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AB-2015 Sacramento Regional Transit District: board of directors: voting procedures: contracting authority: retirement board. (2021-2022)

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## Assembly Bill No. 2015

## CHAPTER 182

An act to amend Sections 102100.3, 102105.2, 102222, and 102430 of, to repeal Section 102100.8 of, and to repeal Article 5.5 (commencing with Section 102300) of Chapter 5 of Part 14 of Division 10 of, the Public Utilities Code, relating to transportation.

Approved by Governor August 26, 2022. Filed with Secretary of State August 26, 2022.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2015, Cooley. Sacramento Regional Transit District: board of directors: voting procedures: contracting authority: retirement board.

Existing law authorizes the formation of the Sacramento Regional Transit District with various powers and duties with respect to transportation planning, programming, construction, and operations. Existing law vests the government of the district in a board of directors, and provides for the appointment of the 7 members of the initial board of directors by the governing boards of the City of Sacramento and the County of Sacramento, as specified. Existing law prescribes procedures for increasing the number of members of the board of directors, including authorizing each member entity to make one appointment to the board. Existing law requires the affirmative vote of a majority of all the members of the board for each official act of the board.

This bill would specify that only a member entity that is annexed after the initial formation of the district, as provided, is authorized to make an appointment to the board in addition to those appointments of the City and County of Sacramento governing boards. The bill would explicitly exempt from the rule that a majority vote suffices for an official act of the board those acts for which a higher vote threshold is required by law.

Existing law authorizes a city or county that is not annexed to the district to become a participating entity, as provided, and establishes that execution of a participating entity agreement by the district and the City of Elk Grove serves as a complete defense in specified proceedings.

This bill would repeal the provision establishing the City of Elk Grove participating entity agreement as a complete defense in those proceedings.

Existing law requires the district to award contracts for the purchase of supplies, equipment, and materials in excess of \$100,000 to the lowest responsible bidder after competitive bidding, or to the responsible bidder that provides the best value, as provided, except when an emergency is declared by the board, as specified. Existing law requires the district to obtain a minimum of 3 quotations, as provided, that permit prices and terms to be compared, whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds \$3,000 but does not exceed \$100,000.

This bill would increase to \$125,000 the monetary threshold for contracts above which the board must award contracts to the lowest responsible bidder, or to the responsible bidder that provides the best value, as provided. The bill would also require the district to obtain a minimum of 3 quotations, as provided, that permit prices and terms to be compared whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds \$3,000 but does not exceed \$125,000. By imposing new duties on the district, the bill would impose a state-mandated local program.

Existing law authorizes the district to provide for a retirement system and requires that any retirement system covering those employees of the district represented by a labor organization be pursuant to a collective bargaining agreement, as provided.

This bill would, if the district chooses to establish a retirement board for the retirement system, authorize board members and district employees to serve on the retirement board.

Existing law prescribes requirements the district must comply with before establishing any transit service or system that may substantially divert, lessen, or compete for the patronage or revenues of any privately owned transit or intercity route existing before June 1, 1971, as provided. Existing law prescribes other requirements for the district in purchasing existing systems, as provided.

This bill would repeal those requirements.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 102100.3 of the Public Utilities Code is amended to read:

102100.3. The number of members of the board of directors shall be increased as follows:

- (a) Each member entity that is annexed after initial formation of the district as set out in Section 102100.2 shall be entitled to make one appointment to the board.
- (b) A city or county that is not annexed to the district may become a participating entity that is entitled to make at least one appointment to the board if the participating entity enters into an agreement with the district that provides for all of the following:
  - (1) The participating entity agrees to pay its proportionate share of the district's cost to provide rail or other districtwide transit services.
  - (2) The district agrees to maintain a specified level of rail or other districtwide transit services.
  - (3) The district is not obligated to provide transit services to any particular location or along any particular route.
- **SEC. 2.** Section 102100.8 of the Public Utilities Code is repealed.
- SEC. 3. Section 102105.2 of the Public Utilities Code is amended to read:
- 102105.2. (a) Each board member shall have one vote.
- (b) A majority of the members of the board shall constitute a quorum.
- (c) All official acts of the board shall require the affirmative vote of a majority of all the members of the board, unless a higher threshold is required by law.
- (d) The board shall post the voting procedure described in this section on the district's internet website.
- SEC. 4. Section 102222 of the Public Utilities Code is amended to read:
- **102222.** (a) Except as provided in subdivision (b), contracts for the purchase of supplies, equipment, and materials in excess of one hundred twenty-five thousand dollars (\$125,000) shall be by contract let to the lowest responsible bidder or, in the district's discretion, to the responsible bidder that submitted a proposal that provides the best value, as defined in paragraph (1), to the district on the basis of the factors identified in the solicitation.

- (1) For purposes of this section, "best value" means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to the requirements described in the solicitation documents.
- (2) To the extent practicable, when the expected procurement required exceeds three thousand dollars (\$3,000) but does not exceed one hundred twenty-five thousand dollars (\$125,000), a minimum of three quotations shall be obtained, either written or oral, which permit prices and other terms to be compared.
- (b) The provisions of subdivision (a) do not apply in the case of an emergency declared by a four-fifths vote of the board of directors.
- (c) This section applies solely to the procurement of supplies, equipment, and materials and shall not apply to construction contracts
- **SEC. 5.** Article 5.5 (commencing with Section 102300) of Chapter 5 of Part 14 of Division 10 of the Public Utilities Code is repealed.
- SEC. 6. Section 102430 of the Public Utilities Code is amended to read:
- **102430.** (a) The district may provide for a retirement system; provided, that the adoption, terms, and conditions of any retirement system covering employees of the district represented by a labor organization in accordance with this section shall be pursuant to a collective bargaining agreement between such labor organization and the district.
- (b) If the district establishes a retirement board for the retirement system, board members and employees of the district may serve on the retirement board.
- (c) The district may establish trust accounts for the purposes of this section.
- **SEC. 7.** If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.