STAFF REPORT

MEETING DATE:	**October 22, 2019**
SUBJECT:	**Approve Minor Technical Changes to SRTA State of Good Repair Program Policy**
AGENDA ITEM:	**5-6**
STAFF CONTACT:	**Julie McFall, Associate Transportation Planner**

STAFF RECOMMENDATION:

It is recommended that the board of directors:

1. Approve minor technical changes to the SRTA State of Good Repair (SGR) Program Policy to be consistent with SGR Guidelines developed by Caltrans; and
2. Authorize the executive director to make administrative amendments as appropriate.

DISCUSSION:

The SGR program provides discretionary funding for transit capital projects, rehabilitation, and maintenance, and is administered by Caltrans. The SRTA board of directors approved SGR Program Policies on June 25, 2019. The attached amendment reconciles project submittal and reporting differences between the SRTA policy and Caltrans SGR Program Guidelines. In addition, language was added to the Program Overview to accommodate future procedural changes that Caltrans will likely make.

ALTERNATIVES:

The board of directors may choose to continue this item to request additional information.

OTHER AGENCY INVOLVEMENT:

Caltrans and RABA were consulted during development of the technical changes. *///TAC concurs with the staff recommendation. ///*

FISCAL IMPACT:

The proposed technical changes have no fiscal impact.

Daniel S. Little, AICP, Executive Director

Attachment: State of Good Repair Program Policy (amended)

CHAPTER 3.26 STATE OF GOOD REPAIR PROGRAM POLICY

3.26.010 - PROGRAM OVERVIEW

A. The State of Good Repair (SGR) Program is a noncompetitive, formula-based program included under Senate Bill 1: The Road Repair and Accountability Act of 2017 (Beall and Frazier). Funds are deposited into the State Transit Assistance (STA) account and then distributed to regional transportation agencies using the STA Program formula, with half of the SGR funds being allocated according to population (Public Utilities Code (PUC) 99313) and half of the SGR funds allocated according to transit operator revenues (PUC 99314).

B. The goal of the SGR Program is to provide funding for capital assistance in rehabilitating, modernizing, and maintaining California's existing local transit systems in a state of good repair. These investments will result in transit vehicle fleets that are more reliable and safer and emit less greenhouse gases and other pollutants.

Caltrans administers the SGR Program; ~~Additional~~ details are available in the most current SGR Guidelines published by the Caltrans Division of Rail and Mass Transit, located at http://www.dot.ca.gov/drmt/spstasgr.html. Caltrans' SGR Guidelines related to eligibility and procedures supersede this policy.

3.26.020 - PROJECT ELIGIBILITY

A. SGR funds are made available for capital projects that maintain the public transit system in a state of good repair. Project eligibility is defined per PUC Section 99212.1 (c), and is summarized below:

1. Eligible Projects and Expenses
   a. Transit capital projects or services to maintain or repair a transit operator's existing transit vehicle fleet or transit facilities, including the rehabilitation or modernization of the existing vehicles or facilities;

   b. The design, acquisition, and construction of new vehicles or facilities that improve existing transit services;

   c. Transit-related preventative maintenance, such as engine replacement and general preventative maintenance work; and

   d. Temporary transit infrastructure ~~(e.g. temporary bus bridge)~~ that is needed as part of an effort to repair and improve local transportation infrastructure.

All SGR funds must be spent on publicly owned assets.

2. Ineligible Project and Expenses
   The SGR Program is a transit capital program. Projects that solely expand capacity or service are not eligible projects. Transit operations, transit agency administration, and

program management are ~~also~~ not allowable. ~~Also, p~~Pre-construction phases such as planning and environmental are ineligible on their own but are eligible when included as part of a capital project as long as project development costs do not exceed 20% of the total estimated project cost. See Caltrans' SGR Guidelines for more detail.

3.26.030 - REGIONAL FUNDING PRIORITIES

A. The Shasta Regional Transportation Agency (SRTA) will support the development and implementation of projects that best achieve the SGR Program goals, meet the transit needs of the region, and make progress towards the transit-related objectives and targets included in SRTA's Regional Transportation Plan (RTP) and other regional planning documents (e.g. Transportation Improvement Program (TIP), short range transit plan, transit asset management plan, etc.).

B. SRTA will prioritize funding to projects that rehabilitate and modernize the existing regional transit systems, and that do not currently have other sources of funding allocated. The following ~~priorities~~eligible projects and expenses, in order of priority, will generally guide project selection:

1. Replacement, rehabilitation or modernization of:
    a. Rolling stock, including replacement of diesel or gas vehicles with hybrid or zero-emission vehicles and replacement of fuel systems with renewable fuel systems;

    b. Transit or transfer facilities and/or equipment that improves existing transit services (including construction of new facilities and/or equipment);

    c. Maintenance facilities and equipment, including facility improvements that reduce emissions or rely more on renewable fuel sources; and

    d. Security equipment and systems.

2. Transit-related preventative maintenance; and

3. Rail station and facility improvements.

3.26.040 - SRTA AND PARTNER ROLES

A. ~~The~~ Caltrans' SGR Guidelines identify the roles and responsibilities of state and regional agencies. The following is a summary of those roles:

1. The **State Controller's Office (SCO)** is responsible for SGR accounting, publishing allocation amounts, and allocating funds to approved agencies.

2. **Caltrans** is responsible for administering the SGR Program, including reporting and maintaining program guidelines~~, and notifying agencies of estimated funding amounts prior to January 31st of each year~~.

3. **SRTA, as an Eligible Regional Entity (SCO-designated 99313 recipient),** is responsible for maintaining SGR funds on behalf of the region, compiling project submittals from Eligible Transit Operators, ~~and~~ submitting the annual Project List for SRTA projects, and submitting annual reporting ~~on behalf of the region~~for SRTA projects.

4. **Eligible Transit Operators (SCO-designated 99314 recipients, i.e. RABA)** are responsible for complying with all relevant SGR Guidelines, including providing SRTA with a proposed annual list of projects. The Eligible Transit Operator's proposed project list must be submitted to SRTA by May 1st of each year in order to be reviewed and recommended for SRTA Board of Directors approval in advance of SGR Project List submittal deadlines. Eligible Transit Operators are responsible for submitting an annual Project List for projects that they will administer, as well as submitting annual reporting for their projects.

3.26.050 - PROJECT MANAGEMENT AND DELIVERY

A. Project List Modification
If regional transit priorities change, a modified Project List and supporting documentation may be submitted to Caltrans for approval. Project List modifications require SRTA Board of Director's approval prior to acceptance by Caltrans.

B. Fund Accrual
If SRTA is not prepared to initiate a project in the current fiscal year or seeks to combine multiple years of funds for a project, a Project List that includes a project scheduled to begin at a later date must be submitted to accrue funding. Funding may accrue for up to four years. Any fund accrual requires SRTA Board of Director's approval.

C. Contracting
Once projects have been approved by the SRTA Board of Directors, they will be referenced in and attached to a local agency's sub-recipient cooperative agreement with SRTA or amended into an existing agreement.

If the grantee does not have a sub-recipient agreement with SRTA or cannot enter into a sub-recipient agreement, the grantee will be required to enter into a technical services agreement with SRTA. If the grantee cannot enter into a sub-recipient agreement and/or technical services agreement with SRTA, SRTA may be unable to award SGR funds to the grantee.

No work can begin on a project until a sub-recipient cooperative agreement or technical services agreement is fully executed or amended.

D. Invoicing
Invoices will be paid on a reimbursement basis for work completed, dependent on receiving SGR allocations from the SCO. Local agencies will provide sufficient documentation to support any invoice. Project updates must be provided quarterly to SRTA in writing.

Local agencies will inform SRTA of project completion in writing within 30 days of completion.