



**BOARD OF DIRECTORS
REGULAR MEETING AGENDA
March 15, 2017 – 1:30 PM**

5401 Old Redwood Highway, 1st Floor
Petaluma, CA 94954

1. Call to Order
2. Approval of the February 15, 2017 Board Meeting Minutes
3. Public Comment on Non-agenda Items
4. Board Member Announcements
5. General Manager's Report
6. Consent
 - a. Approval of Monthly Financial Reports
 - b. Approve the expenses incurred by SMART due to the storms in January 2017
7. Closed Session
 - a. Conference with General Manager Farhad Mansourian, pursuant to California Government Code Section 54956.8 regarding real estate property negotiations
Property: Sonoma-Marín Area Rail Transit District
Santa Rosa Property Located at 2 W. 3rd Street and 34W. 6th Street
APN(s): 010-171-019 and 010-166-033
Negotiation Parties: Farhad Mansourian and ROEM Corporation
 - b. Conference with General Manager, Farhad Mansourian, pursuant to Government Code Section 54956.8 regarding real estate property negotiations
Property: Railroad Right Of Way Spur commencing at Mile Post 39.1 and located on or about 368 and 402 Petaluma Boulevard, Petaluma
Negotiating Parties: Farhad Mansourian – The Spanos Corporation (TSC)
 - c. Conference with Legal Counsel and Chief of Police regarding security of public services and public facilities pursuant to California Government Code Section 54957

- d. Conference with Legal Counsel regarding initiation of an action or to decide whether to initiate an action pursuant to California Government Code Section 54956.9(d)(4)
8. Report Out of Closed Session
9. Next Regular Meeting Board of Directors, April 5, 2017 – 1:30 PM – 5401 Old Redwood Highway, 1st Floor, Petaluma, CA 94954
10. Adjournment

DISABLED ACCOMMODATION: If you have a disability that requires the agenda materials to be in an alternate format or that requires an interpreter or other person to assist you while attending this meeting, please contact SMART at least 72 hours prior to the meeting to ensure arrangements for accommodation. Please contact the Clerk of the Board at (707) 794-3072 or dial CRS 711 for more information.

DOCUMENTS: Documents distributed by SMART for its monthly Board meeting or committee meetings, and which are not otherwise privileged, may be inspected at SMART's office located at 5401 Old Redwood Highway, Suite 200, Petaluma, CA 94954 during regular business hours. Documents may also be viewed on SMART's website at: www.sonomamarintrain.org. Materials related to an item on this Agenda submitted to SMART after distribution of the agenda packet are available for public inspection at the SMART Office. For information about accessing SMART meetings by public transit, use the trip planner at www.511



**BOARD OF DIRECTORS
REGULAR MEETING MINUTES**

February 15, 2017 - 1:30 PM

5401 Old Redwood Highway, 1st Floor
Petaluma, CA 94954

1. Call to Order

Chair Fudge called the meeting to order at 1:35 PM. Directors Arnold, Eddie, Lucan, Mackenzie, Moulton-Peters, Pahre, Phillips, Rabbitt, Russell, Sears and Zane were present.

Chair Fudge announced that the Granicus program which is the company that provides SMART with live streaming for Board meetings had an equipment failure this afternoon. This meeting will be audio recorded only. We apologize for the inconvenience.

2. Approval of the January 4, 2017 Board Meeting Minutes

MOTION: Director Phillips moved approval of January 4, 2017 minutes as presented. Director Arnold second. The motion carries 12-0-0.

3. Public Comment on Non-Agenda Items

Duane Bellinger stated that the property located at 5400 Old Redwood Highway, which is across the street from SMART was flooded during the most recent rains. Photos were distributed to each board member.

Vincent Patterson asked if SMART is near to full employment.

Richard Hall stated that SMART's Board has the power to seek delay in the Larkspur Extension Project and doesn't have the power to prevent a delay. He urged the Board to consider the delay and strategically think of long-term goals and consider concerns from the central Marin voters. He submitted his comments in writing to the Clerk of the Board.

Rick Coates stated that the Friends of SMART have concerns regarding the San Rafael traffic studies and would like to review those studies.

Chris Snyder (Operating Engineers Local 3) thanked SMART staff for the construction work that has been completed. He urged the Board to continue the construction to Larkspur and to contact their Union if support is needed for construction.

Lee Sandoff (International Warehouse Union) urged the Board to continue construction of the Larkspur Extension Project. The organization is a huge supporter of SMART and willing to assist.

Jonathan Friedman stated that his best friend was Charles McGlashan; and since 2008 he has been a strong supporter of SMART. He urged the Board to continue the construction of the Larkspur Extension Project.

Roger Graeber stated he wants SMART to succeed; however, none of the Board members understand railroads and level boarding is necessary to be successful.

Michael Davis stated that SMART made a mistake by not considering level boarding with the construction of gauntlet tracks. Also, SMART continues to make it difficult for NWPCo. to operate freight.

Cindy Winter stated that she speaks on behalf of Patrick Seidler and herself by mentioning that the Francisco Boulevard Flip and Anderson Drive project were not included or approved in the Environmental Impact Report (EIR)--please consider revising the EIR.

Tom Brandon mentioned that he has business on Lakeville Hwy. and San Rafael and there are alternative ways to avoid traffic. He strongly supports the need for transit.

Jeff Rhodes stated that the proposed Larkspur Extension Project will cleave through the transit center serving approximately 9000 daily commuters forcing passenger loading onto inadequate city streets. He suggested that the tracks be elevated through Central San Rafael and a proper terminal where passengers cross the platform. He urged the Board to work with the citizens of San Rafael to make it right.

4. Board Member Announcements

Director Phillips acknowledged those who addressed their concerns regarding the Larkspur Extension Project. He stated that the letter was respectively sent to the Board and Chair through SMART's General Manager to have a dialogue and to deliberate whether to continue with the Interim Transit Center or wait for a site and funding for the Permanent Transit Center. Also, there is a Memorandum of Understanding (MOU) signed in 2005, between Golden Gate District, Marin Transit and County of Marin that specifies that SMART and Golden Gate District will enter into an Agreement that outlines a funding plan for the Permanent Transit Center. He is disappointed that the opportunity was not given due to the fact that there is going to be a significant impact on approximately 9000 individuals. He would like the Board to consider having a Board Meeting/Workshop in San Rafael to discuss the Larkspur Extension Project. A Regional Transit meeting is tentatively scheduled for March 6th.

Chair Fudge stated that at the December 7th Board Meeting/Workshop staff presented the Design-Build Method for Larkspur Extension Project and authorized staff to move forward with the project and issue the Request for Proposals. Two proposals were received on Tuesday, February 14th. Since 2008, SMART has been working toward the completion to Larkspur. Also, SMART has made a commitment to continue exploring funding for the Bettini Transit Center and continue to work with the City of San Rafael.

Director Moulton-Peters announced that she will be resigning from the Marin Council of Mayors and Councilmembers appointment to the SMART Board at the end of February 2017. A Larkspur representative will be appointed next week. She thanked the Board members and SMART staff for the excellent work and dedication on the SMART project. She mentioned that is important for the Board to collaboratively work together in both Marin and Sonoma Counties because SMART's success is based on the success of each of the cities along SMART's right-of-way.

Director Rabbitt mentioned that Director Moulton-Peters will be missed and is glad that a Larkspur representative will be joining the SMART Board. He appreciates Mayor Phillips' issue (Larkspur Extension Project) and this is an issue that some have dealt with over the years (at one point or another), and reflects the difficulty of building a new passenger train service. He thanked the General Manager for his efforts in continuing to move the project toward completion from Larkspur to Cloverdale. At the same time, SMART has concentrated along the right-of-way with the majority of the resources (funds) for Sonoma and Marin Connectivity. As SMART progresses it's important to collaboratively work together in both Counties to complete this project with the least amount of tax payer's dollars. The good thing about having a sales tax measure is that you are asking the voters for approval. It's a very difficult time, with construction and signal and high speed testing, however it's important to address because we want the public to have a positive experience on opening day. Also, he and his colleagues at Golden Gate Transit received a presentation on the Bettini Transit Center which concentrated on the bus movements rather than the impacts in the area. He suggested that staff and all transit agencies involved bring this item/issue back to the Board to prioritize and resolve this particular issue.

Director Arnold stated that the announcement of SMART's free introductory period and monthly pass was the most popular Facebook post this month with 12,818 people reached. She mentioned that SMART has the Federal, State, and Metropolitan Transportation Commission and Golden Gate Bridge District funding secured for the Larkspur Extension Project. This particular issue (Transit Center) in San Rafael has been known to the City of San Rafael for years. Twenty-five years ago the Administrative Law Judge mandated the City of San Rafael to accommodate SMART regarding the Anderson Drive tracks before beginning passenger train service. The City of San Rafael has been a valuable partner to SMART with supporters; former Mayor Al Boro, and Supervisors Bob Romier and Charles McGlashan who helped save the right-of-way and served on the Board. Director Phillips expressed his concerns regarding the 2005 Memorandum of Understanding between SMART and Golden Gate Bridge, Highway and Transportation District. He stated that the Bettini Transit Center is not the City of San Rafael property or

operation, however SMART train is going through Golden Gate Transit facility and the City of San Rafael should not be planning for it. Golden Gate Transit and SMART should be planning for this eventuality. Director Arnold clarified that she was speaking about Anderson Drive.

Director Mackenzie stated there have been meetings involving Metropolitan Transportation Commission (MTC) these last few years to assist in securing funding for the Larkspur Extension Project. Last year, MTC adopted a resolution for \$3.5M to accomplish the interim solution for the Bettini Transit Center and allow SMART to move forward with passenger service. The Metropolitan Transportation Commission allocated \$20M of Regional Measure 2 funds for the Larkspur Extension Project along with \$20M from the FTA Small Starts Grant Program.

Director Zane said she is very appreciative of the Board for getting passenger train service to Airport Boulevard. On Thursday, February 16th she will be attending the Sonoma County Airport Ribbon Ceremony for the addition of American Airlines, which is the third major carrier for the airport. It's exciting times for the connectivity of our transportation in Sonoma and Marin Counties.

5. General Manager's Report

General Manager Farhad Mansourian provided his written report to the Board.

He stated that the Request for Proposals for the Larkspur Extension Project deadline was Tuesday, February 14th and SMART received two proposals. Staff along with a technical advisory group will review the proposals in the next several weeks. Final approval of the design-build project will be brought back to your Board at a later date.

He said that 9-of-14 DMU engines have been replaced. They continue to replace engines every weekend and should be completed by end of March 2017.

On February 3rd, he and Diane Steinhauser, Executive Director of Transportation Authority of Marin (TAM) attended the Marin County Office of Education forum where schools, cities and county leaders were invited to discuss how to support employees in utilizing the newest commuter service.

He announced that systemwide there will be increased speed testing during the months of February/March 2017. Safety is SMART's top priority and urged the public and drivers to be patient. Drivers should never stop on the tracks, and never speed through the crossing gates to beat a train. He urged Board members as they sit on City or County Boards to make their constituents aware of this testing and SMART's priority for safety and to urge their Police/Sheriff's departments to assist in educating and enforcement of traffic laws at the grade-crossings.

Director Comments'

Director Mackenzie asked for clarification on staffing. Mr. Mansourian responded that Operations Department has three vacant positions at this time. Currently, there are candidates going through the background process.

Director Zane suggested that Communications and Marketing Manager Jeanne Belding provide announcements to the Board members so they may in turn share the messaging with their constituents via social media.

Director Phillips asked the status of the homeless along SMART's right-of-way. Ms. Welch responded that homeless and encampments are an ongoing issue not just for SMART but all counties and cities. SMART continues to work with Santa Rosa and San Rafael Police Departments in the two major areas of concern. Enormous progress has been made along the right-of way to remove debris and people. Director Phillips asked for clarification on Positive Train Control (PTC) and SMART operating 7-days a week. Mr. Mansourian responded that as a result of the shunting issue, a Rail Conditioning Plan was established which is a combination of rail traffic and scrubbing. This process has significantly reduced the shunting issue. High-speed testing will begin at the planned train speed for each grade crossing for signal testing. Parallel with high-speed testing, SMART will begin PTC testing and work along with the freight operator to certify their engineers and locomotives.

6. Consent
 - a. Approve Monthly Financial Reports
 - b. Approve Hanson Bridgett, LLP Contract Amendment No. 4
 - c. Accept SMART's 2016 Annual Report

Chair Fudge asked for Board comments on the proposed consent agenda.

MOTION: Director Eddie moved approval of the Consent Agenda as presented. Director Sears second. The motion carried 12-0-0.

7. Approve Amendments to the 2011 Operating and Coordination Agreement between SMART and North Coast Railroad Authority (NCRA)

General Manager Mansourian stated that your board on June 15 2011, after nearly two years of intense negotiations, approved an Operating and Coordination Agreement ("Agreement") outlining the rights and responsibilities of the two parties to operate over the railroad. Over the years, the parties have disagreed on the interpretation and intent of the language in the Agreement.

In the most recent disagreement regarding the storage of Liquidated Petroleum Gas (LPG) at Schellville highlighted the need for more clarity. This issue prompted numerous meetings among the parties in the last several months. He emphasized that we are only talking about "storage of goods" the Federal Law already governs the "transportation of goods" by train.

He provided an illustration of the Schellville location where the LPG is being stored. Also, North Coast Railroad Authority (NCRA)/Northwestern Pacific Railroad Company (NWPCo.) filed a petition before the Surface Transportation Board (STB) that complained about the interference by SMART and their operations.

Some highlights of the changes to the Agreement included:

Storage of Liquidated Petroleum Gas (LPG)

- NCRA/NWPCo. may store LPG loaded tanks cars on track only at Schellville yard in accordance with applicable federal, state and local law.
- NCRA/NWPCo. shall not store LPG or any other hazardous materials anywhere else on SMART's tracks.
- NCRA/NWPCo. shall implement any and all health and public safety measures.

Positive Train Control (PTC)

- SMART will be responsible for installing PTC equipment on tow freight locomotives.
- NCRA will provide the locomotives and freight operator staff for installation and testing of the PTC system.
- On an interim basis SMART will provide a "protected" operating window only between midnight and 8am.

Financial Responsibility for Siding/Spurs

- SMART will only be responsible to pay up to \$100k for one additional siding/spur located near the Sonoma Mountain Village provided that NCRA enters into agreement with customer by January 2018 and construction of the spur/siding is completed by January 2019.

Petaluma Station

- NCRA shall quit claim to SMART the freight easement including all rights and interest with respect to the Petaluma Depot/Station in order to provide clear title unencumbered by any freight easement.
- SMART shall not oppose NCRA's efforts to enforce the June 2003 agreement entered by and between the City of Petaluma, Riverfront, LLC, NCRA and NWPCo.

Litigation

- NCRA and NWPCo shall dismiss their petition before the Surface Transportation Board (STB).

Lastly, NCRA Board of Directors unanimously approved the amendments to the 2011 Agreement at their February 8th meeting.

Directors' Comments

Director Phillips asked if it is visible from Sonoma Raceway. Mr. Mansourian asked Mr. Kerruish, Superintendent of Transportation to answer, he responded that due to recent

flooding at the Schellville yard, the storage tanks were moved to a higher elevation where they can now be seen from the Raceway. Once the flooding clears they will be moved back to the original location.

Doug Bosco (NWPCo. Representative) reaffirmed that if Schellville yard is flooded the storage tanks are moved to higher elevations until the water clears.

Director Arnold asked for clarification of “protected operating window”. Mr. Mansourian responded that SMART will not operate any trains during that period of time.

Director Phillips asked for clarification on the Financial Responsibilities for Sidings/Spur. Is SMART paying \$100K for the spur for NCRA’s or SMART’s operation? Mr. Mansourian responded that the spur cost is for freight operation when it occurs, SMART will pay for the cost because the current Agreement language was not clear and this clarification will save thousands of dollars. Director Fudge stated that many hours were spent in negotiations with NCRA to develop the 2011 Operating Agreement. Chair Fudge reminded the Board that six years ago this section of the Agreement was discussed at length.

Director Rabbitt stated during track construction and removal of sidings, an aggressive schedule was outlined and addressed when freight would be allowed on the service line. He asked about the duration of the “protective operating window.” Mr. Mansourian responded that many jurisdictions along SMART’s right-of-way are in the Quiet Zone process. Once it’s completed and approved, SMART and NWPCo. the freight company will be required to operate within those rules.

Director Lucan asked if the Agreement has any provisions when the Schellville yard is not accessible for storage. Mr. Mansourian responded the Agreement limits the hazardous material storage only to LPG and only to one area.

Director Eddie is pleased that both parties were able to negotiate an Amendment to the Operating Agreement.

Public Comments

Susan Gorin (First District Supervisor of Sonoma County) stated that Sonoma Valley is the most important tourism destination in Sonoma County it is the gateway to Sonoma and Napa Valleys. This is the wrong place to store LPG or any tankers in any part of this area. By approving this Agreement it benefits SMART’s and the Freight Company’s operations but you are throwing Sonoma Valley residents and tourism “under the train.” She mentioned that she will convene a public meeting in the next coming weeks to address residents’ concerns.

Roger Graeber stated he supports SMART and would like NWPCo. to be an effective freight company. It’s important for both organizations to be successful.

Jeff Richard (Chief Deputy County Counsel, Napa County) asked if there are any possible impacts in moving and storing LPG and other tankers at the Lombard yard. He is pleased that the settlement agreement will require the NWPCo to implement safety precautions and coordinate with safety responders. He asked for clarification of the provisions on page 3, section 5 of the Letter of Intent–Agreement would apply to the Lombard Yard and Segment in Napa County. Superintendent of Transportation Jon Kerruish responded that the Agreement between SMART and NCRA only allows NWPCo. to store LPG at the Schellville yard.

Sandy Darnell (property owner on Arnold Drive) stated that she is very much impacted by the storage of the LPG and tanks. She said they are not monitoring safety and the area is not safe. She urged the Board to consider all the safety concerns by allowing them to continue to store LPG tanks at Schellville yard.

Michael Davis stated that the freight vehicles run on fuel. The media publicized the storage of the LPG tanks which increased public interest and the freight company had to take safety measures and hire security.

Mike Pechner (Volunteer Fireman at Cordelia) stated there is only one Fire Department near the main track line that serves Union Pacific, California Northern and Northwestern Pacific Railroad, 680 Junction, American Canyon and Hwy 12. Public safety is their primary concern and they are extremely busy all the time monitoring the train.

Norman Gilroy told the Board that the tankers pose a massive threat from explosion due to accident or terrorist attack. He submitted his written comments to the Clerk of the Board.

Sue Smith stated that Schellville is not an appropriate area for storing hazardous materials. During the past two storms, the water has been over-topping a levee within approximately 200 feet of the location of the tankers. Should the levee fail and the tracks compromised, the tankers will fall into waters of the State, and flow into San Pablo Bay.

Dave Schwartz (Associate at Law, Offices of William Ross) asked for clarification on the 48-hour clause of the storage of LPG. District Counsel Tom Lyons responded that clause is placed on the agreement to acknowledge the Federal Regulation regarding the transportation of any/all hazardous materials.

Duane Bellinger asked where the LPG is being delivered and if it could be stored closer to its destination.

Mr. Mansourian stated that NWPCo.'s Business Plan is to store LPG at the Schellville yard for their clients in the East Bay. With this Agreement we have been successful bringing all public safety organizations together and limits are placed at having only a total of 160 cars stored based on the existing two 6000 feet auxiliary tracks.

Doug Bosco stated that the track along American Canyon and Napa is California Northern Railroad (CFNR) jurisdiction and they are allowed to transport LPG or any other materials. The situation with SMART was the clause about long-term storage of LPG. NCRA filed a petition with STB which is comprised of 5-member board appointed by the US President that has exclusive authority over railroads.

Director Rabbitt stated that right now is the time to update all the discrepancies of the Agreement and thanked staff for making that effort. He is pleased that the Amendment to the Agreement includes the following: 1) Positive Train Control; 2) Sidings/Spurs and 3) Petaluma Station easement. Also, both railroads need to succeed and would like the freight company to transport more goods via railroad to keep off the highway.

Director Lucan asked for clarification on the risk if the Agreement is not approved by the board. Mr. Mansourian responded that this Agreement limits the storage of LPG at Schellville yard only and clarifies other areas that were very vague.

Director Arnold stated that when she and the Board were informed of the LPG storage issue, she contacted Supervisor Gorin to inform her of the situation hoping at that time she would exactly address her concerns like today. However, there was no appreciative response by her. She thanked SMART, NCRA and NWPCo. for taking time to negotiate an Amended Agreement that works for all parties.

Director Zane stated that she is pleased that the Board is approving this Amendment to the Agreement. Since transportation of goods is federally regulated and going to the STB to get a ruling may not be in SMART's favor. She thanked SMART and NRCA for taking the time to negotiate and agree on the terms that will be successful for both parties.

Director Arnold left at 3:44 PM

Director Moulton-Peters asked for clarification if the LPG tanks are being allowed to be stored now. Mr. Mansourian responded that both sides disagree on the current Agreement language and it was not clear on the long-term storage and location. Once this Amended Agreement is approved, it limits LPG storage at the Schellville yard only, subject to federal, state and public safety laws. NCRA's Board of Directors approved the Amended Agreement at their February 8th meeting.

Director Pahre is pleased with the Amended Agreement that limits LPG storage to the Schellville yard. She asked if the local entities are notified if NWPCo. evokes the 48-hour temporary storage clause. Mr. Lyons responded that the Federal Railroad Administration does not consider the area to be a storage, they require the Freight Company to transport the hazardous material promptly.

Director Mackenzie stated that the Federal Railroad Administration controls the railroad when it comes to transporting hazardous materials. He thanked the negotiating parties for the Amended Agreement that clearly outlines the transportation and storage of LPG.

Director Phillips asked for clarification on how many LPG tanks can be stored at Schellville yard. Mr. Mansourian responded that each 6,000 feet auxiliary track at Schellville can store 80 tanks at each segment.

Lastly, Chair Fudge stated that the Board and SMART staff continue to learn that existing railroads have rights associated with them. Also, this Amended Agreement outlines the safety and security measures that need to be met. She is pleased that both agencies are establishing a working relationship.

MOTION: Director Rabbitt moved to Approve Amendment to the 2011 Operating and Coordination Agreement between SMART and North Coast Railroad Authority (NCRA) as presented. Director Eddie second. The motion carried 11-0-0. (Director Arnold absent)

Chair Fudge adjourned the Board to closed session at 3:57PM to discuss the following:

8. Closed Session - Conference with legal counsel regarding litigation of an action or to decide whether to initiate an action pursuant to California Government Code Section 54956.9(d)(4). Number of cases: 1
9. Report Out of Closed Session

Chair Fudge reported out of closed session at 4:42 PM on the following:

Conference with legal counsel regarding litigation of an action or to decide whether to initiate an action pursuant to California Government Code Section 54956.9(d)(4). Number of cases: 1

Report Out: No action taken, nothing to report.

10. Next Regular Meeting Board of Directors, March 1, 2017 – 1:30 PM – 5401 Old Redwood Highway, 1st Floor, Petaluma, CA 94954
11. Adjournment – Meeting adjourned at 4:44PM

Respectfully submitted,

Leticia Rosas-Mendoza
Clerk of the Board

Approved: _____



Debora Fudge, Chair
 Sonoma County Mayors and
 Councilmembers Association

Kathrin Sears, Vice Chair
 Marin County Board of Supervisors

Judy Arnold
 Marin County Board of Supervisors

Jim Eddie
 Golden Gate Bridge,
 Highway/Transportation District

Dan Hillmer
 Marin Council of Mayors and
 Councilmembers

Eric Lucan
 Transportation Authority of Marin

Jake Mackenzie
 Sonoma Mayors and Councilmembers
 Association

Barbara Pahre
 Golden Gate Bridge,
 Highway/Transportation District

Gary Phillips
 Transportation Authority of Marin

David Rabbitt
 Sonoma County Board of Supervisors

Carol Russell
 Sonoma Mayors and Councilmembers
 Association

Shirlee Zane
 Sonoma County Board of Supervisors

Farhad Mansourian
 General Manager

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March 15, 2017

Sonoma-Marin Area Rail Transit Board of Directors
 5401 Old Redwood Highway, Suite 200
 Petaluma, CA 94954

SUBJECT: Monthly Financial Reports

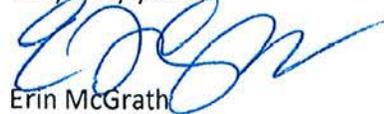
Dear Board Members:

RECOMMENDATION: Information Item

SUMMARY:

As of February 28, SMART ended the month with an unrestricted cash balance of \$57,567,537 and bond fund investments totaling \$26,831,827. Gross Sales Tax Revenue received through the month of February is \$18,893,778, which is still on target for meeting the Fiscal Year budget. Spending is currently below overall budgetary authority as approved by the Board. We have also included this month a Phase 1 Quarterly Project update for your review.

Very truly yours,



Erin McGrath
 Chief Financial Officer

Attachment(s): Monthly Financial Reports
 Contract Summary
 Quarterly Projects Report

SMART
Monthly Financial Report
As of February 2017

	FY 2016-17 Budget	YTD Actuals	Remaining Budget
Revenues			
Sales/Use Taxes	36,286,248	18,893,778	17,392,470
Interest Earnings	377,500	352,031	25,469
Rent - Real Estate	487,197	310,171	177,026
Federal - FHWA	1,619,924	1,099,969	519,955
Other Governments	2,478,177	1,585,046	893,131
Measure M	350,000	-	350,000
MTC - RM2	8,436,937	1,349,153	7,087,784
Fare Revenue	1,976,000	-	-
Charges For Services	30,000	41,486	-
State Grants	2,104,500	3,679	2,100,821
Federal FTA Funds	5,533,042	365,696	5,167,346
Miscellaneous Revenue	60,000	331,045	-
Revenue Total	59,739,525	24,332,055	33,714,001
Expenditures			
Administration			
Salaries & Benefits	4,199,937	2,445,848	1,754,089
Services & Supplies	6,602,434	3,100,193	3,502,241
Other Charges	18,791,927	7,262,632	11,529,295
Machinery & Equipment	74,302	25,847	48,455
	<u>29,668,600</u>	<u>12,834,520</u>	<u>16,834,080</u>
Capital			
Salaries & Benefits	1,196,770	603,453	593,317
Services & Supplies	431,266	175,948	255,319
Other Charges	138,177	62,636	75,542
Land	388,500	296,750	91,750
Machinery & Equipment	22,864,796	1,558,843	21,305,954
Infrastructure	31,753,174	15,995,290	15,757,883
Intangible Assets	2,000	2,000	-
	<u>56,774,683</u>	<u>18,694,920</u>	<u>38,079,764</u>
Operations			
Salaries & Benefits	11,086,865	5,490,479	5,596,386
Services & Supplies	5,180,006	1,636,192	3,543,814
Buildings & Capital Improvements	2,830,718	769,349	2,061,368
	<u>19,097,588</u>	<u>7,896,020</u>	<u>11,201,568</u>
Expenditure Total	105,540,872	39,425,460	66,115,412

Investment Report

	As of February 2017
Bond Reserve Fund	
Sonoma County Treasury Pool	17,072,500
Interest Fund	
Sonoma County Treasury Pool	4,146,308
Project Fund	
Sonoma County Treasury Pool	273,950
Principal Fund	
Sonoma County Treasury Pool	5,339,069
SMART Fund Balance	
Bank of Marin	7,826,152
Sonoma County Treasury Pool	49,741,384
	84,399,364



Contract Summary

Active Contracts as of February 28, 2017

Contractor	Scope	Fiscal Year 16-17 Projected	Fiscal Year 16-17 Actuals-To-Date
Adobe Associates Inc.	Real Property Support Services	\$12,000	\$0
A.J. Janitorial Service	Janitorial Services at ROC, Fulton, and Roblar	\$22,148	\$10,613
Alcohol & Drug Testing Services, LLC	DOT Drug and Alcohol Testing	\$24,875	\$7,086
Alliant Insurance Services	Insurance Brokerage & Risk Management Services	\$69,000	\$0
Aramark	Uniform Service	\$17,987	\$1,123
Area West Environmental, Inc	Environmental Compliance Support Services	\$50,000	\$20,429
Barber Security Group	Security Guard/Patrol Services	\$69,000	\$41,857
Bender Rosenthal, Inc.	Real Estate Support Services for Larkspur Extension	\$223,780	\$34,969
Bernadette Lambert	Right of Way Acquisition Legal Services	\$4,500	\$0
Bettin Investigations	Background Investigations	\$15,000	\$6,252
Bickmore	Actuarial Services for Railroad Liability Program	\$1,500	\$1,500
Big Cat Advertising	Digital Advertisement Services	\$18,000	\$12,000
BKF Engineers Inc.	Real Property Support Services	\$10,000	\$0
Burke, Williams & Sorensen, LLP	Litigation Support Services	\$150,000	\$57,404
Cal Accessibility, Inc.	ADA Compliance Support Services for CP4	\$25,000	\$6,636
Cascade Healthcare Services	AED Program Management	\$1,750	\$1,750
Century Urban	Real Estate Advisory Services	\$18,513	\$14,138
Certified Employment Group	Temporary Staffing Services	\$40,000	\$25,177
CIH Services, Inc.	Industrial Hygiene Testing and Related Services	\$12,000	\$0
Coates Field Service, Inc.	Real Estate Acquisition and Relocation Services	\$25,000	\$6,602
Conservation Corps North Bay	ROW Maintenance & Weed Abatement	\$40,000	\$0
CSW/Stroeh Engineering Group	Real Property Services	\$18,000	\$0
David Rzepinski & Associates	Real Market, Fare Analysis, Coordination	\$35,000	\$12,075
David Tattersall & Co.	Real Estate Appraisal Services	\$10,000	\$0
David Tattersall & Co. Real Estate Advisory Service	Real Estate Appraisal Services for Larkspur Extension	\$42,000	\$16,000
Dennis Walther	Electrical Service Design Review	\$5,200	\$5,200
Dr. Mark Clementi	Pre-Employment Psychological Evaluations	\$34,250	\$16,440
Emtec Consulting Services, LLC	Oracle Accounting System Support Services	\$64,761	\$43,603
ePath Learning	Cloud-Based Training / Learning Management Software	\$6,000	\$6,000
George Hills Company, Inc.	Third Party Claims Administration Services	\$21,400	\$2,422
GHD, Inc.	SWPP Compliance, AutoCAD Management, Traffic and Hydraulic Analysis for CP4	\$68,778	\$65,288
GP Crane & Hoist Services	Cal/Osha Crane Inspection Services	\$1,950	\$0
Granicus, Inc.	Media Streaming & Internet Broadcasting Services	\$8,000	\$5,240
Hanson Bridgett LLP	Legal Services	\$120,000	\$77,987
Holland Company	Testing and Measuring Track Geometry, Track Strength, Rail Profile, and Related Services	\$24,000	\$24,000
Hulcher Services, Inc.	Derailment & Hazmat Services	\$40,000	\$0
ICF Jones & Stokes, Inc.	Environmental Permitting Management and Support Services	\$210,000	\$149,142
Intellicore	Internet/Cellular Tower Maintenance Services	\$33,000	\$13,750
Intelligent Technology Solutions, Inc.	Maximo MIMS Implementation and Support Services	\$314,857	\$274,759
Interwest Consulting Group	Acquisition and Relocation Services	\$3,749	\$1,330
Irwin Inc.	Construction Contract Document Preparation	\$20,000	\$0
James Flageollet	Legal Services	\$129,180	\$104,438
Jeffries Public Safety Consulting	Emergency Management Plan Development Services	\$9,250	\$0
John Zanzi	Fire and Life Safety Planning	\$20,000	\$6,838
Kathy Wood & Associates	Acquisition and Relocation Services	\$36,252	\$0
Krebs Construction Services, Inc	Project Cost Management Services	\$30,000	\$683
Kurland Digital	Website Hosting and Support Services	\$700	\$0

Contractor	Scope	Fiscal Year 16-17 Projected	Fiscal Year 16-17 Actuals-To-Date
LTK Engineering Services	Vehicle and Systems Design and Construction Management Services	\$3,082,474	\$1,232,552
Macias Gini & O'Connell LLP (MGO)	Financial Audit Services	\$44,401	\$44,401
Maggiara & Ghilotti, Inc.	Non-Motorized Pathway E. Cotati Ave to Golf Course Drive	\$1,136,896	\$1,091,471
Managed Health Network	Employee Assistance Program (EAP) Services	\$1,910	\$623
Masabi LLC	SMART Mobile Ticketing Pilot Project	\$135,000	\$0
MGroddner, LLC	Project Management Services	\$50,000	\$35,791
Moore Iacofano Goltsman, Inc.	Marketing Implementation and Website Design	\$39,500	\$34,725
Nelson\Nygaard Consulting, Associates, Inc.	Bicycle Parking Investment Plan	\$2,351	\$2,351
Netspeed Solutions	Professional Services at Petaluma, ROC, MOW	\$5,300	\$5,300
Netspeed Solutions	Professional Services at Roblar	\$10,823	\$10,815
Networken Inc.	Design Information Architecture for Document and Project Management Technology	\$62,664	\$40,250
North Bay SAP Services	Substance Abuse Professional Services	\$5,000	\$0
Nossaman LLP	Legal Services - Railroad Regulatory Issues & Transit D-B Projects	\$201,955	\$131,631
Occupational Health Centers of CA	Pre-Employment Evaluation Services	\$21,950	\$8,630
Oracle	Fusion Enterprise Resource Planning (ERP) Software & Hosting Services	\$47,880	\$23,940
Parodi, Investigative Solutions	Pre-Employment Background Investigation Services	\$19,600	\$17,250
Paychex, Inc.	Payroll Processing Services	\$21,632	\$12,229
PGH Wong Engineering	Construction Management Support Services	\$84,004	\$44,666
Platinum Advisors, LLC	State Legislative Advocacy Services	\$120,000	\$70,000
Portola Systems, Inc.	SMART Station Network Configuration Services	\$269,904	\$247,764
Portola Systems, Inc.	Cisco SMARTnet Maintenance Services	\$20,527	\$0
Public Financial Management	Financial Advisory Services	\$5,000	\$0
Public Financial Management	Arbitrage Bond Compliance	\$2,000	\$0
RailPros, Inc.	Professional Engineering Services for Larkspur Extension	\$761,653	\$594,835
Reforestation Services, Inc.	Vegetation Control Services	\$23,206	\$20,579
ServPro of Lake Mendocino and Sonoma County	Biohazard Clean-Up and Hazmat Services	\$25,000	\$0
Shimmick Construction Co, Inc.	D/B Construction of IOS2, Haystack, OMF, Station Finishes and Pathway	\$6,477,965	\$4,036,033
SPTJ Consulting	Network Infrastructure, Security, Migration and Setup Services	\$389,880	\$139,253
Stacy and Witbeck/Herzog, JV	Design/ Build Construction of Civil, Track & Structures Improvements of IOS-1	\$10,793,290	\$8,411,555
State Water Resources Control Board	Mira Monte Site Cleanup Program	\$6,400	\$3,582
Steve Taylor Excavation	Vehicle Detector Loop Installation Services	\$6,923	\$0
STV, Inc.	On-Call Railroad Bridge Inspection Services	\$100,000	\$77,643
Sumitomo Corporation	Manufacture & Delivery of Vehicles	\$20,843,756	\$621,966
Summit Signal, Inc.	ISTEA - Constructing Black Point Bridge Automation Project	\$194,250	\$194,250
Summit Signal, Inc.	Track and Signal Inspections	\$85,110	\$76,896
Summit Signal, Inc.	Emergency Call-Out Services for Track and Signals	\$70,000	\$26,960
Swiftly, Inc.	AVL Mobile Application and Website Interface	\$9,900	\$9,900
The GBS Group	Internet Connectivity (Wifi) for DMU Trains	\$1,090,348	\$636,442
Utah Transit Authority (UTA)	DMU Wheel Truing Services	\$3,262	\$0
Van Scoyoc Associates	Federal Legislative Advocacy Services	\$54,000	\$20,000
WBE	Design and Installation of Security Equipment	\$207,072	\$167,210
Xentrans, Inc.	DMU WiFi Development Services	\$54,090	\$51,413
	Totals	\$48,743,256	\$19,215,637

* Actuals-To-Date includes invoices that have been approved as of February 28, 2017, but may not have been processed in SMART's Financial System.

Quarterly Project Report March 2017

Phase 1 Project Budget:

The project budget to date is \$448.2 million. In this update, we have increased the project budget to account for the inclusion of project cost changes and enhancements approved at the January 4, 2017 Board Meeting. Those enhancements include the addition of new bike racks and lockers as well as the addition of parking at two stations in Sonoma. The budget was also increased to account for reimbursement agreements for the Sonoma Mountain Village Pathway, Cotati fence upgrades, and Sonoma County Signal Preemption.

Project Revenues to Date:

Of the \$448.2 million in project revenues necessary to complete the project, 98% have been received.

PROJECT REVENUES TO DATE: As of February 28, 2017			
	Budget	Actual	% Received
Sales Tax and Other Local	\$141.6 million	\$141.6 million	100%
Bond Sale	\$180.0 million	\$180.0 million	100%
Grant Funds	\$126.5 million	\$115.5 million	91%
Total*	\$448.2 million	\$437.1 million	

Project Expenditures to Date:

Of the \$448.2 million budgeted expenditures, \$403.8 million (or 90% of the total) have been expended.

PROJECT EXPENDITURES TO DATE: As of February 28, 2017			
	Budget	Actual	% Spent
Construction Contracts	\$ 362.2 million	\$320.9 million	89%
Design/Construction Mgmt./Other	\$ 48.1 million	\$45.7 million	95%
SMART Agency costs (incl. labor)	\$ 38.0 million	\$37.1 million	98%
Total*	\$ 448.2 million	\$403.8 million	

Current Project Status

Project construction related to the multiuse pathway, station finishes, and signal activation continues as detailed each month in the General Manager's report. Rail car engine replacement and final acceptance testing continues on all seven rail vehicle sets. Infrastructure work in conjunction with installing Clipper validators and vending machines, Wi-Fi equipment and other passenger-serving needs is nearly complete. In the coming weeks we will be engaging in more high speed dynamic signal testing as well as Positive Train Control testing and will soon be running a "simulated service" schedule in advance of carrying passengers. Final station finishes are being completed in the coming weeks, including the installation of SMART's Clipper vending machines.

*Sums may vary slightly due to rounding.



March 15, 2017

Debora Fudge, Chair
 Sonoma County Mayors and
 Councilmembers Association

Kathrin Sears, Vice Chair
 Marin County Board of Supervisors

Judy Arnold
 Marin County Board of Supervisors

Jim Eddie
 Golden Gate Bridge,
 Highway/Transportation District

Dan Hillmer
 Marin Council of Mayors and
 Councilmembers

Eric Lucan
 Transportation Authority of Marin

Jake Mackenzie
 Sonoma Mayors and Councilmembers
 Association

Barbara Pahre
 Golden Gate Bridge,
 Highway/Transportation District

Gary Phillips
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Sonoma-Marín Area Rail Transit Board of Directors
 5401 Old Redwood Highway, Suite 200
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SUBJECT: Ratify Emergency Expenses Incurred Due to January 2017 Storms

Dear Board Members:

RECOMMENDATION:
 Approve the expenses incurred by SMART due to storms in January 2017.

SUMMARY:
 As we have reported in the General Managers’ report to your Board in the past two months, the massive storms that have affected Marin and Sonoma also led to some emergency needs in the SMART right-of-way. The heavy rainfall and high tides, areas of flooding, slides, hazardous tree removal and washouts required immediate remedial work.

Because immediate remedial measures were necessary to avert or alleviate damage to SMART’s property and to repair or restore damaged property of the District, the General Manger authorized the expenditure of funds previously appropriated for the direct purchases of goods and services. The Superintendent of Maintenance of Way and the Chief Engineer oversaw work by contractors and rented equipment to make the following repairs:

- Emergency road repair at Mira Monte restoration site;
- Cleared dead trees at Willowbrook Creek crossing north of Ely Road;
- Repaired washouts due to flooding at Ely Road in Petaluma;
- Hazardous eucalyptus tree removal at N. McDowell Boulevard, Petaluma;
- Puerto Suello Tunnel - major slide at north end and minor slides at south end required major rebuilding and hazardous trees cutting;
- Repairs at N. San Pedro Road crossing drainage culvert;
- Chipping of cut trees at N. San Pedro and Los Ranchitos Roads;
- Repair of two small washouts at Civic Center; and
- Removal of drift buildup underneath Schultz Slough Bridge.

