved and justified based on actual costs.

Stanislaus' Service Authority uses the same cost categories but places no limitations on the hourly personnel rate with reimbursement being based on actual costs.

### **Timeline**

The following milestones must be met in order for the establishment of an Abandoned Vehicle Abatement Program in Merced County during the 2008-2009 fiscal year:

- |  | <b><u>Due Date</u></b> |
|--|------------------------|
| 1. Creation of Abandoned Vehicle Abatement Service Authority, imposition of a one-dollar registration fee, and adopting of the abatement Plan approved by the jurisdictions. | July 2008              |
| 2. MCAG designated as the Service Authority for Merced County.   | July 2008              |
| 3. Abandoned Vehicle Abatement ordinances consistent with Sections 22660 and 22661 of the California Vehicle Code adopted by each jurisdiction (as necessary).               | July 2008              |
| 4. Estimate of the number of vehicles to be abated submitted by each jurisdiction.   | July 2008              |
| 5. Abandoned Vehicle Abatement Plan and supporting documentation submitted to California Highway Patrol.   | Aug. 1, 2008           |
| 6. Revisions requested by CHP, if any, OR AVA Plan approval.   | Oct. 1, 2008           |
| 7. Submittal of AVA Plan to State Controller's Office.   | Jan 1, 2009            |

The Technical Review Board concurs with the requested action.

**REQUESTED ACTION**

Instruct staff to forward AVA materials to all of the cities and the county for their consideration and adoption.

Attachments: Sample Plan  
Sample Resolution  
Sample Ordinance  
Sample Quarterly Report to the Authority

Enclosure: CHP Handbook (including definition of terms and relevant Vehicle and Government Code Sections)

**ITEM 5f**

**MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: MCAG GOVERNING BOARD**

**FROM: JESSE BROWN, EXECUTIVE DIRECTOR**

**RE: FEDERAL TRANSPORTATION ACT - PRINCIPLES**

**BACKGROUND**

The federal government establishes its role and responsibilities for transportation programs and projects through the passage of a transportation act adopted by the Congress and signed by the President. In recent history this has been a six-year act that identifies the programs to be enacted and the funding authorization levels that are funded through annual appropriation bills. The current federal transportation act, Safe, Accountable, Flexible, and Efficient Transportation Equity Act—A Legacy for Users (SAFETEA-LU), ends in 2009.

Through California Secretary's Office of Business, Transportation, and Housing and Department of Transportation, an effort has been underway on a statewide basis to prepare a set of principles that could be supported by transportation stakeholders for the new federal transportation act.

There are seven major areas addressed by the Principles that would guide the new transportation act. The complete text of the Principles are attached.

- 1. Ensure the financial integrity of the Highway and Transit Trust Funds***
- 2. Rebuild and maintain transportation infrastructure in a good state of repair***
- 3. Establish goods movement, as a national economic priority***
- 4. Enhance mobility through congestion relief within and between metropolitan areas***
- 5. Strengthen the federal commitment to safety and security, particularly with respect to rural roads and access***
- 6. Strengthen comprehensive environmental stewardship***
- 7. Streamline Project Delivery***

It is anticipated that a delegation of California Transportation Stakeholders, representing both the public and private sector will share these principles with our Washington D.C. delegation and other national interest groups that will weigh-in on the new federal transportation act.

The Technical Review Board concurs with the requested action.

**REQUESTED ACTION**

Support California's Principles for the new Federal Transportation Act.

Attachment: California Consensus on Federal Transportation Authorization 2008

## **California Consensus on Federal Transportation Authorization 2008**

Under the leadership of Governor Arnold Schwarzenegger, the California Business, Transportation and Housing Agency, and the California Department of Transportation, stakeholders from across California have united on a basic set of principles that we ask our delegation in Washington, D.C. to adopt in the upcoming debate on the future of this nation's transportation policies.

### ***1. Ensure the financial integrity of the Highway and Transit Trust Funds***

The financial integrity of the transportation trust fund is at a crossroads. Current user fees are not keeping pace with needs or even the authorized levels in current law. In the long-term, the per-gallon fees now charged on current fuels will not provide the revenue or stability needed, especially as new fuels enter the marketplace. This authorization will need to stabilize the existing revenue system and prepare the way for the transition to new methods of funding our nation's transportation infrastructure.

- a. Maintain the basic principle of a user-based, pay-as-you-go system.
- b. Continue the budgetary protections for the Highway Trust Fund and General Fund supplementation of the Mass Transportation Account.
- c. Assure a federal funding commitment that supports a program size based on an objective analysis of national needs, which will likely require additional revenue.
- d. To diversify and augment trust fund resources, authorize states to implement innovative funding mechanisms such as tolling, variable pricing, carbon offset banks, freight user fees, and alternatives to the per-gallon gasoline tax that are accepted by the public, and fully dedicated to transportation.
- e. Minimize the number and the dollar amount of earmarks, reserving them only for those projects in approved transportation plans and programs.

### ***2. Rebuild and maintain transportation infrastructure in a good state of repair.***

Conditions on California's surface transportation systems are deteriorating while demand is increasing. This is adversely affecting the operational efficiency of our key transportation assets, hindering mobility, commerce, quality of life and the environment.

- a. Give top priority to preservation and maintenance of the existing system of roads, highways, bridges and transit.
- b. Continue the historic needs-based nature of the federal transit capital replacement programs.

### ***3. Establish goods movement, as a national economic priority.***

Interstate commerce is the historic cornerstone defining the federal role in transportation. The efficient movement of goods, across state and international boundaries increases the nation's ability to remain globally competitive and generate jobs.

- a. Create a new federal program and funding sources dedicated to relieving growing congestion at America's global gateways that are now acting as trade barriers and creating environmental hot spots.
- b. Ensure state and local flexibility in project selection.

- c. Recognize that some states have made a substantial investment of their own funds in nationally significant goods movement projects and support their investments by granting them priority for federal funding to bridge the gap between need and local resources.
- d. Include adequate funding to mitigate the environmental and community impacts associated with goods movement.

**4. *Enhance mobility through congestion relief within and between metropolitan areas.***

California is home to the six of the 25 most congested metropolitan areas in the nation. These mega-regions represent a large majority of the population affected by travel delay and exposure to air pollutants.

- a. Increase funding for enhanced capacity for all modes aimed at reducing congestion and promoting mobility in the most congested areas.
- b. Provide increased state flexibility to implement performance-based infrastructure projects and public-private partnerships, including interstate tolling and innovative finance programs.
- c. Consolidate federal programs by combining existing programs using needs and performance-based criteria.
- d. Expand project eligibility within programs and increase flexibility among programs.

**5. *Strengthen the federal commitment to safety and security, particularly with respect to rural roads and access.***

California recognizes that traffic safety involves saving lives, reducing injuries and optimizing the uninterrupted flow of traffic on the state's roadways. California has completed a comprehensive Strategic Highway Safety Plan.

- a. Increase funding for safety projects aimed at reducing fatalities, especially on the secondary highway system where fatality rates are the highest.
- b. Support behavioral safety programs – speed, occupant restraint, driving under the influence of alcohol or drugs, road-sharing, etc. -- through enforcement and education.
- c. Address licensing, driver improvement, and adjudication issues and their impact on traffic safety.
- d. Assess and integrate emerging traffic safety technologies, including improved data collection systems.
- e. Fund a national program to provide security on our nation's transportation systems, including public transit.

**6. *Strengthen comprehensive environmental stewardship.***

Environmental mitigation is part of every transportation project and program. The federal role is to provide the tools that will help mitigate future impacts and to cope with changes to our environment.

- a. Integrate consideration of climate change and joint land use-transportation linkages into the planning process.

- b. Provide funding for planning and implementation of measures that have the potential to reduce emissions and improve health such as new vehicle technologies, alternative fuels, clean transit vehicles, transit-oriented development and increased bicycle and pedestrian travel.
- c. Provide funding to mitigate the air, water and other environmental impacts of transportation projects.

#### ***7. Streamline Project Delivery***

Extended processing time for environmental clearances, federal permits and reviews, etc. adds to the cost of projects. Given constrained resources, it is all the more critical that these clearances and reviews be kept to the minimum possible consistent with good stewardship of natural resources.

- a. Increase opportunities for state stewardship through delegation programs for NEPA, air quality conformity, transit projects, etc.
- b. Increase state flexibility for using at-risk design and design-build.
- c. Ensure that federal project oversight is commensurate to the amount of federal funding.
- d. Require federal permitting agencies to engage actively and collaboratively in project development and approval.
- e. Integrate planning, project development, review, permitting, and environmental processes to reduce delay.

**MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: MCAG GOVERNING BOARD**

**FROM: CANDICE STEELMAN, PUBLIC INFORMATION OFFICER**

**RE: LEGISLATIVE UPDATE/SUPPORT LETTER FOR AB 3021**

**BACKGROUND**

Over a year ago, the San Joaquin Valley COGs formed a Valley Legislative Affairs Committee (VLAC) to, among other duties, track legislation of interest to the Valley and its jurisdictions. Following is a list of proposed bills VLAC is following, along with other bills of particular interest to MCAG members. Commentary to the bills is provided by Tim Egan of Capital Representation Group, MCAG's lobbyist in Sacramento.

Included is a support letter for Assembly Bill 3021, which was requested by Director Nelson.

**DISCUSSION**

Hundreds of new bills are introduced every year. Some are shelved at the request of the author, others get rolled up into larger bills, usually sponsored by more powerful legislators, and a number of bills can never acquire enough votes to pass through their appropriate committee. Of the bills under consideration this year, SB 375, SB1597, AB 600, AB 2522, AB 2342, and AB 3034 are some of the most interesting.

AB 3021 (Nava), creates the California Transportation Finance Authority to provide for increased construction of new capacity or improvements for the state transportation system through the issuance of revenue bonds. This bill was introduced at the request of State Treasurer Bill Lockyer. It passed the Assembly Appropriations Committee on a 12-5 vote and was passed to the Senate. The bill authorizes local governments and agencies to charge tolls and sell bonds that would be paid back through local revenues, such as LTF, fuel taxes, fuel sales taxes, local transportation sales taxes, and developer fees. The Authority would be chaired by the state treasurer and would also include the director of finance, state controller, director of Caltrans, CTC executive director, and two local agency representatives appointed by the legislature.

The bill is seen as a way for local jurisdictions to raise badly needed revenues for infrastructure projects, instead of continually going to state government for money. Projects are limited to new capacity or improvements to the state transportation system. The bill will likely be amended, so staff recommends supporting AB 3021 only in concept, at this point. At this time, the California League of Cities has the bill on watch, and CSAC has no position.

**AB 660 (Galgiani)** – Railroad-Highway Grade Separations

Makes numerous changes to the railroad-highway at-grade separation Section 190 Program. Passed the Assembly in January, pending hearing before the Senate Transportation & Housing Committee on June 10.

**AB 842 (Jones)** – Regional Plans: Traffic Reduction

Passed the Assembly on January 28 on a 47-28 vote. Currently in the Senate Transportation & Housing Committee pending a hearing date sometime in June. This bill would require the Department of Housing and Community Development (HCD), in ranking applications for capital improvement project grants under the Infill Incentives Grant Program and Transit-Oriented Development Implementation Program, to give priority to projects located in jurisdictions or regions that have adopted plans that will reduce the amount of vehicle miles traveled by at least 10%. The bill is supported by the American Lung Association and League of Conservation Voters and is opposed by the Metropolitan Transportation Commission.

**AB 995 (Nava)** – Prop 1B – Trade Corridors

AB 995 is currently on the Senate Floor on the Inactive File. Future activity on the bill is unknown at this time and could be used for other legislative purposes, since the original purpose of the bill was “to establish criteria for prioritizing projects funded by the Trade Corridor Improvement Fund (TCIF)”, which has basically been accomplished earlier this year by the California Transportation Commission.

**AB 1221 (Ma)** – Transit Village Development

Encourages more intense development around transit stations by linking transit village development with property tax increment financing. Passed Assembly committee last year 12-5 and Assembly 46-32. Sent on to Senate. Set for a hearing date before the Senate Committee on Transportation & Housing on June 10.

**AB 1261 (Caballero)** – Infrastructure Financing

This measure would revise and clarify provisions in law governing specific types of fee-producing infrastructure proposals that local governments may enter into. The bill is in the Senate Appropriations Committee, future hearing to be determined.

**AB 1815 (Feuer)** – California Transportation Infrastructure Funding Task Force

The author did not pursue this bill and therefore the measure is dead for the year.

**AB 1836 (Feuer)** – Infrastructure Financing Districts

Removes the voter approval requirement for the formation of an infrastructure financing district (IFD), adoption of a plan, and issue bonds. Passed the Assembly to the Senate Local Government Committee for a hearing on June 18.

**AB 1845 (Duvall)** – Highway–Railroad Grade Separations

The bill would eliminate the California railroad-highway at-grade separations project Section 190 Program and the automatic transfer of \$15 million from the State Highway Program. AB 1845 passed the Assembly on May 22 on a 55-12 vote.

**AB 1850 (DeVore)** – Office of Public-Private Partnership

Failed passage in the Assembly Business & Professional Committee on April 1 on a 2-6 vote. Measure is dead for the year. Proposed creating a state office of public-private partnerships.

**AB 1904 (Torrico)** – Transportation: Programming of Projects

The bill would have established a process by which a county or regional transportation agency could fund projects utilizing bonds backed by future federal transportation allocations (known as GARVEE bonds), and would have modified the formula used to calculate a county's share of available STIP funds. AB 1904 was held on the Assembly Appropriations Committee "suspense" file and is dead for the year.

**AB 1968 (Jeffries)** – Transportation Infrastructure Emergencies

This measure would have authorized the Governor to declare a transportation infrastructure emergency to relieve traffic congestion under specific circumstances. The measure was set for hearing in March before the Assembly Transportation Committee and was cancelled at the request of the author. The bill is dead for the year.

**AB 2003 (Saldana)** – Energy Efficiency Bonds

Proposes issuing \$2 billion worth of state general obligation (G.O.) bonds to fund alternative energy development projects, energy conservation and efficiency projects in low-income communities, and energy efficiency projects for facilities of the state and public schools. Currently held in Assembly Appropriations Committee.

**AB 2295 (Arambula)**

This bill clarifies that local road rehabilitation projects are eligible for funding through the STIP process. This CSAC sponsored bill passed the Assembly and Senate Transportation & Housing Committee with no opposition and is currently on the Senate Floor for final action.

**AB 2342 (Parra)** – California Partnership for the San Joaquin Valley

Passed out of the Assembly Appropriations Committee on May 22 on a 17-0 vote to the Assembly Floor and will be taken up this week for a vote. Chances are excellent for passage on to the Senate. (Note: MCAG sent a letter of support, as did most of the Valley COGs.)

**AB 2500 (Strickland)** – Grade Separation Projects

This bill would have increased the annual allocation to the Section 190 Grade Separation Project Program from \$15 million to \$165 million. The author did not pursue the bill and it is dead for the year.

**AB 2501 (Wolk)** – Climate Change and Water Resources

Requires climate change analysis in all water programs, including grants. Passed Assembly Appropriations Committee 12-5.

**AB 2522 (Arambula)** – San Joaquin Valley Unified APCD

Authorizes the SJV Unified Air Pollution Control District to increase a motor vehicle fee for incentive-based emissions reduction programs. Its companion bill is SB 240 (Florez). Passed out of the Assembly Appropriations Committee on May 22 on a 12-5 vote to the Assembly Floor to be taken up this week. The Appropriations Committee vote was all Democrats voting for the bill, while all Committee Republicans voted against. The likely outcome is for the bill passing to the Senate with Democrats in support and Republicans opposed.

**AB 2596 (Jones)** – California Global Warming Solutions Acts of 2008

Develops baseline 2009 GHG emissions and measurements for jurisdictions over 50,000. Held on the “suspense” file and not voted on by the Assembly Appropriations Committee. The bill is dead for the year.

**AB 2650 (Carter)** – CALTRANS – EIR Process

This bill extends both the reporting deadlines and the sunset for CALTRANS pilot program for the Department to streamline the EIR process by assuming the federal government’s review responsibilities under the National Environmental Policy Act (NEPA). This CALTRANS sponsored bill passed the Assembly on May 8 to the Senate Transportation & Housing Committee for a June 10 hearing.

**AB 2870 (DeSaulnier)** – Land Use: Environmental Quality

Creates Blueprint Implementation Commission. Passed out of the Assembly Appropriations Committee on a 12-5 vote with Democrats in support and Republicans in opposition. It now goes to the Assembly Floor where it will be considered this week.

**AB 3034 (Galgiani)** – High-Speed Rail Bond Act – urgent status

This bill revises, updates and expands provisions of the existing High-Speed Rail Bond Act that is set for the November 2008 statewide general election. (Please refer to the attached Assembly Floor analysis for a more detailed description of the bill.)

AB 3034 passed the Assembly Appropriations Committee on May 22 on a 12-0 vote with all Democrats in support and the five Committee Republicans abstaining. The bill is an urgency measure and therefore requires a 2/3rds vote (54 votes) from the Assembly for passage to the Senate.

**SB 286 (Lowenthal)** – Transportation Enhancement Funds: Conservation Corps.

This bill would require RTPAs et al to adopt criteria that gives priority to the selection of projects that partner with or commit to employ the services of a community conservation corps or the California Conservation Corps. This bill was previously a technical clean-up measure for Proposition 1B, and has been gutted and amended. The bill is in the Assembly Appropriations Committee pending a hearing date.

**SB 375 (Steinberg)** – Transportation Planning: Sustainable Communities Strategy

This bill, which requires adherence to a regional Blueprint before receiving state funding, is in the Assembly Appropriations Committee and will probably be heard in June.

**SB 445 (Torlakson)** – Greenhouse Gas Mitigation Fee

This bill, which began as a Road User Task Force bill, would authorize specified regional transportation agencies to impose a greenhouse gas mitigation fee. The fee would either be a registration fee on vehicles, or a fee on motor vehicle fuel (gas tax) not to exceed \$0.10 per gallon. The bill requires the adoption of an expenditure plan describing specified greenhouse gas mitigation projects and programs to be funded from the fee revenues, subject to majority approval of the RTPA governing board and voter approval of a ballot measure. SB 445 is currently in the Assembly Transportation Committee and is expected to be heard in June.

**SB 974 (Lowenthal)** – Port Container Fee

This bill would impose a \$30 fee on each shipping container processed at the Ports of Los Angeles, Long Beach and Oakland to fund air quality improvements and congestion management projects. The bill is currently on the Assembly Floor and will be further amended subject to negotiations between the Governor and his staff and Senator Lowenthal. (Note: The bill was originally intended to fund projects throughout the entire goods movement matrix. The Valley COGs visited with Senator Lowenthal to discuss inclusion of the Central Valley as a recipient of funds, since it is an important goods movement corridor.)

**SB 1118 (Negrete-McLeod)** – Airport Land Use Commissions

This bill repeals the authority for a county to exempt itself from the requirement to set up an Airport Land Use Commission. This measure passed the Senate on May 1 without opposition to the Assembly Local Government Committee for a June 18 hearing.

**SB 1422 (Lowenthal)** – High-Speed Rail Authority

This bill would exempt the California High-Speed Rail Authority sponsored contracts from being under the control of CALTRANS and instead vest this authority to the High-Speed Rail Authority. This bill passed the Senate on May 12 to the Assembly Transportation Committee and is pending a hearing.

**SB 1507 (Oropeza)** – Highway Construction: School Boundaries

This bill would prohibit the construction or expansion of a state highway within a quarter mile of a school boundary, including repair and rehabilitation work. SB 1507 passed the Senate Appropriations Committee on May 22 on an 8-4 vote to the Senate Floor.

The Technical Review Board concurs with the requested action.

**REQUESTED ACTION**

Accept and sign the letter of support for AB 3021

Attachments: AB 3034 analysis  
AB 3021 support letter

June 11, 2008

The Honorable Pedro Nava  
Assembly Member, District 35  
P.O. Box 942849  
Sacramento, CA 94249-0035

**RE: Support AB 3021 concept – “California Transportation Finance Authority”**

**Dear Assembly Member Nava:**

On behalf of the Merced County Association of Governments, I am writing to support the concept of AB 3021. Local jurisdictions are hard pressed to find adequate revenue streams to fix outdated and crumbling transportation infrastructure. More California residents than ever before have indicated a willingness to tax themselves to pay for projects chosen by the communities in which they live.

The ability to raise money locally and put it to use immediately is appealing, as we have seen projects delayed or fall off the list entirely due to rapidly rising construction costs.

We appreciate your efforts to find new revenue streams which can be controlled at the local level. At this date, we support the concept of AB 3021.

Sincerely,

Michael G. Nelson, Chair

- c. The Honorable Jeff Denham, Senate District 12  
The Honorable Cathleen Galgiani, Assembly District 17  
The Honorable Mark DeSaulnier, Chair, Assembly Committee on Transportation  
The Honorable Michael D. Duvall, Vice Chair, Assembly Committee on Transportation  
The Honorable Alan Lowenthal, Chair, Senate Committee on Transportation and Housing  
The Honorable Tom McClintock, Vice Chair, Senate Committee on Transportation and Housing

# TECHNICAL REVIEW BOARD MEETING

June 11, 2008

## MINUTES

The regular meeting of the Technical Review Board, held at Merced County Association of Governments, 369 W. 18<sup>th</sup> Street, Merced, California, was called to order at 12:15 P.M.

### **MEMBERS PRESENT**

Steve Rath, City of Los Banos  
Jim Marshall, City of Merced  
Margaret Silveira, City of Gustine  
Dee Tatum, County of Merced (arrived at 12:30)  
Richard Warne, City of Livingston  
Greg Wellman, City of Atwater  
Darrell Fonseca, City of Dos Palos

### **MEMBERS ABSENT**

None

### **OTHERS PRESENT**

Jesse Brown, MCAG staff  
Paul Fillebrown, Merced County Public Works  
John Gedney, Caltrans  
Marjie Kirn, MCAG staff  
Mike Nelson, Director MCAG Governing Board  
Larry Shankland, Merced County Transit - "The Bus"  
Candice Steelman, MCAG staff  
Anna Fuentes, MCAG staff  
Joy Gort, MCAG staff  
Charlie Woods, City of Atwater  
Stan Feathers, City of Atwater  
Melinda Wall, City of Los Banos

## **2. Oral Communication**

Larry Shankland distributed a postcard on "Vote No on cuts to the State Transit Assistance (STA) Funds."

## **3. Minutes of the May 14, 2008 Technical Review Board meeting**

Greg Wellman moved to approve the minutes of the May 14, 2008 Technical Review Board meeting.

Seconded by Margaret Silveira.

**MOTION CARRIED UNANIMOUSLY.**

**4. Election of Chair for FY 2008-2009**

Jim Marshall nominated Margaret Silveira as Technical Review Board Chair for FY 2008-2009.

Seconded by Greg Wellman.

**MOTION CARRIED UNANIMOUSLY.**

**MERCED COUNTY REGIONAL WASTE MANAGEMENT  
AUTHORITY BOARD**

*There were no Merced County Regional Waste Management Authority Board items this month.*

**TRANSIT JOINT POWERS AUTHORITY FOR MERCED COUNTY**

**5. Minutes of the May 15, 2008 Transit Joint Powers Authority for Merced County meeting**

**So noted.**

**6. Independent Performance Audit of “The Bus” – Merced County Transit for the period July 1, 2002 through June 30, 2005**

The Technical Review Board concurs with accepting the 2002-2005 Transit System Performance Audit. They expressed concern about the late completion of the audit. The TRB members suggested that MCAG staff prepare a Request for Proposals for audit services.

Jim Marshall moved to recommend the Transit Joint Powers Authority for Merced County accept the 2002-2005 Transit System Performance Audit as presented and direct staff as deemed appropriate.

Seconded by Greg Wellman

**MOTION CARRIED UNANIMOUSLY.**

**MCAG GOVERNING BOARD**

**7. Consent Agenda**

- a. Regional Transportation Plan Amendment
- b. Authorize Consent to Assignment and Assumption of Call Box Agreement by and among Comarco Wireless Technologies, Inc., Case Systems, Inc., and Merced County Safe
- c. MCAG Disadvantaged Business Enterprise (DBE) Plan for FY 2008/09

Item 7a was pulled from the Consent Agenda.

Steve Rath moved to approve the Consent Agenda minus Item 7a.  
Seconded by Paul Fillebrown.

**MOTION CARRIED UNANIMOUSLY.**

Item 7a was discussed noting that it will be brought back in July or August 2008 as an action item.

**8. Minutes of the May 15, 2008 Governing Board meeting**

So noted.

**9. Caltrans Report**

John Gedney gave a brief report from Caltrans.

**10. Regional Housing Needs Allocation – Methodology and Allocation**

Darrell Fonseca moved to recommend the MCAG Governing Board adopt the RHNA methodology and provide the draft allocations to member jurisdictions.

Seconded by Greg Wellman

**MOTION CARRIED UNANIMOUSLY.**

**11. Abandoned Vehicle Abatement Program**

Steve Rath moved to recommend the MCAG Governing Board instruct staff to forward AVA materials to all of the cities and the county for their consideration and adoption.

Seconded by Richard Warne.

**MOTION CARRIED UNANIMOUSLY.**

**12. Legislative Update**

So noted.

**13. AB 3034**

This item was continued to a future meeting.

**14. Citizens Advisory Committee Membership**

Jim Marshall moved to respectfully decline making a recommendation to the Governing Board for appointing one Student representative and reappointment of Richard Jantz as the Economic Development representative to the Citizens Advisory Committee.

Seconded by Greg Wellman.

**MOTION CARRIED UNANIMOUSLY.**

**15. Federal Transportation Act - Principals**

Jim Marshall moved to recommend the MCAG Governing Board support California's Principles for the new Federal Transportation Act.

Seconded by Dee Tatum.

**MOTION CARRIED UNANIMOUSLY.**

**16. Draft 2009 Federal Transportation Improvement Program and Draft 2009 Interim FTIP Documents for Public Review**

Review the Draft 2009 FTIP and Draft 2009 Interim FTIP documents and provide comments.

So noted.

**17. California Transportation Commission Staff Recommendations regarding the existing Highway 59 Project**

So noted.

**18. Atwater – Merced Expressway Update**

So noted.

**19. Atwater – Merced Expressway – Legal Services**

Jim Marshall moved to recommend the MCAG Governing Board authorize the Executive Director to execute an agreement for legal services for the Atwater – Merced Expressway Project in an amount not to exceed \$40,000.

Seconded by Richard Warne.

**MOTION CARRIED UNANIMOUSLY.**

**20. City-County Congress Next Steps**

So noted.

**21. Oral Report - Jurisdictions**

So noted.

**THERE BEING NO FURTHER BUSINESS, THE MEETING WAS ADJOURNED AT 1:28 P.M.**

**MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: MCAG GOVERNING BOARD**

**FROM: JESSE B. BROWN, EXECUTIVE DIRECTOR**

**RE: ATWATER-MERCED EXPRESSWAY UPDATE**

The purpose of this memorandum is to provide an update on the status of the environmental process for the Atwater-Merced Expressway project and outline the steps that will be undertaken in the coming months.

**Environmental Process:** The Draft Environmental Impact Report (EIR) for the Atwater-Merced Expressway project was circulated on March 3<sup>rd</sup>, 2008 and copies of the Draft EIR were provided to staff of member agencies for review. MCAG staff and the project consultant also participated in providing informational presentations to the City Councils of Atwater and Merced, as well as, the County Board of Supervisors in April, 2008 in order to update elected officials and to answer any questions they had on the project. The feedback received from the members of the Councils and Board of Supervisors at these meetings was mostly positive.

A formal public hearing on the EIR was held on April 1<sup>st</sup>, 2008 from 6:00 PM to 8:00 PM at the Atwater Community Center. Approximately forty (40) individuals attended this meeting. Display boards that depicted the project information were placed in the auditorium. MCAG and project consultant staff made a presentation of the project and testimony from the meeting attendees was taken. Only four (4) individuals made oral presentations that mainly focused on the project's potential impact to their respective residences or businesses.

Approximately fifteen (15) written comments have been received by the close of comment period on May 2<sup>nd</sup>, 2008. Primary concerns raised by commenters include the following:

**Growth Inducing Impacts:** Several commenters have argued that the project will be growth inducing and some have characterized the project as a 'piece-meal' of a larger project, suggesting that the Atwater-Merced Expressway is one part of the Merced Loop.

**Agricultural Mitigation:** Commenters have pointed out that the environmental document does not provide mitigation for the reduction of agricultural lands.

**Dairy Impacts:** One of the project alternatives severely impacts a large dairy operation north of Santa Fe Drive. Commenters have indicated that the environmental document does not adequately discuss the impacts to the dairy operations in the project area.

**San Joaquin Kit Fox:** The project team has been coordinating with the US Fish and Wildlife Services to reach an agreement on mitigation measures for biological impacts. USFWS had requested a kit fox corridor through the project area in return for a reduced mitigation ratio. As a result, the draft environmental document proposed onsite mitigation measures such as such as the wildlife corridor crossing at Bellevue Road and the preservation of open space on either end of this crossing, in addition to purchasing mitigation credits at an appropriate bank. However, several comments have expressed concern regarding the proposed onsite mitigation. Local property owners have expressed concern that such on-site mitigation would conflict with existing and planned land uses in the area.

Other comments included concerns regarding flood plain encroachment, Castle Air Force Base encroachment, and impacts to individual properties.

Responses to the comments received will be incorporated into the Final Environmental Impact Report. Certification of the Final EIR and approval of the preferred alternative is expected to occur at the August 2008 MCAG Board Meeting (See Table 1 below). Prior to certification of the Final EIR, MCAG and project consultant staff will make presentations to the Citizens Advisory Committee, the Technical Planning Committee, and the Technical Review Board. Prior to EIR certification by the MCAG Governing Board, the respective City Councils of the Cities of Atwater and Merced and the Merced County Board of Supervisors will be requested to act upon resolutions in support of the project. After a preferred alignment is selected, the Cities of Atwater and Merced, and the County of Merced could then proceed with updating their respective General Plans to incorporate the preferred alignment. By doing this, right of way preservation for the expressway project can be coordinated amongst the various jurisdictions.

Table 1 - Schedule of Environmental Process

| <b>Tasks</b>  | <b>Completion Schedule</b> |
|---|----------------------------|
| Submit Admin Final EIR / Response to Comments to MCAG for distribution to Cities of Atwater and Merced, County of Merced, and Caltrans. | 7/08/2008                  |
| Comments on Admin Final EIR Received from MCAG and other agencies   | 7/15/2008                  |
| Publish Final EIR   | 8/01/2008                  |
| Citizens Advisory Committee Presentation  | 8/01/2008                  |
| Planning and Public Works Advisory Committee Presentation   | 8/07/2008                  |
| Technical Review Board Presentation   | 8/13/2008                  |
| MCAG Board - EIR Certification Hearing  | 8/21/2008                  |
| MCAG Board - Certification, Approval of Findings  | 8/21/2008                  |

**REQUESTED ACTION**

For information only.

## **ITEM 8**

### **MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: MCAG GOVERNING BOARD**

**FROM: MATT FELL, SENIOR PLANNER**

**RE: PUBLIC HEARING - REGIONAL TRANSPORTATION PLAN  
AMENDMENT, AIR QUALITY CONFORMITY ANALYSIS AND  
ENVIRONMENTAL DETERMINATION**

The Regional Transportation Plan (RTP) is the long-term transportation-planning document for Merced County. Major updates are made every three-four years, and minor updates are made as needed. The last update was adopted in May 2007.

Due to new federal requirements regarding financial documentation, it has become necessary to amend the RTP. This is a minor amendment, which provides more recent and more specific information, as follows:

1. Revised revenue and expenditure estimates in the Financial Element, specifically to comply with the new “Year of Expenditure” requirement;
2. More details in “Table 14: Regionally Funded Projects” on page 42, including expected year of construction and escalated cost estimates; and
3. Details on a phasing approach for construction of the Los Banos Bypass project.

The proposed amendment to the RTP includes updated funding tables, minor project description corrections and project year of construction edits. The information is supplementary and will not result in any additional environmental impacts that have not been previously addressed in the adopted Merced County RTP Environmental Impact Report (EIR).

A Draft Air Quality Conformity Analysis has been undertaken on the proposed amendment and the Federal Transportation Improvement Program (FTIP) (see the FTIP item in this agenda). The Analysis contains the documentation to support a finding that the 2009 FTIP and 2007 RTP as amended meet the air quality conformity requirements for ozone and particulate matter.

A 30-day public review and comment period commences on June 2, 2008 and will conclude on July 1, 2008. The draft documents will be available June 2, 2008 for review at the Merced County Association of Governments office, located at 369 W. 18th Street in Merced and on our website at [www.mcagov.org](http://www.mcagov.org).

A public hearing on these documents will be held on June 19, 2008 at 3:00 p.m. at Atwater Council Chambers, 750 Bellevue Road, Atwater, CA.

Please provide any comments you may have on any of these documents by July 1, 2008.

**REQUESTED ACTION**

For review and comment by July 1, 2008.

Attachments: Revised page 42 of 2007 Regional Transportation Plan.

## **ITEM 9**

### **MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: MCAG GOVERNING BOARD**

**FROM: TERRI LEWIS, ASSOCIATE PLANNER**

**RE: PUBLIC HEARING - DRAFT 2009 FEDERAL TRANSPORTATION IMPROVEMENT PROGRAM AND DRAFT 2009 INTERIM FTIP DOCUMENTS FOR PUBLIC REVIEW AND AIR QUALITY CONFORMITY ANALYSIS**

### **BACKGROUND**

The Federal Transportation Improvement Program (FTIP) is a programming document prepared in response to federal requirements.

#### **Biennial STIP Fund Estimate Development**

Every two years Caltrans develops and releases a new State Transportation Improvement Program (STIP) Fund Estimate (FE) that identifies anticipated state and federal revenues for transportation projects in a five-year window.

#### **Biennial RTIP Proposal submittal**

As a result of the biennial STIP FE, California MPO's are required to propose how they are going to program the STIP / RIP (Regional Improvement Program) funding that is distributed on a formula basis in a new Regional Transportation Improvement Program (RTIP) document.

MCAG's Governing Board adopted a 2008 RTIP document on January 17, 2008. The 2008 RTIP specifies how the RIP funds for the next five years will be programmed to Merced County STIP projects.

The 2008 RTIP continues to reflect the ongoing instability of state funding sources that is wreaking havoc on transportation projects throughout the state. The 2008 RTIP Merced County revenue needs far outweigh the RIP funds available.

CTC staff combines all of the MPO RTIP proposals into a single statewide document that is within the confines of the STIP FE revenue anticipated.

### **CTC staff recommendations released**

On May 9, 2008, CTC staff released their RTIP programming recommendations.

### **CTC RTIP Adoption**

On May 29, 2008, the CTC is scheduled to adopt the 2008 RTIP documents.

### **2008 FTIP Development**

MPO's are required to update their 2009 FTIP document to be consistent with the 2008 STIP (both RIP and ITIP programs), 2008 SHOPP, Caltrans State managed programs, and any other state or federally funded transportation project programs.

### **FTIP Schedule**

June 2, 2008 Draft Document release  
June 19, 2008 Public Hearing  
July 17, 2008 MCAG Governing Board Adoption

### **Document Review**

On June 2, 2008 the Draft 2009 FTIP and Draft 2009 Interim FTIP documents will be available for a 30-day public review period that closes on July 1, 2008 at 5 PM. A public hearing will be held on June 19, 2008 at the regularly scheduled meeting of the MCAG Governing Board.

### **UPDATE STATUS AS OF JUNE 11, 2008**

The San Joaquin Valley (SJV) Air Quality consultant, Cari Anderson, participated in a conference call on Monday, June 9, 2008 with EPA, FHWA, and Caltrans Headquarters regarding the status of the PM-10 air quality emission budgets and adoption of the SJV MPO 2009 Federal Transportation Improvement Program (FTIPs).

Due to several recent high wind exceedances of the PM-10 air quality standard in the San Joaquin Valley, EPA has now determined that some type of public process will need to be conducted on these exceedances. While the details and schedules for the public process need to be determined, it will NOT be possible for EPA to sign the final approval notice on the PM-10 Maintenance Plan (thus providing conformity budgets needed for the 2009 FTIP) by July 31, 2008.

### **What does this mean for the SJV 2009 FTIP's?**

This means that the eight SJV MPO's will be adopting the 2009 Interim FTIPs in July for submittal to Caltrans by August 1, 2008 for inclusion in the 2009 statewide FSTIP. There is no need for special SJV MPO August Governing Board meetings, since the full 2009 FTIP and

corresponding conformity analysis cannot be adopted due to the unavailability of required conformity budgets.

Under this current 2009 Interim FTIP situation, air quality conformity budgets should be available by the end of September 2008 in order to process the first off-cycle amendment to incorporate the full 2009 FTIP into the statewide FSTIP. **Note – this is a very fluid situation, and the impact of the recent and/or any more future PM-10 air quality standard exceedances will develop as the process unfolds, yet this will take time.**

Both FHWA and Caltrans have requested that the SJV MPO's re-evaluate adopting a 2009 FTIP that relies on a previous emissions analysis either immediately or as our first off-cycle amendment. There are specific assignments that have been developed by participating agencies that will be drafted over the next week. Another conference call is tentatively scheduled for Thursday, June 19, 2008 and a verbal update will be provided.

As of right now, SJV MPO's are to stay on schedule to adopt the 2009 Interim FTIPs during July Governing Board meetings.

Representatives are continuing to pursue another possible option in which EPA would allow the SJV MPO's to use "adequate" instead of "approved" PM-10 budgets. It has been suggested that we request a written legal opinion on the matter. This would be our last "hope" of getting EPA to somehow resolve the current situation.

All SJV MPO's should proceed with the public comment process on both the full 2009 FTIP and the required air quality conformity analysis and the 2009 Interim FTIP until further notice.

### **REQUESTED ACTION**

Review the Draft 2009 FTIP and Draft 2009 Interim FTIP documents and provide comments.

**ITEM 10**

**MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: MCAG GOVERNING BOARD**

**FROM: LORI FLANDERS, ASSISTANT PLANNER**

**RE: CITIZENS ADVISORY COMMITTEE MEMBERSHIP**

**BACKGROUND**

Michael Amabile, Citizens Advisory Committee (CAC) representative for Citizen at Large, notified staff that he is no longer able to serve on the CAC due to an existing health condition.

Kevin Stone, representative for Construction, notified staff at the May CAC meeting that he is no longer able to serve on the CAC. Kevin has accepted a new job and will be relocating to Monterey.

Staff has begun the recruitment for the Citizen at Large and Construction representative slots. Please notify staff if you have a name to submit or an interested party to be contacted.

In addition, staff has received the following application for Student representative:

| <b>Applicant</b> | <b>Representing</b> | <b>Nominated by:</b> |
|------------------|---------------------|----------------------|
| Adam Cox         | Student             | Elizabeth Patterson  |

According to the bylaws of the Citizens Advisory Committee, members are eligible to serve two four-year terms. At the end of the first full term, a member may request to be reappointed by the Governing Board.

Richard Jantz, Economic Development representative, has reached the end of his first full term (April 2008), and has requested to serve a second term with the CAC.

The Technical Review Board respectfully declined making a recommendation to the Governing Board for appointing one Student representative and the reappointment of Richard Jantz as the Economic Development representative to the Citizens Advisory Committee.

## **REQUESTED ACTION**

Appoint one Student representative and reappoint Richard Jantz as the Economic Development representative to the Citizens Advisory Committee.

Attachments: Appointment Table  
Application form / Letter of Recommendation for Adam Cox

**CITIZENS ADVISORY COMMITTEE MEMBERS**  
**APPOINTMENT TABLE**

| <b>REPRESENTATIVE AREA</b> | <b>NAME</b>                | <b>DATE APPOINTED</b>              | <b>EXPIRATION OF TERM</b> |
|----------------------------|----------------------------|------------------------------------|---------------------------|
| Agriculture                | Diana Westmoreland-Pedrozo | May 15, 2008                       | May 2012                  |
| Business (Small)           | Mary Ford                  | May 15, 2008                       | May 2012                  |
| Citizen at large           | <b>VACANT</b>              | <b>VACANT</b>                      | <b>VACANT</b>             |
| Citizen at Large           | Matt Hoffman               | July 20, 2006                      | July 2010                 |
| Citizen at Large           | John Price                 | November 15, 2001<br>November 2005 | November 2009             |
| Citizen at Large           | Dean Wilson                | November 15, 2001<br>November 2005 | November 2009             |
| Citizen at Large           | Kyle Ford                  | May 15, 2008                       | May 2012                  |
| Commerce                   | Isaias Franco              | October 19, 2006                   | October 2010              |
| Economic Development       | Richard Jantz              | April 15, 2004                     | April 2008                |
| Education                  | Tom Grave                  | February 21, 2008                  | February 2012             |
| Engineering                | Dennis Cote                | February 21, 2008                  | February 2012             |
| Finance                    | Tom Crawley                | May 15, 2008                       | May 2012                  |
| Goods Movement             | Scott Neal                 | December 14, 2006                  | December 2010             |
| Construction               | <b>VACANT</b>              | <b>VACANT</b>                      | <b>VACANT</b>             |
| Real Estate                | Dan Hultgren               | May 17, 2007                       | May 2011                  |
| Student                    | <b>VACANT</b>              | <b>VACANT</b>                      | <b>VACANT</b>             |
| Water/Irrigation           | Hicham Eltal               | October 19, 2006                   | October 2010              |

Updated May 2008

**MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: MCAG GOVERNING BOARD**

**FROM: MARJORIE KIRN, DEPUTY EXECUTIVE DIRECTOR**

**RE: INDEPENDENT PERFORMANCE AUDIT OF “THE BUS”- MERCED COUNTY TRANSIT FOR THE PERIOD JULY 1, 2002 THROUGH JUNE 30, 2005**

Enclosed is the Performance Audit of “The Bus”- Merced County transit for the period July 1, 2002 through June 30, 2005. Attached is a memorandum from Larry Shankland outlining the Audit Findings and Recommendations.

The audit identifies that “The Bus” has not met the fare box ratio requirements for the Dial-A-Ride service in the urban area for all three years under audit.

Under the Transportation Development Act, MCAG has the responsibility to review compliance to the fare box ratio targets defined by the Act and implement penalties if the ratios are not met. With Board direction, staff will prepare a recommended course of action consistent with the Transportation Development Act and present the recommendations at a future meeting.

The Technical Review Board concurs with accepting the 2002-2005 Transit System Performance Audit. They expressed concern about the late completion of the audit. The TRB members suggested that MCAG staff prepare a Request for Proposals for audit services.

**REQUESTED ACTION**

Accept the 2002-2005 Transit System Performance Audit as presented and direct staff to develop and recommend a course of action consistent with the Transportation Development Act.

Attachment: Letter to Jesse B. Brown from Larry Shankland, Transportation Manager

Enclosure: Performance Audit – “The Bus”

## **MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: JESSE B. BROWN, EXECUTIVE DIRECTOR**

**FROM: LARRY SHANKLAND, TRANSPORTATION MANAGER**

**SUBJECT: INDEPENDENT PERFORMANCE AUDIT OF "THE BUS" – MERCED COUNTY TRANSIT FOR THE PERIOD JULY 1, 2002 THROUGH JUNE 30, 2005**

### **BACKGROUND**

The purpose of this performance audit is to:

1. Evaluate the effectiveness and efficiency of public transit service provided by "The Bus" – Merced County Transit. Performance audits are required of all transit operators receiving funds under the Transportation Development Act (Public Utilities Code section 99246); and,
2. To determine whether "The Bus" – Merced County Transit is in compliance with laws and regulations which could significantly affect the acquisitions, management and utilization of its resources (economy and efficiency) and to determine whether programs are being carried out in conformity with standards set for public transit operators by the Regional Transportation Plan (effectiveness).

Kemper CPA Group completed the audit on April 24, 2008. A copy of the audit is enclosed.

### **AUDIT FINDINGS**

- The Bus – Merced County Transit has complied with the rules and regulations of the Transportation Development Act with exception for the following: For the fiscal year ended June 20, 2005, TDA compliance regarding farebox recovery ratios and operating costs per revenue vehicle hour could not be determined because required supporting documentation was not available.
- The Bus – Merced County Transit has partially implemented the prior performance audit recommendations, which related to management's continuing efforts to meet full compliance with TDA guidelines. Prior recommendations specifically focused on the need for management to improve farebox recovery ratios on the fixed route transit system in urban areas and on the demand responsive transit system.

Farebox recovery ratios for the fixed route transit system did meet the required minimum ratio of 20% for the fiscal years ending June 30, 2003 and 2004. The recorded farebox

recovery ratio for the fiscal year ended June 30, 2005 was 19.79%, or slightly below the 20% threshold.

However, because data was not available to verify this amount, the actual results may have been higher or lower than the reported percentage. Absent the verifiable data, the agency's farebox recovery ratio for the fixed route transit system is needed to be not in compliance with TDA guidelines for the fiscal year ended June 30, 2005.

Farebox recovery on the urban demand-responsive transit system continued to be below the 10% threshold and did not meet TDA guidelines for all three fiscal years under audit. Farebox recovery on the rural demand-responsive transit system did meet the 10% farebox recovery ratio threshold in 2002/03 and 2003/04, but the ratio dropped to 8.84% in 2004/05.

- The internal control structure over financial reporting and data collection and summarization continues to function effectively. The missing data referred to in the paragraph above was related to an isolated incident where a former contractor (MV Transportation) removed records without authorization. Management has put control in place to avoid this type of situation in the future. We feel that these controls are adequate.
- Combined fare revenue of the fixed route and demand response systems increased 5.3% over the previously audited period.
- Passengers per vehicle service mile and hour have decreased over the current three-year period, continuing the trend noted in the previous three-year period.
- Both the fixed route system and the demand-responsive system generally meet transit standards set by the RTPA.

#### **AUDIT RECOMMENDATIONS**

1. Farebox recovery on the fixed route transit system in urban areas did not meet minimum TDA guidelines of 20% in FY 2004/05, based upon unverified data. We recommend management continue their efforts to ensure full compliance with TDA guidelines.
2. Farebox recovery on the urban demand-responsive transit system did not meet minimum TDA guidelines of 10% for all three fiscal years under audit. Farebox recovery on the rural routes did meet the minimum ratio in 2002/03 and 2003/04, but fell below 10% in 2004/05. We recommend management continue to review demand-responsive services offered at existing fares to determine the best course of action to reach full compliance with TDA guidelines.
3. We recommend that management implement a disaster preparedness and response plan for Merced County Transit.
4. Management has commented that insufficient parts inventory can result in delayed repairs and maintenance and a shortage of vehicles available for daily service. We recommend that sufficient inventories of parts be ordered in advance in order to avoid interruptions or delays in providing service.

## **DISCUSSION**

This audit is 2.5 years late. Staff will be working with Kemper to complete the tri-ennial performance audit for Merced County Transit for the period 7/1/05 through 6/30/08 in a timelier manner. Our goal is to have the report to the Transit Joint Powers Authority for Merced County sometime in November 2008.

It should be noted that during the audit timeframe the contract with MV Transportation, Inc. was terminated due to poor performance. MV was the contracted operator that disposed of backup data that resulted in this audit finding the system in non-compliance with required farebox ratios. Furthermore it was MV's poor performance on Merced County Transit fixed route and Dial-A-Ride operations that led to the decreasing farebox recovery ratios between July 1, 2003 and June 30, 2005.

Merced County Transit has worked on improving the farebox to cost recovery ratios in a number of ways since 2005, including:

- \* Installing electronically validating fareboxes for increased fare collection accuracy and security.
- \* Under direction from the TJPAMC, staff implemented several service reductions that reduced costs by approximately \$ 500,000 per year effective Jan.3, 2008.
- \* Implementing a three successive calendar year price increase on all bus passes beginning January 3, 2008 which when combined with the service reductions should effectively bring the farebox recovery ratios into compliance with the TDA.

## **REQUESTED ACTION**

Recommend the MCAG Governing Board accept the 2002–2005 Transit System Performance Audit as presented and direct staff as deemed appropriate.

**MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: MCAG GOVERNING BOARD**

**FROM: MARJORIE KIRN, DEPUTY EXECUTIVE DIRECTOR**

**RE: CALIFORNIA TRANSPORTATION COMMISSION STAFF  
RECOMMENDATIONS REGARDING THE EXISTING HIGHWAY 59  
PROJECT**

**BACKGROUND**

At their January 2008 meeting, the MCAG Governing Board adopted the 2008 Regional Transportation Improvement Program (RTIP). The 2008 RTIP included programming \$12.8 million of Regional Improvement Program funds for the engineering and right-of-way phases for the Existing Highway 59 widening project.

Once adopted by the MCAG Governing Board, the RTIP is submitted to the California Transportation Commission (CTC) for their consideration and inclusion in the State Transportation Improvement Program (STIP). Once funding is approved by the CTC in the STIP, the project can then be programmed by MCAG in the Federal Transportation Improvement Program (FTIP). After the FTIP receives approval by the Federal Highway administration, the project sponsor can proceed with obligating the funds to the programmed project phase.

**DISSCUSSION**

Attached is a table identifying the CTC staff's programming recommendations for the 2008 State Transportation Improvement Program for Merced County. The staff recommendation is to program all new project phases in the 2011/12 and 2012/13 fiscal years. The Existing Highway 59 project is recommended to be programmed in the 2011/12 fiscal year. If the MCAG Governing Board would like to program this project in an earlier year, they would have to propose not funding a previously programmed project. The only project that we have currently fully funded is the Bradley Overhead. The Bradley Overhead is a jointly funded project with Caltrans. If the MCAG Governing Board decided to move the funding from the Bradley Overhead to another project, Caltrans' would delete their funding for the project as well and the project would be stopped. Almost \$7 million of Regional Improvement Program funds have already been invested into the design and right-of-way acquisition for the Bradley Overhead.

There is a cost involved in delaying the Existing Highway 59 project by three years. Below is the escalation cost estimate from Caltrans:

|             | Current Estimate (2008) | Escalated Estimate (2011) |
|-------------|-------------------------|---------------------------|
| R/W Capital | \$8,600                 | \$9,956                   |
| R/W support | \$1,200                 | \$1,311                   |
| PS&E        | <u>\$3,000</u>          | <u>\$3,278</u>            |
| Total       | \$12,800                | \$14,545                  |

For the time being, the CTC staff is not making any change in their staff recommendation for any of the projects. As in the past, the STIP adoption resolution will include a clause that allows them to come back in the following next month with technical changes and corrections, including escalation costs.

**REQUESTED ACTION**

For information only.

Attachment: 2008 STIP Staff Recommendation – Merced County Share

**MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: MCAG GOVERNING BOARD**

**FROM: JESSE B. BROWN, EXECUTIVE DIRECTOR**

**RE: ATWATER-MERCED EXPRESSWAY – LEGAL SERVICES**

**BACKGROUND**

The Atwater-Merced Expressway (AME) Draft Environmental Impact Report (EIR) was circulated for a 60-day period that ended on April 30, 2008. Responses to the comments received are being prepared by the consultant and incorporated into the final environmental impact report. As currently scheduled, the MCAG Governing Board will hold a public hearing for the AME EIR at their August 21, 2008 meeting. At which time the Governing Board may certify the AME EIR and select the project alignment.

Due to the nature and importance of this document and the overall delivery of this project, a legal review of the environmental document, by a firm with substantial knowledge and experience with California Environmental Quality Act issues involving major transportation projects, is merited.

On the advice of, and in consultation with, MCAG Counsel Robert Haden, a proposal for legal services was requested from the Law Office of Thomas H. Terpstra for environmental review and permitting of the Atwater-Merced Expressway Project, preparation of the mandatory CEQA findings, and such other actions and tasks as may be required. The service costs are estimated at \$40,000. An Engagement Letter and Mr. Terpstra's resume are attached. This agreement may be funded through a transfer from the AME project-consulting budget at no additional cost to the project.

The Technical Review Board concurs with the requested action.

**REQUESTED ACTION**

Authorize the Executive Director to execute an agreement for legal services with the Law Office of Thomas H. Terpstra for the Atwater-Merced Expressway Project in an amount not to exceed \$40,000.

Attachments: Engagement Letter dated June 3, 2008  
Resume - Thomas H. Terpstra

**MEMORANDUM**

**DATE: JUNE 12, 2008**

**TO: MCAG GOVERNING BOARD**

**FROM: JESSE B. BROWN, EXECUTIVE DIRECTOR**

**RE: CITY-COUNTY CONGRESS NEXT STEPS**

**BACKGROUND**

On May 8, 2008, a City-County Congress was held at Espana's Restaurant in Los Banos prior to the quarterly City-County Dinner. Invited participants included all city council members, county supervisors, and city managers/county executive officer of MCAG's member agencies. Mr. Lindle Hatton professionally facilitated the session. MCAG management staff also attended in support of the session.

The meeting notes, prepared by Mr. Hatton, are attached. The notes outline the session's objectives and procedure, convey the comments of the participants, and the priority "themes" that were voted upon by those attending. These themes were to be defined as:

- \* Region-wide applicability
- \* Something MCAG could spearhead
- \* Not specific to any one jurisdiction

Through a participant voting process the theme results were prioritized as follows:

1. Economic Development
2. One Voice/Unified Voice
3. Representational Equity
4. City/County Issues
5. Revenue Sharing
6. Groundwater Planning Mechanism
7. Sales Tax Measure

These themes, in their current form, while highly valued by the session participants, require a higher degree of definition, perhaps a "SMART"<sup>1</sup> goal, in order to assess and determine future action by the Governing Board. As examples and for discussion purposes only, a "smart" goal has been drafted for each of the seven priority themes.

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<sup>1</sup> From the Governing Board's August 2007 Workshop a SMART goal/objective was defined as S (specific), M (measurable), A (action-oriented), R (realistic), T (time sensitive).

1. Economic Development:
  - a. MCAG Executive Director will invite the Merced County Economic Development Corporation President, Scott Galbraith, to attend the July 17 Governing Board meeting to provide an overview of MCEDCO activities and suggest appropriate economic development role for MCAG.
  - b. MCAG's grant program will prepare at least one economic development grant application each year for a project/program selected by each member jurisdiction.
2. One Voice/Unified Voice
  - a. MCAG will continue the current One Voice Legislative Program with priority issues/trips to Sacramento and Washington DC.
3. Representational Equity
  - a. The MCAG Chair will reconvene the ad hoc committee formed by the Governing Board to study member representation/voting and report back to the Governing Board within three months.
4. City/County Issues
  - a. The MCAG Chair will appoint MCAG Directors to an ad hoc committee to define city/county issues to be discussed and report back with a priority list within three months.
5. Revenue Sharing
  - a. The MCAG Chair will appoint MCAG Directors to an ad hoc committee to define revenue sharing issues to be discussed and report back with recommendations within three months.
6. Groundwater Planning Mechanism
  - a. The MCAG Executive Director will contact the chief executive officers of the Merced Irrigation District, Central California Irrigation District, San Joaquin Water River Exchange Contractors Water Authority with a request to jointly attend a MCAG Governing Board meeting within the next three months to advise MCAG of their respective groundwater planning activities and the appropriate role for MCAG.
7. Sales Tax Measure
  - a. The MCAG Executive Director will draft a work element for inclusion in the FY 09-10 MCAG Work Program and Budget for the preparation of a Transportation Expenditure Plan for the approval of the Governing Board and member agencies in anticipation of the November 2010 ballot.

## **REQUESTED ACTION**

For discussion and possible direction.

Attachment: City-County Congress Meeting Notes - May 8, 2008

