



## CITY COUNCIL STAFF REPORT

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**TO:** Honorable Mayor and City Council                      **DATE:** November 16, 2020

**FROM:** Matthew Bronson, City Manager

**PREPARED BY:** Matthew Bronson, City Manager

**SUBJECT:** Amendment to the Regional Transit Authority Joint Powers Agreement (JPA) and Abolishment of the South County Transit JPA

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### **RECOMMENDATION**

Adopt resolution to consolidate South County Transit into the San Luis Obispo Regional Transit Authority including transfer of all assets and obligations effective January 1, 2021.

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### **BACKGROUND**

The City of Grover Beach is a member of the South County Area Transit (SoCo Transit) Joint Powers Authority (JPA). Other member agencies include the cities of Arroyo Grande and Pismo Beach, as well as the County of San Luis Obispo representing the communities of Avila Beach and Oceano. The City is also a member of the San Luis Obispo Regional Transit Authority (RTA) JPA. Other members of the RTA JPA include the cities of Arroyo Grande, Atascadero, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo, as well as the County of San Luis Obispo.

Following significant analysis by RTA and San Luis Obispo Council of Governments (SLOCOG) over the past several years, as well as recommendations by the Triennial Performance Auditor and the City Managers in the three South County cities, the SoCo Transit Board of Directors requested consolidation into the RTA in January 2018. At its March 7, 2018 meeting, the RTA Board of Directors conceptually agreed to the consolidation pending further action by the SLOCOG Board of Directors at its April 4, 2018 meeting. This proposed consolidation was subsequently presented to the Council for discussion on April 16, 2018.

Of particular interest to the City and the other SoCo Transit jurisdictions is continued local control over local fixed-route services operated within the Five Cities area. To that end, local fixed-route service levels (days, hours, routes, etc.), marketing efforts, and operating/capital budgets for local fixed-routes would be solely controlled through a new standing RTA committee called the South County Transit Committee (SCTC). The SCTC would be comprised of the RTA Board members from the cities of Arroyo Grande, Grover Beach, and Pismo Beach, as well as one member from the Board of Supervisors. As detailed in the amended and restated RTA JPA, the SCTC would meet at least annually to address public transit issues of interest to South County communities and to consider the following year's budget for local public transit services in the Five Cities area. Funding of services authorized by the SCTC would be borne by the cities of Arroyo Grande, Grover Beach and Pismo Beach through the agency's respective Local Transportation Funds (LTF) as well as the County on behalf of the communities of Oceano and Avila Beach. A red-lined version depicting changes to the RTA amended and restated Joint Powers Agreement is provided as Attachment 2 as well as a "clean" version for execution provided as Attachment 3.

Consolidation of SoCo Transit local fixed-route services into the RTA has significant net financial benefits for the SoCo Transit jurisdictions. SLOCOG agreed to a concession at its April 4, 2018

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meeting on farebox recovery ratio requirements under consolidation in the Arroyo Grande – Grover Beach Urbanized Area that will have long-term financial benefits for the RTA and its future SCTC member jurisdictions. The principal benefit to the SCTC member jurisdictions is that consolidation would avoid a roughly \$70,000 annual penalty for failing to achieve the new/higher State of California 20% farebox recovery ratio requirement that was triggered by the Federal designation of the Five Cities area as “urban” in the 2010 Census (the Five Cities area had a 10% requirement prior to the urban designation). In summary, while some operating costs would increase under consolidation principally relating to providing healthcare benefits to six current part-time SoCo Transit employees who do not currently have health insurance, the total ongoing net savings to SoCo Transit member jurisdictions is anticipated to be approximately \$82,000 annually with approximately \$23,000 in savings to the City based on pre-COVID budget numbers.

Upon adoption of resolutions by each SoCo Transit member jurisdiction, the South County Area Transit Joint Powers Agreement would be terminated and all assets transferred to the RTA effective December 31, 2020. Upon adoption of resolutions by the remaining cities of Atascadero, Morro Bay, Paso Robles and San Luis Obispo, as well as by the County of San Luis Obispo and finally by the RTA Board of Directors on December 2, 2020, the RTA amended and restated Joint Powers Agreement would become effective on January 1, 2021. This date was chosen because it corresponds with the annual start date of employees’ healthcare plans and thus would minimize disruptions for valued former SoCo Transit employees.

### **FISCAL IMPACT**

The City and the other three SoCo Transit member jurisdictions would benefit from this proposed consolidation since the current cost savings and avoidance of future farebox recovery-related financial penalties would reduce current and future demand for funding from the City’s Local Transportation Funds (LTF). LTF is statutorily prioritized for funding public transit services so reducing LTF for transit thereby increases the amount remaining for streets/roads and other eligible transportation projects.

### **ALTERNATIVES**

The following alternatives are provided for the Council’s consideration:

1. Adopt resolution to consolidate South County Transit into the San Luis Obispo Regional Transit Authority including transfer of all assets and obligations effective January 1, 2021;  
or
2. Do not adopt resolution; or
3. Provide alternative direction to staff

### **PUBLIC NOTIFICATION**

The agenda was posted in accordance with the Brown Act.

### **Attachments**

1. Resolution
2. Red-lined version of the amended and restated San Luis Obispo Regional Transit Authority Joint Powers Agreement.
3. Clean version of the amended and restated San Luis Obispo Regional Transit Authority Joint Powers Agreement.

RESOLUTION NO. 20-\_\_

**A RESOLUTION OF THE CITY OF GROVER BEACH, CALIFORNIA  
AUTHORIZING EXECUTION OF THE AMENDED AND RESTATED JOINT  
POWERS AGREEMENT FOR THE SAN LUIS OBISPO REGIONAL TRANSIT  
AUTHORITY, AND TERMINATING THE SOUTH COUNTY AREA TRANSIT  
JOINT POWERS AGREEMENT**

**WHEREAS**, South County Transit provides fixed-route public transportation services in the cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the unincorporated area of Oceano, as authorized under a Joint Powers Agreement originally enacted in 1978 and subsequently amended in 2001 and 2016; and

**WHEREAS**, South County Transit has been provided professional administrative services, vehicle maintenance and operations oversight under contract to the San Luis Obispo Regional Transit Authority since 1997; and

**WHEREAS**, both South County Transit Board of Directors and the San Luis Obispo Regional Transit Authority Board of Directors have extensively discussed the possibility of consolidating South County Transit into the San Luis Obispo Regional Transit Authority to realize cost efficiencies and to avoid farebox recovery ratio penalties in the South County Transit service area; and

**WHEREAS**, the San Luis Obispo Regional Transit Authority Board of Directors will consider an amended and restated Joint Powers Agreement that consolidates South County Transit services into the agency at its December 2, 2020 meeting; and

**WHEREAS**, the amended and restated Joint Powers Agreement for the San Luis Obispo Regional Transit Authority includes provisions that allow local control of service levels and budgetary control for fixed-route services in the Arroyo Grande – Grover Beach Urbanized Area, which includes the cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the unincorporated communities of Avila Beach and Oceano; and

**WHEREAS**, the amended and restated Joint Powers Agreement for the San Luis Obispo Regional Transit Authority becomes effective at 12:00 AM on January 1, 2021 upon ratification by the County of San Luis Obispo Board of Supervisors and by each of the seven City Councils in the county; and

**WHEREAS**, the existing South County Area Transit Joint Powers Agreement states that the Agency may sell, lease or assign all of its real and personal property and may cease operations upon such terms and conditions as the Board determines to be reasonable and upon affirmative vote by all member agencies; and

**WHEREAS**, the existing South County Area Transit Joint Powers Agreement also states that the Agreement shall continue in full force and effect until cancelled by affirmative vote of a majority of the member agencies, and

**WHEREAS**, the South County Transit Board of Directors resolved at its October 6, 2020 meeting to terminate the South County Area Transit Joint Powers agreement effective 11:59 PM on December 31, 2020 upon ratification of the majority of the member agencies and upon full

ratification of the amended and restated Joint Powers Agreement for the San Luis Obispo Regional Transit Authority by its member agencies.

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF GROVER BEACH AS FOLLOWS:**

**Part 1.** The City Council hereby finds and determines that all of the recitals are true and correct.

**Part 2.** The City Council supports consolidation of South County Transit into the San Luis Obispo Regional Transit Authority.

**Part 3.** The City Manager is directed to execute this resolution to terminate the South County Area Transit Joint Powers Agreement.

**Part 4.** The City Manager is directed to execute the San Luis Obispo Regional Transit Authority amended and restated Joint Powers Agreement.

On motion by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_ and on the following roll call vote, to wit:

AYES:	Council Members -
NOES:	Council Members -
ABSENT:	Council Members -
ABSTAIN:	Council Members -
RECUSED:	Council Members -

the foregoing Resolution was **PASSED, APPROVED, and ADOPTED** at a Regular Meeting of the City Council of the City of Grover Beach, California this 16<sup>th</sup> day of November 2020.

**\*\*DRAFT\*\***

\_\_\_\_\_  
JEFF LEE, MAYOR

ATTEST:

\_\_\_\_\_  
WENDI SIMS, CITY CLERK

APPROVED AS FORM:

\_\_\_\_\_  
DAVID P. HALE, CITY ATTORNEY

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
AMENDED AND RESTATED JOINT POWERS AGREEMENT

WITNESSETH:

This Agreement is made and entered into this 9<sup>th</sup> day of March, 1990, and amended on 2<sup>nd</sup> day of September, 1998, and further amended on the 24<sup>th</sup> day of June, 2013, by and among the incorporated cities of Arroyo Grande, Atascadero, El Paso de Robles, Grover Beach, Morro Bay, Pismo Beach and San Luis Obispo, all being municipal corporations in the County of San Luis Obispo, California (hereinafter called "Cities") and the County of San Luis Obispo, a body politic and corporate, and a subdivision of the State of California, (hereinafter called "County").

WHEREAS, Section 6500 et seq. of the California Government Code (Title 1, Div. 7, Chapter 5, Article 1) provides for agreements between two or more public agencies to jointly exercise any power common to the contracting parties, subject to certain mandatory provisions contained therein; and

WHEREAS, the Cities and County have previously entered into a joint powers agreement for the formation of the San Luis Obispo Council of Governments for the purpose of providing, among other things, for a regional transportation agency; and

WHEREAS, the San Luis Obispo Council of Governments, at a regularly held meeting on May 10, 1989, voted to consolidate the administration of several transportation systems through a regional transit joint powers agreement.

WHEREAS, the cities of Arroyo Grande, Grover Beach and Pismo Beach, and the County of San Luis Obispo, were formerly members of the South County Area Transit Joint Powers Agency which began operating a public transit system within those jurisdictions in January, 1978, and which ceased to exist and transferred its assets to the San Luis Obispo Regional Transit Authority in return for amendments made to this Agreement effective January 1, 2021.

NOW THEREFORE, it is agreed as follows:

ARTICLE I  
General Provisions

Section 1. Purpose: The purpose of this Agreement is to exercise the common powers of the member agencies for the formation of a Joint Powers Agreement with full power and authority to own, operate and administer a county-wide public transportation system within the boundaries and over the territory over which the Joint Powers Agency has jurisdiction.

Section 2. Name: The official name of the entity shall be San Luis Obispo Regional Transit Authority and hereafter referred to as the RTA.

ARTICLE II  
Organization

Section 1. Board Members: The membership of the RTA Governing Board shall be the same as the membership of the San Luis Obispo Council of Governments (hereinafter referred to as SLOCOG).

Section 2. Board Meetings - Voting - Quorum: Regular meetings shall be generally held in the first week of July, September, November, January, March and May or as specified in a biannually adopted meeting calendar. Special meetings may be called by the President or upon written request of at least three (3) members of the RTA Board.

Voting and quorum provisions shall be the same as those provided in the SLOCOG Joint Powers Agreement, however, any vote regarding local fixed-route services or other public transportation services operated solely within the Arroyo Grande – Grover Beach Urbanized Area, including the budgeting and funding of such services, shall require at least three affirmative votes from Board members who also sit on the South County Transit Committee.

Section 3. Officers: The officers of SLOCOG shall serve as officers of RTA.

Section 4. Executive Director: The RTA Board shall designate an Executive Director to operate [the](#) RTA. The Executive Director shall serve at the pleasure of the RTA Board, with delegated powers to certify documents of the RTA Board as required by the law and to assume such duties and responsibilities as the Board may direct.

Section 5. Members:

1. The County of San Luis Obispo and all cities incorporated in the County of San Luis Obispo presently or in the future, are declared eligible for membership.
2. Member city agencies may elect to have an alternate member(s) from their city council in addition to any official member, but said alternate(s) shall be able to vote only in the absence of the official representative.
3. Membership shall be contingent upon the execution of this Joint Powers Agreement.

Section 6. Boundaries and Service Levels: The service area boundaries shall be all of the area within the boundaries of San Luis Obispo County as designated by the RTA Board. Any additional services beyond the level recommended by the Regional Transportation Plan or mandated in the Unmet Transit Needs Hearing (PUC Section 99401.5) may be instituted, but shall require unanimous approval of affected

jurisdictions, with costs for the extra service to be distributed on the basis of formula developed by the RTA Board members representing the affected jurisdictions.

Section 7. Committees:

1. Committees and subcommittees may be established as RTA may deem appropriate.
2. Membership on “ad-Hoc” policy committees shall be at the discretion of the President. Nothing herein shall be construed to limit membership on these aforesaid committees to officials of the member agencies. The President may appoint any individual deemed qualified to serve on a committee.
3. Standing committees shall include the:
  - a. Regional Transit Advisory Committee (RTAC) serving as a Regional Transit Productivity Committee to advise the Board on the efficiency and effectiveness of the transit system.
  - b. Executive Committee comprised of the President, Vice President and the past President and at least one representatives from the county of San Luis Obispo (if none of the above) shall advise the Executive Director and RTA on: draft agendas, personnel issues, budget and Overall Work Program; controversial, sensitive and major policy issues; and shall facilitate the annual performance evaluation of the Executive Director. Items for review shall be selected by the Executive Director in consultation with the President. All Committee members may include agenda items as they desire. For purposes of conducting business, two members shall constitute a quorum.
  - c. South County Transit Committee (SCTC) comprised of RTA Board members representing the four jurisdictions included in the Arroyo Grande – Grover Beach Urbanized Area as defined in the 2010 Decennial Census (hereinafter referred to as the AG-GB UZA). The SCTC member jurisdictions include the cities of Arroyo Grande, Grover Beach and Pismo Beach, and the County of San Luis Obispo, representing the Oceano Area and the Avila Beach Area. The SCTC’s roles and responsibilities include:
    - i. The SCTC shall effectively control local fixed-route services and any other public transportation services operated solely within the AG-GB UZA by virtue of the voting requirements for matters provided above in Section 2 of this [Agreement Article II](#).

- ii. At a minimum, the SCTC shall meet annually to consider annual service levels, fare levels, major marketing campaigns, capital improvement plans, and to ratify financial commitments for each jurisdiction participating in public transportation services operated solely within the AG-GB UZA. At the request of two or more SCTC members, properly noticed special SCTC meetings may also be conducted.
- iii. For purposes of conducting business, three of the four SCTC members shall constitute a quorum.
- iv. The SCTC shall submit an annual operating budget and multi-year capital improvement plan for fixed-route and other public transportation services operated solely within the AG-GB UZA to the full RTA Board prior to May 1 for consideration as part of the RTA Overall Annual Budget.
- v. Any additional services beyond the level recommended by the Regional Transportation Plan or mandated in the annual Unmet Transit Needs Hearing (PUC Section 99401.5) may be instituted in the SCTC service area, but shall require unanimous approval of affected jurisdictions, with costs for the extra service to be distributed on the basis of a formula developed by the SCTC members representing the affected jurisdictions.
- vi. Each SCTC member agency shall make an annual Transportation Development Act contribution based upon the percentage of total SCTC-served population related to the area served within that member agency. All population percentages utilized shall be those annually adopted by the San Luis Obispo Council of Governments for allocating Transportation Development Act Funds based annually on estimates prepared by the State Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for ~~cities~~ Cities and by the County Planning and Building Department for unincorporated communities.
- vii. Any member of the SCTC may withdraw from the SCTC after providing written notice to the RTA Board President one year in advance of the requested withdrawal date. A withdrawing member's financial obligation under this subsection is limited to the withdrawing member's pro-



rata share of the currently adopted SCTC operating budget within the service area of the obligated commitments affecting the withdrawing member and any San Luis Obispo Council of Governments finding as to Unmet Transit Needs that are Reasonable to Meet pursuant to Public Utilities Code Section 99401.5. However, the obligations of a withdrawing member under this subsection are limited to the special transportation funds to which the withdrawing member would be entitled, such as Transportation Development Act funds, and this section shall not impose any obligation on the general funds of the withdrawing member.

4. No committee shall commit the RTA on any matter or questions of policy. Such matters or questions can only be decided by the RTA.
5. All committees shall receive clerical assistance from RTA staff and, by agreement, SLOCOG staff for the purpose of maintaining minutes of meetings and other such duties as the Executive Director may direct. The chair of each committee shall sign the original copy of the minutes indicating verification of contents upon committee [adoption approval](#). Copies of minutes of all meetings shall be sent to members of the RTA and the Executive Director.

### ARTICLE III Financial Provisions

Section 1. Budget: The Executive Director shall prepare an Overall Annual Budget for RTA Board adoption prior to commencement of each fiscal year. The Overall Annual Budget shall include financial details on core RTA services, as well as financial details for those various public transportation services provided under agreement to other agencies. Core RTA services include intercity fixed-routes along the US-101 and SR-1 corridors, and regional Americans with Disabilities Act complementary paratransit services. The approval of the Overall Annual Budget shall be in accordance with those procedures prescribed by the Joint Powers Agreement of SLOCOG.

The annual operating and capital budgets for non-core services provided under agreement to another agency requires ratification by its governing body prior to consideration of the Overall Annual Budget by the RTA Board.

Accounting practices to be applied will conform to those used by San Luis Obispo County, consistent with Transportation Development Act rules and regulations.

A Consolidated Fund balance and cash balance for RTA core services will carry forward from one year to the next. Separate Consolidated Fund balances and cash balances will be maintained for public transportation services provided by RTA under

agreement to other agencies, including those public transportation services provided under the direction of the SCTC.

The Overall Annual Budget may additionally carry funds for future fiscal years where necessary to develop a multi-year Capital Improvement Program and to reflect obligations under state or federal funding agreements, to the extent allowable by California law.

No member Agency shall be required to expend any of its general fund monies to support the operations of the RTA. The operation of the transit system shall be funded from revenues derived from operations, member Transportation Development Act fund contributions, grants, and any other appropriate revenue sources. Each member agency shall make an annual contribution to the RTA in accordance with the adopted budget.

Any formula may be amended upon approval of all jurisdictions affected by that formula and ratified by the RTA.

All population percentages utilized shall be those annually adopted by SLOCOG for allocating Transportation Development Act Funds based annually on estimates prepared by the State Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for cities and by the County Planning [and Building](#) Department for unincorporated communities.

Section 2. Expenditures: The RTA may establish procedures and policies to insure competitive prices for the purchases of goods and services. Formal bidding shall not be required unless directed specifically by the RTA or unless required by state or federal law. Particularly in the purchase of equipment, including buses, the RTA may consider the design, maintenance and operating costs, and other similar factors in determining the most suitable equipment and need not purchase equipment having the lowest initial cost.

Section 3. Treasurer and Auditor: Pursuant to Government Code Section 6505.5, the Treasurer of the County of San Luis Obispo is hereby designated as Treasurer of the RTA. The Treasurer shall have the powers and duties set forth in Government Code Section 6505.5. The Auditor/Controller of the County of San Luis Obispo is designated as the Auditor of the RTA pursuant to Government Code Section 6505.5.

Section 4. Annual Audit: The RTA shall cause an annual audit to be prepared and filed in accordance with Government Code Section 6505 and Public Utilities Code Section 99245. This audit shall include RTA core services, as well as those service provided under agreement for other agencies.

Section 5. Annual Report: The Executive Director shall prepare and submit an annual report of the operations to the RTA Board, SLOCOG and State Controller by January 31 following each fiscal year pursuant to Public Utilities Code, Section 99243.

Section 6. Periodic Reporting: The RTA Board may require periodic reporting of ridership, finances, or other information. This periodic reporting shall include RTA core services, as well as those service provided under agreement to other agencies. It shall be the responsibility of the Executive Director to provide such reports in a form acceptable to the RTA Board.

#### ARTICLE IV Authority

Section 1. Powers: The RTA shall have all Powers necessary to carry out the purpose of this Agreement, except the power to tax. Its power to expend funds shall be limited only by the availability of funds as set forth in ARTICLE III: Finances, Section 1. The Powers of the RTA specifically include, but are not limited to, the following:

1. To solicit bids and negotiate contracts from private enterprise for services and/or operation.
2. To sue or be sued.
3. To employ agents, employees and contract for professional services.
4. To make and enter contracts, including labor, purchase agreement and employment contracts.
5. To acquire, convey, construct, manage, maintain and operate necessary equipment, building and improvements.
6. To acquire and convey real and personal property.
7. To incur debts, liabilities and obligations, as well as obligations of financial assistance from State and Federal agencies, and to obligate RTA to operate the improvements, equipment or transportation system in accordance with the terms and conditions of said financial assistance.
8. To purchase insurance.
9. To develop policies and procedures necessary to remain in compliance with Federal Transit Administration Section 5307 Urbanized Area Formula Program and other federal grant program funding requirements.

Section 2. RTA is a Public Legal Entity: The RTA is a public entity duly formed and existing under the laws of the State of California. It is a separate and distinct legal entity from its member agencies. The debts, duties and obligations created pursuant to

this Agreement, shall be solely the obligations of the RTA and not those of its officers, employees, members of the Board of Directors or the member agencies.

ARTICLE V  
Miscellaneous Provisions

Section 1. Withdrawal of Member: A withdrawing member's financial obligation under this Section is limited to the withdrawing member's pro-rata share of the currently adopted operating budget based upon ARTICLE III, Section 1 within the service area of the obligated commitments affecting the withdrawing member and any SLOCOG's finding as to unmet transit needs that are reasonable to meet pursuant to Public Utilities Code Section 99401.5.

Section 2. Amendment of Agreement: No amendment to this Agreement shall be made without the consent of all member agencies at the time of the amendment.

Section 3. Ratification - Effective Date: This Agreement shall be deemed effective as to those parties executing this ~~agreement~~Agreement upon their execution of the ~~agreement~~Agreement.

Section 4. Assignability: In the event it is deemed in the best public interest to have the RTA operated by another individual or entity, whether public or private, and provided that the assignment complies with State and Federal laws, the ~~agency~~RTA, on affirmative vote of the majority in accordance with Section 2 of ARTICLE II, may sell, lease or assign all of its real and personal property and cease operations upon such terms and conditions as the RTA determines to be reasonable.

Section 5. Termination: This Agreement shall continue in full force and effect until rescinded by a majority of the member agencies.

Section 6. Notification to Secretary of State: Pursuant to Government Code Section 6503.5, the RTA shall cause a notice of the execution of this Agreement to be prepared and filed with the Office of the Secretary of the State of California, within thirty (30) days after the effective date of any amendment to this Agreement. Until such filings are completed, the RTA shall not incur indebtedness of any kind.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first hereinabove written.

~~IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year first hereinabove written.~~

**City of Arroyo Grande**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date:\_\_\_\_\_

Resolution No.\_\_\_\_\_

**City of Atascadero**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date:\_\_\_\_\_

Resolution No.\_\_\_\_\_

**City of Grover Beach**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date:\_\_\_\_\_

Resolution No.\_\_\_\_\_

**City of Morro Bay**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date:\_\_\_\_\_

Resolution No.\_\_\_\_\_

**City of Paso Robles**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date:\_\_\_\_\_

Resolution No.\_\_\_\_\_

**City of Pismo Beach**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date:\_\_\_\_\_

Resolution No.\_\_\_\_\_

**City of San Luis Obispo**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date:\_\_\_\_\_

Resolution No.\_\_\_\_\_

**County of San Luis Obispo**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date: \_\_\_\_\_

Resolution No. \_\_\_\_\_

Approved as to form and legal effect:  
RITA L. NEAL  
County Counsel

By: \_\_\_\_\_  
Assistant County Counsel

Date: \_\_\_\_\_

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
AMENDED AND RESTATED JOINT POWERS AGREEMENT

WITNESSETH:

This Agreement is made and entered into this 9<sup>th</sup> day of March, 1990, and amended on 2<sup>nd</sup> day of September, 1998, and further amended on the 24<sup>th</sup> day of June, 2013, by and among the incorporated cities of Arroyo Grande, Atascadero, El Paso de Robles, Grover Beach, Morro Bay, Pismo Beach and San Luis Obispo, all being municipal corporations in the County of San Luis Obispo, California (hereinafter called "Cities") and the County of San Luis Obispo, a body politic and corporate, and a subdivision of the State of California, (hereinafter called "County").

WHEREAS, Section 6500 et seq. of the California Government Code (Title 1, Div. 7, Chapter 5, Article 1) provides for agreements between two or more public agencies to jointly exercise any power common to the contracting parties, subject to certain mandatory provisions contained therein; and

WHEREAS, the Cities and County have previously entered into a joint powers agreement for the formation of the San Luis Obispo Council of Governments for the purpose of providing, among other things, for a regional transportation agency; and

WHEREAS, the San Luis Obispo Council of Governments, at a regularly held meeting on May 10, 1989, voted to consolidate the administration of several transportation systems through a regional transit joint powers agreement.

WHEREAS, the cities of Arroyo Grande, Grover Beach and Pismo Beach, and the County of San Luis Obispo, were formerly members of the South County Area Transit Joint Powers Agency which began operating a public transit system within those jurisdictions in January, 1978, and which ceased to exist and transferred its assets to the San Luis Obispo Regional Transit Authority in return for amendments made to this Agreement effective January 1, 2021.

NOW THEREFORE, it is agreed as follows:

ARTICLE I  
General Provisions

Section 1. Purpose: The purpose of this Agreement is to exercise the common powers of the member agencies for the formation of a Joint Powers Agreement with full power and authority to own, operate and administer a county-wide public transportation system within the boundaries and over the territory over which the Joint Powers Agency has jurisdiction.

Section 2. Name: The official name of the entity shall be San Luis Obispo Regional Transit Authority and hereafter referred to as the RTA.

## ARTICLE II Organization

Section 1. Board Members: The membership of the RTA Governing Board shall be the same as the membership of the San Luis Obispo Council of Governments (hereinafter referred to as SLOCOG).

Section 2. Board Meetings - Voting - Quorum: Regular meetings shall be generally held in the first week of July, September, November, January, March and May or as specified in a biannually adopted meeting calendar. Special meetings may be called by the President or upon written request of at least three (3) members of the RTA Board.

Voting and quorum provisions shall be the same as those provided in the SLOCOG Joint Powers Agreement, however, any vote regarding local fixed-route services or other public transportation services operated solely within the Arroyo Grande – Grover Beach Urbanized Area, including the budgeting and funding of such services, shall require at least three affirmative votes from Board members who also sit on the South County Transit Committee.

Section 3. Officers: The officers of SLOCOG shall serve as officers of RTA.

Section 4. Executive Director: The RTA Board shall designate an Executive Director to operate the RTA. The Executive Director shall serve at the pleasure of the RTA Board, with delegated powers to certify documents of the RTA Board as required by the law and to assume such duties and responsibilities as the Board may direct.

Section 5. Members:

1. The County of San Luis Obispo and all cities incorporated in the County of San Luis Obispo presently or in the future, are declared eligible for membership.
2. Member city agencies may elect to have an alternate member(s) from their city council in addition to any official member, but said alternate(s) shall be able to vote only in the absence of the official representative.
3. Membership shall be contingent upon the execution of this Joint Powers Agreement.

Section 6. Boundaries and Service Levels: The service area boundaries shall be all of the area within the boundaries of San Luis Obispo County as designated by the RTA Board. Any additional services beyond the level recommended by the Regional Transportation Plan or mandated in the Unmet Transit Needs Hearing (PUC Section 99401.5) may be instituted, but shall require unanimous approval of affected



jurisdictions, with costs for the extra service to be distributed on the basis of formula developed by the RTA Board members representing the affected jurisdictions.

Section 7. Committees:

1. Committees and subcommittees may be established as RTA may deem appropriate.
2. Membership on “ad-Hoc” policy committees shall be at the discretion of the President. Nothing herein shall be construed to limit membership on these aforesaid committees to officials of the member agencies. The President may appoint any individual deemed qualified to serve on a committee.
3. Standing committees shall include the:
  - a. Regional Transit Advisory Committee (RTAC) serving as a Regional Transit Productivity Committee to advise the Board on the efficiency and effectiveness of the transit system.
  - b. Executive Committee comprised of the President, Vice President and the past President and at least one representatives from the county of San Luis Obispo (if none of the above) shall advise the Executive Director and RTA on: draft agendas, personnel issues, budget and Overall Work Program; controversial, sensitive and major policy issues; and shall facilitate the annual performance evaluation of the Executive Director. Items for review shall be selected by the Executive Director in consultation with the President. All Committee members may include agenda items as they desire. For purposes of conducting business, two members shall constitute a quorum.
  - c. South County Transit Committee (SCTC) comprised of RTA Board members representing the four jurisdictions included in the Arroyo Grande – Grover Beach Urbanized Area as defined in the 2010 Decennial Census (hereinafter referred to as the AG-GB UZA). The SCTC member jurisdictions include the cities of Arroyo Grande, Grover Beach and Pismo Beach, and the County of San Luis Obispo, representing the Oceano Area and the Avila Beach Area. The SCTC’s roles and responsibilities include:
    - i. The SCTC shall effectively control local fixed-route services and any other public transportation services operated solely within the AG-GB UZA by virtue of the voting requirements for matters provided above in Section 2 of this Article II.

- ii. At a minimum, the SCTC shall meet annually to consider annual service levels, fare levels, major marketing campaigns, capital improvement plans, and to ratify financial commitments for each jurisdiction participating in public transportation services operated solely within the AG-GB UZA. At the request of two or more SCTC members, properly noticed special SCTC meetings may also be conducted.
- iii. For purposes of conducting business, three of the four SCTC members shall constitute a quorum.
- iv. The SCTC shall submit an annual operating budget and multi-year capital improvement plan for fixed-route and other public transportation services operated solely within the AG-GB UZA to the full RTA Board prior to May 1 for consideration as part of the RTA Overall Annual Budget.
- v. Any additional services beyond the level recommended by the Regional Transportation Plan or mandated in the annual Unmet Transit Needs Hearing (PUC Section 99401.5) may be instituted in the SCTC service area, but shall require unanimous approval of affected jurisdictions, with costs for the extra service to be distributed on the basis of a formula developed by the SCTC members representing the affected jurisdictions.
- vi. Each SCTC member agency shall make an annual Transportation Development Act contribution based upon the percentage of total SCTC-served population related to the area served within that member agency. All population percentages utilized shall be those annually adopted by the San Luis Obispo Council of Governments for allocating Transportation Development Act Funds based annually on estimates prepared by the State Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for Cities and by the County Planning and Building Department for unincorporated communities.
- vii. Any member of the SCTC may withdraw from the SCTC after providing written notice to the RTA Board President one year in advance of the requested withdrawal date. A withdrawing member's financial obligation under this subsection is limited to the withdrawing member's pro-

rata share of the currently adopted SCTC operating budget within the service area of the obligated commitments affecting the withdrawing member and any San Luis Obispo Council of Governments finding as to Unmet Transit Needs that are Reasonable to Meet pursuant to Public Utilities Code Section 99401.5. However, the obligations of a withdrawing member under this subsection are limited to the special transportation funds to which the withdrawing member would be entitled, such as Transportation Development Act funds, and this section shall not impose any obligation on the general funds of the withdrawing member.

4. No committee shall commit the RTA on any matter or questions of policy. Such matters or questions can only be decided by the RTA.
5. All committees shall receive clerical assistance from RTA staff and, by agreement, SLOCOG staff for the purpose of maintaining minutes of meetings and other such duties as the Executive Director may direct. The chair of each committee shall sign the original copy of the minutes indicating verification of contents upon committee approval. Copies of minutes of all meetings shall be sent to members of the RTA and the Executive Director.

### ARTICLE III Financial Provisions

Section 1. Budget: The Executive Director shall prepare an Overall Annual Budget for RTA Board adoption prior to commencement of each fiscal year. The Overall Annual Budget shall include financial details on core RTA services, as well as financial details for those various public transportation services provided under agreement to other agencies. Core RTA services include intercity fixed-routes along the US-101 and SR-1 corridors, and regional Americans with Disabilities Act complementary paratransit services. The approval of the Overall Annual Budget shall be in accordance with those procedures prescribed by the Joint Powers Agreement of SLOCOG.

The annual operating and capital budgets for non-core services provided under agreement to another agency requires ratification by its governing body prior to consideration of the Overall Annual Budget by the RTA Board.

Accounting practices to be applied will conform to those used by San Luis Obispo County, consistent with Transportation Development Act rules and regulations.

A Consolidated Fund balance and cash balance for RTA core services will carry forward from one year to the next. Separate Consolidated Fund balances and cash balances will be maintained for public transportation services provided by RTA under

agreement to other agencies, including those public transportation services provided under the direction of the SCTC.

The Overall Annual Budget may additionally carry funds for future fiscal years where necessary to develop a multi-year Capital Improvement Program and to reflect obligations under state or federal funding agreements, to the extent allowable by California law.

No member Agency shall be required to expend any of its general fund monies to support the operations of the RTA. The operation of the transit system shall be funded from revenues derived from operations, member Transportation Development Act fund contributions, grants, and any other appropriate revenue sources. Each member agency shall make an annual contribution to the RTA in accordance with the adopted budget.

Any formula may be amended upon approval of all jurisdictions affected by that formula and ratified by the RTA.

All population percentages utilized shall be those annually adopted by SLOCOG for allocating Transportation Development Act Funds based annually on estimates prepared by the State Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for cities and by the County Planning and Building Department for unincorporated communities.

Section 2. Expenditures: The RTA may establish procedures and policies to insure competitive prices for the purchases of goods and services. Formal bidding shall not be required unless directed specifically by the RTA or unless required by state or federal law. Particularly in the purchase of equipment, including buses, the RTA may consider the design, maintenance and operating costs, and other similar factors in determining the most suitable equipment and need not purchase equipment having the lowest initial cost.

Section 3. Treasurer and Auditor: Pursuant to Government Code Section 6505.5, the Treasurer of the County of San Luis Obispo is hereby designated as Treasurer of the RTA. The Treasurer shall have the powers and duties set forth in Government Code Section 6505.5. The Auditor/Controller of the County of San Luis Obispo is designated as the Auditor of the RTA pursuant to Government Code Section 6505.5.

Section 4. Annual Audit: The RTA shall cause an annual audit to be prepared and filed in accordance with Government Code Section 6505 and Public Utilities Code Section 99245. This audit shall include RTA core services, as well as those service provided under agreement for other agencies.

Section 5. Annual Report: The Executive Director shall prepare and submit an annual report of the operations to the RTA Board, SLOCOG and State Controller by January 31 following each fiscal year pursuant to Public Utilities Code, Section 99243.

Section 6. Periodic Reporting: The RTA Board may require periodic reporting of ridership, finances, or other information. This periodic reporting shall include RTA core services, as well as those service provided under agreement to other agencies. It shall be the responsibility of the Executive Director to provide such reports in a form acceptable to the RTA Board.

#### ARTICLE IV Authority

Section 1. Powers: The RTA shall have all Powers necessary to carry out the purpose of this Agreement, except the power to tax. Its power to expend funds shall be limited only by the availability of funds as set forth in ARTICLE III: Finances, Section 1. The Powers of the RTA specifically include, but are not limited to, the following:

1. To solicit bids and negotiate contracts from private enterprise for services and/or operation.
2. To sue or be sued.
3. To employ agents, employees and contract for professional services.
4. To make and enter contracts, including labor, purchase agreement and employment contracts.
5. To acquire, convey, construct, manage, maintain and operate necessary equipment, building and improvements.
6. To acquire and convey real and personal property.
7. To incur debts, liabilities and obligations, as well as obligations of financial assistance from State and Federal agencies, and to obligate RTA to operate the improvements, equipment or transportation system in accordance with the terms and conditions of said financial assistance.
8. To purchase insurance.
9. To develop policies and procedures necessary to remain in compliance with Federal Transit Administration Section 5307 Urbanized Area Formula Program and other federal grant program funding requirements.

Section 2. RTA is a Public Legal Entity: The RTA is a public entity duly formed and existing under the laws of the State of California. It is a separate and distinct legal entity from its member agencies. The debts, duties and obligations created pursuant to

this Agreement, shall be solely the obligations of the RTA and not those of its officers, employees, members of the Board of Directors or the member agencies.

ARTICLE V  
Miscellaneous Provisions

Section 1. Withdrawal of Member: A withdrawing member's financial obligation under this Section is limited to the withdrawing member's pro-rata share of the currently adopted operating budget based upon ARTICLE III, Section 1 within the service area of the obligated commitments affecting the withdrawing member and any SLOCOG's finding as to unmet transit needs that are reasonable to meet pursuant to Public Utilities Code Section 99401.5.

Section 2. Amendment of Agreement: No amendment to this Agreement shall be made without the consent of all member agencies at the time of the amendment.

Section 3. Ratification - Effective Date: This Agreement shall be deemed effective as to those parties executing this Agreement upon their execution of the Agreement.

Section 4. Assignability: In the event it is deemed in the best public interest to have the RTA operated by another individual or entity, whether public or private, and provided that the assignment complies with State and Federal laws, the RTA, on affirmative vote of the majority in accordance with Section 2 of ARTICLE II, may sell, lease or assign all of its real and personal property and cease operations upon such terms and conditions as the RTA determines to be reasonable.

Section 5. Termination: This Agreement shall continue in full force and effect until rescinded by a majority of the member agencies.

Section 6. Notification to Secretary of State: Pursuant to Government Code Section 6503.5, the RTA shall cause a notice of the execution of this Agreement to be prepared and filed with the Office of the Secretary of the State of California, within thirty (30) days after the effective date of any amendment to this Agreement. Until such filings are completed, the RTA shall not incur indebtedness of any kind.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first hereinabove written.

**City of Arroyo Grande**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date:\_\_\_\_\_

Resolution No.\_\_\_\_\_

**City of Atascadero**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date:\_\_\_\_\_

Resolution No.\_\_\_\_\_

**City of Grover Beach**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date:\_\_\_\_\_

Resolution No.\_\_\_\_\_

**City of Morro Bay**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date:\_\_\_\_\_

Resolution No.\_\_\_\_\_

**City of Paso Robles**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date:\_\_\_\_\_

Resolution No.\_\_\_\_\_

**City of Pismo Beach**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date:\_\_\_\_\_

Resolution No.\_\_\_\_\_

**City of San Luis Obispo**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date:\_\_\_\_\_

Resolution No.\_\_\_\_\_

**County of San Luis Obispo**

By: \_\_\_\_\_

\_\_\_\_\_  
Clerk

Date: \_\_\_\_\_

Resolution No. \_\_\_\_\_

Approved as to form and legal effect:  
RITA L. NEAL  
County Counsel

By: \_\_\_\_\_  
Assistant County Counsel

Date: \_\_\_\_\_