

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Tabetha Smith, Clerk to the Board
SUBJ: APPROVAL OF THE ACTION SUMMARY OF NOVEMBER 13,
2023

RECOMMENDATION

Motion to Approve.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
BOARD OF DIRECTORS
BOARD MEETING
NOVEMBER 13, 2023**

ROLL CALL: Roll Call was taken at 5:33 p.m. PRESENT: Directors Budge, Daniels, Hume, Jennings, Kozlowski, Maple, Serna, Singh-Allen, Valenzuela, and Chair Kennedy. Absent: None. Director Loloee arrived at 6:00 p.m.

It was announced that with just cause, Director Valenzuela would be attending virtually.

1. PLEDGE OF ALLEGIANCE

2. CONSENT CALENDAR

- 2.1 Motion: Approval of the Action Summary of October 23, 2023
- 2.2 Receive and File: Quarterly Treasurer's Report (J. Johnson)
- 2.3 Resolution 2023-11-108: Delegating Authority to the General Manager/CEO to Amend or Approve and Execute Procurement Contracts for Cybersecurity Incident Response (S. Valenton)
- 2.4 Resolution 2023-11-109: Amend and Restate Title III of the Administrative Code for the Sacramento Regional District Board's Rules of Procedure (S. Valenton)
- 2.5 Resolution 2023-11-110: Approve Contract Change Order No. 10 to the Contract for Low Floor Vehicle Platform Conversion Phase 1 with PNP Construction, Inc. (H. Ikwut-Ukwa)
- 2.6 Resolution 2023-11-111: Ratifying the Execution of Special Purchase Amendments to the Gas Services Agreement with the Department of General Services and Delegating Authority to the General Manager/CEO to Enter into Future Agreements with The Department of General Services Under the Natural Gas Services Program for the Purchase of Compressed Natural Gas (J. Johnson)

Director Budge moved; Director Serna seconded approval of the consent calendar. Motion was carried by roll call vote. Ayes: Directors Budge, Daniels, Hume, Jennings, Kozlowski, Maple, Serna, Singh-Allen, Valenzuela and Chair Kennedy; Noes: None; Abstain: None; Absent: Loloee.

Chair Kennedy announced that Item 3.1 was pulled by staff and would be brought back to the Board at the December 11, 2023 meeting.

3. INTRODUCTION OF SPECIAL GUESTS

- 3.1 Community Transit Champion Recognition Program (D. Selenis)
 - a. Miguel Barraza (Director Maple)
 - b. Rick Hodgkins (CEO, Henry Li)
 - c. Keith Smothers (Director Hume)
 - d. David Von Aspern (Director Serna)

4. UNFINISHED BUSINESS

5. PUBLIC HEARING

6. PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

Chair Kennedy requested a change to the order of the agenda to hear Item 7.1 ahead of Item 6.

7. NEW BUSINESS

- 7.1 Motion to Approve: Dos Rios Light Rail Station (L. Ham)

Chair Kennedy stated he has never been opposed to the Dos Rios Light Rail Station project and the idea for the item to be pulled from the agenda was not considered. He further stated that he never said he is opposed to any of the options but what he did say was it would be a responsible decision to have the different options heard in order to have the Board make an informed decision and to be able provide adequate direction to staff.

Laura Ham, VP, Planning & Engineering and Chris Flores, Chief of Staff, provided a comprehensive project briefing on the Dos Rios Light Rail station project.

Ms. Ham provided a brief background and an overview of the project. She noted that the station has been envisioned for many years as a part of the City of Sacramento Transformation Plan and Transit Oriented Development (TOD) Plans for the Twin Rivers/River District area and would be directly adjacent to the Mirasol Village community. The Sacramento Housing and Redevelopment Agency (SHRA) is the lead for the Mirasol Village project and owns the property where the future light rail station will be constructed.

Ms. Ham shared a project timeline starting with 2005 when SacRT completed a detailed operational analysis for the Dos Rios Light Rail station, and it was determined that a station was operationally feasible. In December of 2018 it was announced that SHRA was the recipient of a \$23M Transformative Climate Communities Grant, administered by Strategic Growth Council (SGC), with \$17M directed to the light rail station project. SacRT is a subrecipient to SHRA on the grant.

Ms. Ham explained that SacRT and SHRA have encountered many challenges, one which included significant remediation needs while the cost for construction was increasing

simultaneously. The end of site cleanup is approaching and SacRT is prepared to place the project out to bid next month and construction is projected to be completed late 2026.

Ms. Ham provided a light rail station project scope which she stated was complex due to current track configuration. She stated the estimated project budget is a fully burdened estimate of \$43M and the total actual cost will depend on upcoming bidding of the contract.

Ms. Ham offered additional details for the project which included cost escalation, site clean-up and extensive cost reduction efforts made by SacRT. She explained the primary issue for the delay of releasing an invitation to bid was due to the site not being ready because of the remediation efforts. The site is still not ready for construction activities because SHRA needs a close-out report approved by (Department of Toxic Substance Control) DTSC for the hot spot locations. Ms. Ham stated bid pricing is valid for 90 days and releasing an invitation to bid before a site is ready for construction would result in costly delay claims or an invalid procurement. SacRT has a target release of no later than December 15, 2023.

Ms. Ham stated in early 2023, SHRA and SacRT met with SGC to discuss the project funding shortfall which was identified as \$19.2M. Funding options were discussed and following the meeting, SacRT and SGC appealed to partners, including the City of Sacramento, to find another grant or local funding to fill the gap. In February 2023 SacRT applied for \$20.2M in TIRCP Cycle 6 funds for Dos Rios as its top-priority project, along with two other projects associated with Light Rail modernization. The application was not successful but a \$5.5M Congressionally Directed Spending Request was secured at the recommendation of Congresswoman Matsui. The \$5.5M was later reduced to \$1M in the House Transportation Budget.

Ms. Ham said the partners requested an extension on the grant in May 2023 and SGC explained that due to the budgetary structure of the TCC program, an additional funding allocation was not possible. SGC notified SHRA on July 31, 2023, that the project was in non-performance status and that SHRA was required to provide an updated project budget and funding strategy.

Ms. Ham stated SacRT continued to communicate with partners over the summer. A 2-year extension was requested to allow time to apply for additional funding through various grant cycles. There was no immediately available funding nor was SacRT aware at the time that the TCC grant program was ending nor had the state approved the SB125 funding for transit agencies at the time. At SHRA's request per discussions with SGC, SacRT prepared a substitute transit project, subject to SGC's approval, that would ensure that the residents were afforded a transit option, and the grant funds would not be lost.

Ms. Ham stated on September 20, 2023, SGC sent a letter to SHRA notifying of non-performance and requesting a substitute project. The shortfall issues were raised at the September 25 and October 23 SacRT Board meetings. On November 2, 2023, at a meeting with SHRA, Senator Ashby and the City of Sacramento a proposal was put forth that SacRT should consider the use of \$10M in SacRT's SB125 funding, as well as approximately \$9.2M in additional funding to be absorbed by SacRT. At that same meeting it was clearly conveyed by staff that the use of this funding to fill the gap on the Dos Rio project would be subject to SacRT Board approval and the SB125 allocation would be presented to the Board. Ms. Ham stated

SacRT has consistently shared with partners the need for filling the project gap and that all stakeholders bear some responsibility for this connected community project.

Ms. Ham provided a brief description of the structure of SacRT's funding plan Streetcar and other capital projects. She stated that generally when there are cost overruns and delays, grants can be extended and, in some cases, awarded additional funding to address the cost overrun.

Ms. Ham concluded with a brief recap of all SacRT has done to try and address the funding gap. She stated it was not until September 20, 2023, that it was fully understood there would be no extension on the grant, and an alternative project must be developed. She provided a summary of potential next steps to complete the station project should a funding plan be approved and turned it over to Chris Flores to present funding options including the SB125 program.

Mr. Flores provided a summary of the estimated project cost of \$43M broken down by category and noted that \$22M is funded and \$21M is unfunded. He stated if SacRT funds the remaining shortfall it would be almost 55% of the total project cost from the agency. Mr. Flores said there is currently \$1.9B in approved capital projects of which only \$855M have been funded. Most of the short fall is state of good repair projects and necessary maintenance of the system. He stated staff continues to review all existing projects to determine if any funding can be reallocated or redistributed based on the reprioritization of projects.

Mr. Flores provided an explanation of SB125 funding stating it is a one-time funding source passed in response to the fiscal cliff California transit agencies are facing. Under SB125 guidelines, the transit funding flows to Regional Transportation Planning Agencies (RTPA) for distribution among the regional transit agencies. SACOG is the RTPA in the Sacramento region. SacRT staff are working closely with SACOG to ensure SacRT receives its appropriate share of funds to address both capital and operational needs. He noted SacRT staff had a joint meeting with SACOG and CalSTA for clarification regarding intended SB 125 use of funds and the priority use is to maintain baseline operations and to cover funding gaps.

Mr. Flores stated that SACOG's regional share of SB125 funding over the next two years is \$238 million and SacRT is requesting approximately 89% of the funding. While most of the request is to support operational deficits in the out years, SacRT is requesting approximately \$80 million in maintenance, state of good repair and capital projects. Mr. Flores said staff has presented SACOG with estimates for SB 125 operating requests totaling \$130.5M. Some funding is restricted and can only be used for one type of expenditure; however, much of the funding available to SacRT over the next few years is flexible. Any funding obligated to one project or expenditure will reduce the funding available for future needs.

Director Loloee arrived at the meeting at 6:00 p.m.

Ms. Ham stated on September 20, 2023, SGC directed SHRA to work with project partners to prepare an alternative project that would ensure that the residents were afforded a transit option if the light rail station did not move forward. If the project partners determine that the light rail station cannot move forward, the approximately \$17.6M in available TCC funding could potentially be applied to a substitute project that could include capital costs and approximately

2 years of operations and maintenance before the grant program closes. A concept that has received positive community feedback is a redesigned route 33 that provides improved east-west connectivity, connecting Mirasol Village to the Blue and Green Lines, Route 11, Greyhound, and the Museum of Science and Curiosity. Staff is developing options for the 33, which includes 30 or 20 minute frequency, extending services hours until 9:00 p.m. and operating 7 days per week. SacRT also proposed the use of zero emission 40-foot buses for the service. All would require SGC approval and a grant amendment. If the community does not support the substitute project, it may not be approved by SGC.

Ms. Ham concluded with the three options being proposed to the Board.

Director Serna asked what would be the comparable headway frequency of a modified route 33 vs. Dos Rios Light Rail headways.

Ms. Ham responded that on weekdays the light rail system runs on 15-minute headways.

Director Singh-Allen stated she would love to hear from the public.

Chair Kennedy stated he would like to let the Board ask questions first.

Director Valenzuela asked how long the funding would last on the proposed bus route 33.

Ms. Ham responded the estimation is 2-3 years.

Director Valenzuela stated there would be 2-3 years of bus services vs. a forever light rail station.

Ms. Ham stated if implemented, SacRT would commit to operating the route for a reasonable period of time.

Director Valenzuela stated additional money would be needed to operate past the grant term.

Director Valenzuela read a letter received by the SGC that stated there has been an agreement with SHRA and SacRT to move forward with a revised timeline and budget and the amended corrective action plan must be submitted by December 1, 2023.

Director Valenzuela stated her support for option 1.

Chair Kennedy requested that Director Valenzuela forward the letter to the clerk to be a part of the record.

Director Loloee asked if it is possible to increase the request to SACOG from 89% to 91% or 93% to cover the gap.

Jason Johnson, VP, Finance/CFO responded there has just been an initial submittal of needs to SACOG right now and once SacRT knows the allocation that question can be better answered.

Director Loloee asked if there was a commitment made in the meeting with SACOG and SacRT.

Mr. Flores responded \$10M has been requested for the Dos Rios project, however, a \$10M shortfall remains.

Mr. Loloee affirmed that there has been no commitment.

Mr. Flores said that James Corless, SACOG, stated the project would meet the guidelines for additional funds.

Director Loloee asked if SACOG is committing to taking some of the funding received for other purposes and applying it to the Dos Rios project or if it would be in addition.

Mr. Flores stated that was not discussed.

Director Loloee asked if it has been brought up at all.

Mr. Flores responded that it has been mentioned to SACOG that SacRT would like to get a fair share based on the ridership and population formula that brings money into the region.

Director Loloee asked if when the \$17.3M runs out if bus route 33 would be included in SacRT's budget or eliminated.

Ms. Ham stated the proposal is that the bus service will continue to be provided.

Director Loloee asked what the ridership is currently for route 33.

Ms. Ham stated about 100 passengers per day.

Director Serna asked what the perspective tradeoffs are if option 1 is chosen relative to funding state of good repair.

Mr. Johnson responded that in general there is \$1B dollars of unfunded projects and any money allocated to one project restricts or takes it away from another project. The SB 125 money has more flexibility and can be moved from one project to another.

Director Serna asked what a possible tradeoff would look like.

Ms. Ham stated the funding is flexible and SacRT would be able to use it as a match to apply for other competitive grants. She shared the highest priorities and expansion projects. She also stated that the mandated zero emission vehicle transition by 2040 to replace 600-700 vehicles will be a large funding need.

Director Serna asked if there could be other economically challenged and disadvantaged areas that need service enhancements as well that might need to be forgone.

Ms. Ham stated potentially, yes.

Director Daniels asked how long it takes on route 33 to get to Alkali Flats.

Ms. Ham stated 5-10 minutes.

Chair Kennedy asked if the Stockton BRT plan could be impacted.

Ms. Ham replied yes.

Chair Kennedy asked if the amount being received from SB125 is known.

Ms. Ham said it is unknown at this time. She believes the SACOG Board will take action in December.

Chair Kennedy asked when the soonest the changes to route 33 could take place.

Ms. Ham responded potentially up to 18 months while simultaneously amending the grant, which could be 1 to 2 years.

Director Loloee asked how long the light rail construction would take.

Ms. Ham responded that the estimate completion is December 2026.

Director Loloee reaffirmed that the bus route changes would take longer.

Ms. Ham stated it would be about the same or maybe a little sooner.

Director Loloee asked if there was any way an extension of the December 1, 2023, deadline could be granted in order to hear from SACOG.

Ms. Ham said she is not sure. Previously SacRT was told there would be no extension.

Director Valenzuela stated that at the meeting with Senator Ashby it was mentioned there would be a letter submitted by December 1, 2023, and SACOG would work hard to secure the funding. She stated option 2 or 3 do not work and the success of this project would do a lot for SacRT's reputation and competitiveness.

Director Budge asked for clarification that notice of direction is needed by December 1, 2023. She asked if there is implication that a bid is needed without adequate documents.

Ms. Ham stated that the bid documents can be processed simultaneously while waiting for final approval of funding and the contractor is currently in the process of updating the bid set.

Director Hume asked for clarification on if SACOG's commitment to find funding would be SACOG re-prioritizing funding that would otherwise come to SacRT for a different purpose.

Mr. Johnson stated that is correct.

Director Loloee asked if without the updated bid how the \$10M shortfall was determined.

Ms. Ham stated that as far as the expenditures, the engineer's estimate of \$22M for construction was based on actual bids received for the Folsom 15 project which is a comparable project.

Director Loloee asked if option 1 is not voted in if it would jeopardize future potential grants for SacRT.

Ms. Ham stated the grant program SacRT is funded through is going away and SacRT will not be eligible for this program in the future. She said there is always a fear it could damage credibility if the project was not pursued however, with the options put forth, the project is progressing in one form or another and ensures the funds are expended.

Director Loloee asked if the substitute project would be frowned upon because it was not the original project.

Ms. Ham stated the SGC asked for a substitute project.

Director Serna shares Director Valenzuela's concern regarding possible damage to SacRT's reputation. He asked if the \$10M provided through option 1 could and should be used as a match for other grants. And, if the \$10M is used for option 1 and then not available, would it then affect the ability to apply and succeed for future grants.

Ms. Ham responded that it is difficult to say. She said the initial hope was that there would be an extension on this grant and an opportunity to apply for others grants and leverage the funds as well as be competitive in future grant cycles. Since there is no opportunity to extend the grant, it is a balance of fulfilling the commitment on this project or with a substitute project and the potential competitiveness for other state grants in the future.

Director Serna stated a possible trade-off if the Board goes with option 1, is that there would be a lack of resources to pursue future grants to take care of state of good repair and other operational needs.

Ms. Ham responded that is true that SacRT would have reduced flexible resources to pursue other competitive grants.

Speakers:

Jeffery Tardaguila stated his support for option 1 and said more consideration for the elimination of route 15 was needed and on route 33 an expansion of hours of operation and space is needed

Jeff Harris, former SacRT Board member, proposed option 3 as the best way to go forward. He said creating a bus route to serve the needs of the people in the River District and directing Mr. Li, by motion to continue to pursue grant funds to build the Dos Rios station in the future would

be a win all the way around.

Kathryn Canepa, Civic Thread, provided support of option 1. The light rail would provide a critical connection to other locations in the city and honor a promise that has been made.

Joe Robustelli supports option 1.

Reggie Foster is in support of expansion of route 33.

Chair Kennedy asked Ms. Ham if the expansion of route 33 would allow access to the Greenline via the Township station.

Ms. Ham responded yes, and you could also connect to route 11 there.

Director Serna asked if in addition to the headways being adjusted to 15 minutes or less, will route 33 operating hours and days be expanded.

Ms. Ham responded yes, the proposed expansion is to extend from 5:00 a.m. to 9:00 p.m. seven days a week and those elements of the service expansion could be implemented within six months, with the existing fleet. Increasing the headways even further and extending it at the same time would require new vehicles.

Director Maple asked if the SGC \$17M can be used for the bus route or if there is a possibility it could be lost entirely.

Ms. Ham responded that the substitute would have to be accepted and supported by the community. She understands that SHRA is looking at some other elements to include in the project to get to \$17.6M. Based on feedback received, transit is the highest priority.

Director Maple asked if it is possible SGC would not accept the alternative project.

Ms. Ham said yes, it is possible.

Director Serna asked if option 2 forecloses the possibility of the Dos Rios Light Rail Station.

Ms. Ham said for option 2, a partner would need to come forth with funding by December 1, 2023.

Director Serna asked how option 2 is different than 3.

Ms. Ham stated option 3 would be to move ahead with a substitute project and then pursue new grants for the construction of the light rail station.

Director Serna stated this would be based on the fact the substitute project would be accepted.

Ms. Ham replied yes.

Director Loloee asked for clarification that the \$17.6M funding is guaranteed for option 1 and not guaranteed with option 3 as it would be based on SGC acceptance of the substitute proposal.

Ms. Ham affirmed and added that with option 1 SacRT would need to go out to bid, get the construction bids in, be successful and maintain the schedule.

Director Jennings stated it sounds like option 1 is being looked at so funding is not lost but it will be combined with option 3 moving to route 33.

Ms. Ham stated it would be one or the other.

Director Kozlowski asked if the short-term plan is to enhance route 33 and the long-term plan is to continue to pursue funding for the station.

Ms. Ham stated SacRT's current Short Range Transit Plan envisions the route would go away once the station is constructed because it is duplicative and there has been communication with the community with regards to expanding the hours in the short term.

Director Jennings asked if the community engagement has already happened or if it is something that will be occurring.

Ms. Ham responded that the community engagement has been led by SHRA in the affected project area. SacRT would still need to follow the service change process with full public outreach, public comment and a Title VI analysis before the changes take place.

Mr. Flores commented that at the November 2, 2023, meeting, the SGC was clear they wanted SacRT to propose a parallel path if possible and want it submitted by December 1, 2023.

Director Loloee asked if the Board chooses option 3, if SacRT can simultaneously get bids for option 1 and if pivoting is necessary, would it be allowed.

Ms. Ham responded yes and stated SGC asked for the parallel path. SacRT would need to hit all milestones, award a contract this spring and simultaneously look at a substitute project in case the light rail station project does not happen.

Director Loloee asked if the Board goes with option 1 and if the cost is greater than anticipated would the pivot to option 3 be available.

Ms. Ham said that it would be subject to the decision of the SGC, but she thinks there is some potential for that.

Director Valenzuela stated that the \$17.6M was based on a GHG reduction and she does not think bus service would qualify for the full amount of money. She then asked staff if service on route 33 has been recently reduced.

Ms. Ham said there have not been any recent changes.

Director Valenzuela stated if service on a line was reduced in the term of the grant and then the grant was used to bring the service back up there could be supplanting resources accusations and wanted to add that caution.

Chair Kennedy asked if the vehicles are zero emission.

Ms. Ham responded yes.

Billy Baker is supportive of the light rail and explained his concerns regarding the safety issues with Mirasol Village's current transportation options.

Kiara Reed, Civic Thread, shared her support for option 1 and stated the light rail is a critical means of connecting residents to essential destinations.

Devin Strecker, River District Executive Director, supports option 1, and stated the station was planned and grant funding was obtained to coincide with the construction of Mirasol Village. The Growers District, the Village at Dos Rios, Dos Rios Hobby Condos, the Alchemist Public Market, Sactown Eats and Pint Works are all projects that spurred investment and interest in the River District based on the promise of the Dos Rios Light Rail Station.

Greta Lacin, President River District Board, stated the River District Board has long anticipated the building of the Dos Rios Station and it is viewed as an essential building block for the future. She is asking the Board to make a solid commitment to building the Dos Rios station.

Robyn Ayres expressed her support for option 1. The light rail has been an integral part of how the Mirasol Village project was promoted by SHRA with the idea of improved, environmentally efficient transit and an increased opportunity for people in the community.

Aquilina Sharp stated that she recently moved to Mirasol Village and stated the money, the need, and safety need to be thought about.

Rhea Hartwell supports option 1 and stated that she has a garden plot at the Mirasol Village Community Garden and that for the community to thrive and grow it needs a permanent and reliable transit option.

Josn Kohlenbrener, Head of Development Bauen Capital, is in support of option 1. Bauen Capital owns several properties in the Sacramento area. In addition to the millions already spent cleaning up the property, Bauen is preparing to spend over \$250M to see the development through. A large part of the investment is predicated on the assumption that the public transportation infrastructure would be addressed via the construction of the Dos Rio Light Rail station.

Director Loloee asked Mr. Kohlenbrener when he anticipated that the 500 units he mentioned would be completed.

Mr. Kohlenbrener responded 4-5 years.

Sarah Blincoe stated that route 33 does not run at night and the space is limited barely fitting one wheelchair. She is concerned about her safety past 3:00 or 4:00 in the afternoon.

Howard Jones stated he is previous President and Treasurer of the River District resident council. He is concerned regarding the limited space on buses.

Sondra Sulli is a resident of Marisol Village and works 2.5 miles from Marisol Village. She is unable to walk to work due to safety concerns and urges the Board to support option 1.

LaShelle Dozier, SHRA, stated that Dos Rios had been overlooked for a very long time. In 2007 SHRA came forward with asset repositioning and looked at all their developments and Dos Rios came to the top of the list for complete renovation. SHRA secured funding and HUD gave \$30M in seed money to start the transformation. A big part of the transformation and overall vision for that neighborhood was light rail and transportation was a key part of how SHRA got SGC to buy into their vision and put \$17M on the table. Over \$300M in funding has been secured for housing. Ms. Dozier said that building the light rail is a culmination of a lot of hard work and promises.

Director Loloee asked if there is an additional project that SHRA is looking at in the Dos Rios area.

Ms. Dozier replied yes with regards to future housing and that the light rail station is a TOD where housing will be built. She said that SHRA has spent millions of dollars to purchase the triangle site, nearly \$2M to clean up the site and once the light rail goes in, senior housing will be built on that site. Ms. Dozier said light rail needs to be in place and then much needed senior housing units will be built.

Director Loloee asked what the timeline on that project is.

Ms. Dozier stated once the light rail is under construction then SHRA will finish the further clean up and then go after funding for the future housing. She said it would be another 3-4 years from when the light rail goes in.

Director Loloee asked if when pursuing funding for the future housing if there is any opportunity to ask for additional funding for the operation of light rail.

Ms. Dozier stated there are different types of funding sources.

Director Loloee asked if Ms. Dozier sees anything in the near future that could come back to SacRT for the light rail project.

Ms. Dozier asked if Director Loloee is asking if SHRA is looking for funding to build the light rail station.

Director Loloee stated there is essentially a \$10M gap in funding and asked if there are any other buckets now or in the future that could be utilized to cover the gap.

Ms. Dozier stated SGC wanted to see that there was a path forward by December 1, 2023. The purpose of the November 2, 2023, meeting was to look at the funding gap. It was then to be brought to the SacRT Board, a letter is to be sent to SGC and then SACOG is to put a placeholder for their December meeting for the \$10M.

Director Loloee asked if the funding was different than the SB125 funding.

Ms. Dozier responded it is the same.

Director Loloee asked if it is not additional funding if it is a matter of reallocating \$10M from SB125 to the Dos Rios project.

Ms. Dozier does not know if it is reallocating or allocating.

Director Loloee asked if it will be taking away from the 89%.

Ms. Dozier stated it would be a part of the 89%.

Kesha Harris, advocating for the community, brought over 50 signatures from households that could not attend the meeting. She shared some community benefits of the vote in support of option 1.

Sam Greenlee, Executive Director Alchemist CDC, is one of the partners in the SIMPL project who is developing the Alchemist Public Market which was inspired by Mirasol Village and the impending light rail station.

Eugene shared his support for the light rail station and the benefits of being able to use light rail.

Lisa Humphrey is a student and supports the light rail.

Lisa M. Humphrey is a resident of Marisol Village and supportive of the light rail.

Public comment was then taken by phone.

Daniel Washington, Director for Senator Angelique Ashby, supports option 1. He stated the funds are tied to option 1 and any other selection jeopardizes funding..

Rick Hodgkins supports option 1.

Mariah Bell encouraged the Board to support option 1.

Sean Wright, Akali & Mansion Flats Historic Neighborhood Association, supports light rail station option 1.

Director Valenzuela moved option 1. Director Maple seconded.

Director Hume stated in the original proposal, SacRT's commitment was \$4.24M and under current option 1, the figure would swell to \$23.44M. Director Hume said spending \$23.44M to secure \$17.55M does not make sense. He supports the option of expanding the transit network while also making sure the Dos Rios light rail station is the number one priority for SacRT's capital projects list. It seems like the larger partners are putting all the share on the local agency and he will not support option 1.

Director Maple complimented the young people that spoke. She thanked Ms. Dozier for providing the historical perspective. She thanked Daniel Washington for speaking on behalf of Senator Ashby and read a portion of a letter from the Senator. Director Maple said this is not just about equity, that people need access to jobs, school and feeling safe and this fits in with a lot of SacRT's goals.

Director Singh-Allen supports the Dos Rios Light Rail Station but has concerns about how to fund the gap. She stated that putting light rail before having a zero-emission fleet seems out of order and asked what services would be cut and where the money would come from. She stated option 3 has the most flexibility and a robust route 33 would meet the needs of the community while at the same time funding for the light rail station can still be pursued. She complimented Mr. Li on his ability to find grant funding. She stated that SACOG's commitment is currently unknown which could present a troubling scenario. Director Singh-Allen made a motion for option 3.

Director Daniels seconded the motion.

Director Budge supports the motion for option 3. She stated in addition to the question of what will be cut is what will not happen. She added that it does not do any good to build a light rail station if there are not enough vehicles to stop there.

Director Kozlowski echoed Director Singh-Allen's comments. He stated everyone commenting is right. The cost escalation for construction projects has been extraordinary and that has moved the finish line. If the Board moved forward with the light rail station the finish line would be moved for potentially dozens of other projects with equally worthy users of SacRT services. He added that he believes the expanded route 33 bus service which was mentioned would take a year or more to get in place could be done much faster.

Director Daniels stated that neither Citrus Heights nor Elk Grove currently have light rail and are the most densely populated areas. He said the Dos Rios Light Rail project exploded in costs with many other things that were planned five years ago, and the taxpayers are the ones who will be paying the difference. To do this project means other projects will not occur and, as far as Dos Rios, there is a system in place, it will be enhanced and allow access to the light rail station in a timely manner. It would not be fair to all else living outside of this area to redirect funds that are needed for the region.

Director Jennings stated the Dos Rios light rail project has been stopped because other projects have been moved before it and now is the time to commit to the promise made. He stated if the project continues to be held the cost of the project will become much larger.

Director Loloee stated the number one concern he has heard is public safety and whether option 1 or option 3 is chosen it will not help with public safety. He is concerned about what will be cut if option 1 is supported. He asked for clarification on if the funding is used for option 3 and Mr. Li finds the funds if they can then be diverted for option 1.

Ms. Ham responded that SacRT is the subrecipient to SHRA on the project and there are no direct communications between SacRT and SGC. SGC is requesting the substitute project so it could be presumed that SGC is fully intending to go forward with the substitute project in good faith should SacRT meet all the criteria however, there is not 100% certainty.

Director Loloee asked if SHRA would be able to provide a more definite answer.

Victoria Johnson, SHRA responded that the grant funds per the contractual agreement are specifically for the light rail station. Because the state wants to support the community, they have offered the option of proposing alternates which must be community supported. She said the route 33 expansion is the preferred alternate and in the \$4M - \$5M range. She also clarified that if the Board moves forward with the alternate option 3, going back to option 1 is not an option.

Director Loloee asked if the Board chooses option 3, if SacRT would only receive a portion of the funding.

Ms. Johnson replied that the \$4M is based on information from SacRT staff.

Director Loloee asked if anything beyond that number would not be able to be used.

Ms. Johnson stated multiple options are being looked at on how to identify projects that the community supports that would reach the \$17M but that has not been achieved yet.

Director Loloee stated given there is approximately \$1B in capital projects, he asked if \$10M would create that much of a consequence regarding the \$1B in overdue services for projects.

Ms. Ham stated the primary issue is the ability to leverage the funds. She said there are other competitive projects where SacRT could use it as match to go after another grant and potentially complete other projects whereas with this project, SacRT is essentially filling a gap and does not have the ability to go after additional grants to complete.

Director Loloee asked if it would jeopardize future grants for SacRT.

Ms. Ham responded yes. She then clarified that the original package put forth included improvements to route 33, route 11, route 142 and three commuter routes and so far, based on community research, route 33 has been the most popular. She believes SacRT is being afforded

the opportunity by SGC to continue working on it.

Director Loloee asked if the new route 33 had expanded times and if they were electric buses.

Ms. Ham said yes, 5:00 am to 9:00 pm, seven days a week and 40-foot, low floor, ADA compliant electric buses is the proposal.

Mr. Johnson added with regards to leveraging that usually the match is about 20% so \$10M could potentially add up to about \$40M.

Director Maple asked about the potential for the SACOG money and if it is still a question mark.

Ms. Ham responded SACOG has indicated the request would be approved but the SACOG Board would need to approve it.

Mr. Flores added that SacRT has not seen an actual draft from SACOG of how they propose to allocate the SB125 funding.

Director Maple made a substitute motion to go with option 1 and added that there be a report back to the SacRT Board after the SACOG meeting which will give SacRT an opportunity to potentially keep the \$17M on the table and continue to work with regional partners with the SACOG money secured.

Director Jennings seconded the motion.

Chair Kennedy stated with the route 33 expansion there will be more transportation options available and better service. Chair Kennedy commented that SGC would not be asking for alternate options if the funding was tied to option 1. He shares Director Singh-Allen's thoughts and thinks option 3 is the best option for the people in the community and for the transit district.

Director Serna thanked staff and Mr. Li for bringing the options forward and agrees with all his colleagues have said. He supports Director Maple's motion but acknowledges there could be a cost to doing it later. If the motion fails, he hopes that his colleagues at the dais realize the importance of speaking with one voice and move forward with preserving the ability to continue seeking the funding for a light rail station.

Chair Kennedy stated that tonight's outcome does not change his commitment to seeing that the station eventually is built.

Director Loloee expressed his concerned that if the Board goes with option 1 and SACOG does not come through, then option 3 would not be an available option.

ACTION: MOTION FAILED. Director Maple moved; Director Jennings seconded approval of item 7.1, option 1: Request an allocation of \$10M in SacRT's SB125 funds and utilize approximately \$9.2M in SacRT's other funds to fully fund the Project (for a total of \$19.2M from SacRT). Director Maple added to option 1 that after the vote at the SACOG meeting,

the vote will then be brought back to the SacRT Board for review in the event that SACOG would decide not to allocate the \$10M in SB125 funding. Motion failed by roll call vote. Ayes: Directors Jennings, Loloee, Maple, Serna and Valenzuela; Noes: Directors Budge, Daniels, Hume, Kozlowski, Singh-Allen and Chair Kennedy; Abstain: None; Absent: None.

ACTION: APPROVED. Director Singh-Allen moved; Director Daniels seconded approval of item 7.1, option 3: Move forward with the substitute project, which includes the implementation of robust bus service, including augmentation of Route 33 and potentially other routes in the Project Area with zero emission, frequent service, while continuing to pursue new grant funding for the station in the future. Motion was carried by roll call vote. Ayes: Directors Budge, Daniels, Hume, Jennings, Kozlowski, Loloee, Serna, Singh-Allen and Chair Kennedy; Noes: Directors Maple and Valenzuela; Abstain: None; Absent: None.

Mr. Li thanked staff and the community members and stated that in Senator Ashby's meeting, he made a commitment, subject to Board approval, to try to support option 1, because this community is a heavily disadvantaged community. He also talked to Congresswoman Matsui to ask to earmark funding for just this one specific project, and normally SacRT asks for funding for several projects. He expressed his appreciation for the Congresswoman and Senator Ashby and community leaders. Mr. Li stated that SacRT needs to submit the SB125 funding request to SACOG for SACOG to approve, which was also the commitment he made at the meeting facilitated by Senator Ashby. He asked the Board for permission to still submit a \$10M request from SB125 funds to be used as a local match, or seed money, to apply for federal and state money in the future. Without the availability of a matching fund, it will be very difficult to apply for federal and state grants.

Director Serna asked if it would be alright after adopting option 3 to give general direction to pursue additional funding.

Chair Kennedy stated Mr. Li should ask for all the funding he can, and that he believes there is a consensus from the Board to support his request. He thanked staff for the extensive time spent on the item.

6. PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

Speakers:

Michael Bevens, transit academy graduate, came to talk about Sacramento Regional Transit with an emphasis on the "regional".

Kesha Harris thanked SacRT for providing free bus service to the community dental event. She recognized the Board for having to make hard decisions and complimented them on the amazing things they do.

Jeffery Tardaguila is concerned with the planning for Broadway regarding bus stops and construction. He complimented the transit academy for having nearly 100 graduates.

8. GENERAL MANAGER'S REPORT

- 8.1 General Manager's Report
 - a. Major Project Updates
 - b. SacRT Meeting Calendar

Due to the length of the meeting, Mr. Li waived providing a verbal report.

9. REPORTS, IDEAS AND QUESTIONS FROM DIRECTORS, AND COMMUNICATIONS

Director Loloee suggested having workshops for large projects.

Mr. Li commented that normally there are extensions on grants but due to state and budget limitations, SacRT was unable to get an extension. He stated SacRT applied for \$21M in TIRCP funding early this year and he spoke to CalSTA official before and after applying. They were very interested in the project; however, they ended up focusing on state of good repair and urgent maintenance needs instead.

Director Daniels recommended looking at having a pilot program of using Uber and Lyft to enhance service in areas.

Mr. Li acknowledged Director Daniel's idea of a pilot program. He then recognized Director Kozlowski's thought regarding the route 33 expansion happening sooner. Mr. Li stated if it is within his authority, SacRT can start the process of public comment and public hearing and hopes to make it happen in less than six months.

10. CONTINUATION OF PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA (If Necessary)

11. ANNOUNCEMENT OF CLOSED SESSION ITEMS

12. RECESS TO CLOSED SESSION

13. CLOSED SESSION

14. RECONVENE IN OPEN SESSION

15. CLOSED SESSION REPORT

16. ADJOURN

As there was no further business to be conducted, the meeting was adjourned at 8:39 p.m.

PATRICK KENNEDY, Chair

A T T E S T:
HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary