



BOARD OF DIRECTORS MEETING AGENDA

**Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, October 2, 2018
8:30 AM
John G. Britton Auditorium
550 Olive Street, Santa Barbara, CA 93101**

1. CALL TO ORDER

2. ROLL CALL OF THE BOARD MEMBERS

Dave Davis (Chair), David Tabor (Vice Chair), Bill Shelor (Secretary), Olivia Rodriguez (Director), Dick Weinberg (Director), Chuck McQuary (Director), Paula Perotte (Director).

3. REPORT REGARDING POSTING OF AGENDA

CONSENT CALENDAR

4. APPROVAL OF PRIOR MINUTES - (ATTACHMENT - ACTION MAY BE TAKEN)

The Board of Directors will be asked to waive the reading of and approve the draft minutes for the meeting of September 18, 2018.

5. CASH REPORT - (ATTACHMENTS - ACTION MAY BE TAKEN)

The Board of Directors will be asked to review and approve the Cash Report from September 11, 2018, through September 24, 2018.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

Members of the public may address the Board of Directors on items within jurisdiction of the Board that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Board Chair. If you wish to address the Board under this item number, please complete and deliver to the MTD Board Clerk, a "Request to Speak" form that includes both a description of the subject you wish to address and, if applicable, the agenda item number for which you would like to comment. Additional public comment will be allowed during each agenda item, including closed session items. Forms are available at www.sbmttd.com and at MTD Administrative offices.

BOARD OF DIRECTORS MEETING AGENDA
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- 7. COMMUNITY ENVIRONMENTAL COUNCIL & SIERRA CLUB PRESENTATION – ZERO EMISSION BUSES - (ATTACHMENT - ACTION MAY BE TAKEN)**
Staff requests that the Board receive a presentation regarding zero-emission buses (ZEBs) from the Community Environmental Council (CEC) and the Sierra Club. Staff further recommends that this matter be referred to the Fleet & Facilities Committee.
- 8. STAFF HEALTH INSURANCE RENEWAL EFFECTIVE JANUARY 1, 2019 - (ACTION MAY BE TAKEN)**
Staff recommends that the Board of Directors authorize the General Manager to renew Staff health insurance policies for the plan year effective January 1, 2019.
- 9. 457(b) DEFERRED COMPENSATION PLAN AMENDMENT - (ATTACHMENT - ACTION MAY BE TAKEN)**
Staff recommends that the Board authorize an amendment to the District's 457(b) Deferred Compensation Plan to modify the Normal Retirement Age from 65 years of age to any age the Plan Participant chooses between 65 and 70½.
- 10. GENERAL MANAGER'S REPORT UPDATE - (INFORMATIONAL)**
 - a. Transit Center Project Update
 - b. Fleet Manager Introduction
 - c. Transit Fleet Electrification Infrastructure Update
 - d. Transit Funding Update
 - e. Smart Card Project Update
 - f. Staffing & Hiring Update
 - g. OPEB Update
 - h. Procurement Policy
- 11. COMMUNICATIONS - (ATTACHMENT - ACTION MAY BE TAKEN)**
Letter from General Counsel to the Board.
- 12. OTHER BUSINESS AND REPORTS - (ACTION MAY BE TAKEN)**
The Board will report on other related public transit issues and Committee meetings.

PUBLIC COMMENT RELATED TO CLOSED SESSION ITEM(S) WILL BE ALLOWED BEFORE THE RECESS

- 13. RECESS TO CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE EVALUATION - (ACTION MAY BE TAKEN)**
The Board will meet in closed session, pursuant to Government Code § 54957, to evaluate the performance of the District's General Manager.
- 14. ADJOURNMENT**

AMERICANS WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 805.963.3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.



BOARD OF DIRECTORS MEETING DRAFT MINUTES

**Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, September 18, 2018
8:30 AM
John G. Britton Auditorium
550 Olive Street, Santa Barbara, CA 93101**

1. CALL TO ORDER

Chair Dave Davis called the meeting to order at 8:32 AM.

2. ROLL CALL OF THE BOARD MEMBERS

Chair Davis reported that all members were present with the exceptions of Director Dick Weinberg and Director Paula Perotte.

3. REPORT REGARDING POSTING OF AGENDA

Christina Perry, Administrative Assistant Lead, reported that the agenda was posted on Friday, September 14, 2018, at MTD's Administrative office, mailed and emailed to those on the agenda list, and posted on MTD's website.

CONSENT CALENDAR

4. APPROVAL OF PRIOR MINUTES - (ATTACHMENT - ACTION MAY BE TAKEN)

The Board of Directors was asked to waive the reading of and approve the draft minutes for the meeting of September 4, 2018.

Chair Davis recommended the following corrections to the draft minutes:

- a. Item 4: Change the motion to read, "Vice Chair Dave Tabor moved to approve the Consent Calendar. Director Chuck McQuary seconded the motion. The motion passed with abstentions from Director Olivia Rodriguez and Director Paula Perotte."
- b. Item 10: Change the motion to read, "Director McQuary moved to appoint General Manager Estrada to the position of Accountable Executive for Transit Asset Management (TAM) and Public Transportation Agency Safety, and to approve and adopt the TAM plan with amendments suggested by Chair Davis. Director Rodriguez seconded the motion. The motion passed unanimously."
- c. Item 12: To better identify Assistant General Manager Brad Davis, change "Mr. Davis" to "Assistant General Manager Davis".

BOARD OF DIRECTORS MEETING DRAFT MINUTES

5. CASH REPORT - (ATTACHMENTS - ACTION MAY BE TAKEN)

The Board of Directors was asked to review and approve the Cash Report from August 21, 2018, through September 10, 2018.

Director Chuck McQuary moved to approve the Consent Calendar with changes. Secretary Bill Shelor seconded the motion. The motion passed unanimously.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

No public comments were made.

7. FY 17-18 ANNUAL FINANCIAL REPORT - (ATTACHMENT - INFORMATIONAL)

Assistant General Manager and Controller Brad Davis presented the preliminary operating budget results for the fiscal year ended June 30, 2018.

Director McQuary commented that a general overhead of approximately 12% is noteworthy and praised staff for their efficiency.

Chair Davis and General Manager Jerry Estrada thanked Assistant General Manager Davis and Assistant Controller Thais Sayat for the report.

8. UPDATE TO CONFLICT OF INTEREST CODE - (ATTACHMENT - ACTION MAY BE TAKEN)

General Manager Estrada requested that the Board of Directors approve changes to MTD's Conflict of Interest Code.

Director McQuary moved to approve the recommended changes. Director Olivia Rodriguez seconded the motion. The motion passed unanimously.

9. GENERAL MANAGER'S REPORT UPDATE - (INFORMATIONAL)

General Manager Estrada commended Operations Manager Bill Morris and staff for providing seamless service to cruise ships and tourists. Chair Davis echoed this praise and requested that the Board's thanks be passed to staff.

MTD was not awarded funding for SCE's Charge Ready pilot, which provides funding for charging infrastructure installation projects. Although MTD's knowledge and experience with electric buses made the District a strong applicant, preference went to transit agencies that serve disadvantaged communities (DAC) as defined by SB 535. Currently, MTD does not provide transit service to any DACs. General Manager Estrada will meet with Gold Coast Transit, which services DACs, to explore the possibility of a joint proposal for another SCE program, Charge Ready Transport, in mid-2019.

On September 11, 2018, General Manager Estrada attended the Global Commercial Vehicle Drive to Zero workshop, an affiliate event to the Global Climate Action Summit in San Francisco. Representatives from a variety of industries shared their needs, plans and timing for phased rollouts of low carbon clean trucks and buses, as well as the need for infrastructure to speed fleet transition.

BOARD OF DIRECTORS MEETING DRAFT MINUTES

10. OTHER BUSINESS AND REPORTS - (ACTION MAY BE TAKEN)

Representatives of the Board attended the Santa Barbara County Association of Governments (SBCAG) South Coast Subregional Planning Committee meeting on September 12, 2018, and heard a presentation given by Ernesto Paredes, Executive Director of Easy Lift Transportation.

Chair Davis thanked Marjie Kirn, Executive Director of SBCAG, for her presence at the MTD Board meeting.

PUBLIC COMMENT RELATED TO CLOSED SESSION ITEM(S) WILL BE ALLOWED BEFORE THE RECESS

11. RECESS TO CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - (ACTION MAY BE TAKEN)

The Board met in closed session with legal counsel, pursuant to Government Code § 54956.9(a) and (b), regarding five matters:

1. Virginia Saucedo v. SBMTD – SBSC No. 16CV05565
2. Salvador Chavez v. SBMTD – SBSC No. 17CV03522
3. Petronila Rendon-Vasquez v. Arroyo Seco Construction, SBMTD – SBSC No. 18CV02701
4. Deborah Stevenson v. SBMTD – SBSC No. 18CV03485
5. Patricia Crandall

No public comments were made.

Chair Davis stated that the Board would stand in recess to closed session at 9:20 AM.

At the close of closed session, Chair Davis stated that no reportable action was taken.

12. ADJOURNMENT

Chair Davis reported out that the meeting was adjourned at 10:05 AM.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of October 2, 2018
For the Period September 11, 2018 through September 24, 2018

MONEY MARKET

Beginning Balance September 11, 2018 **\$7,396,767.22**

Accounts Receivable	1,461,788.69
Passenger Fares	172,371.71
Prepays & Advertising	7,968.00
Interest Income	4,148.14
Miscellaneous Income	1,351.43
Total Deposits	1,647,627.97

Miscellaneous Transfers	(896.62)
Bank & Credit Card Fees	(6,882.27)
401(k)/Pension Transfer	(33,427.73)
Workers' Compensation	(128,535.05)
Payroll Taxes	(155,010.08)
Payroll	(350,040.71)
Accounts Payable	(457,273.24)
LAIF Deposit	(2,000,000.00)
Total Disbursements	(3,132,065.70)

Ending Balance **\$5,912,329.49**

CASH INVESTMENTS

LAIF Account	\$8,467,135.96
Money Market Account	5,912,329.49

Total Cash Balance **\$14,379,465.45**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$4,640,451.02)
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Working Capital **\$9,739,014.43**

**Santa Barbara Metropolitan Transit District
Cash Receipts of Accounts Receivable**

Date	Company	Description	Amount
9/11/2018	County of Santa Barbara	Passes/Token Sales	2,271.75
9/11/2018	Moonlight Graphics/Mktg	Advertising on Buses	7,236.00
9/11/2018	Wells Marketing, LLC	Advertising on Buses	1,344.60
9/12/2018	Idea Engineering, Inc.	Advertising on Buses	2,934.00
9/14/2018	UCSB - Parking Services-7001	Passes/Passports Sales	6,316.00
9/18/2018	SB School District	Passes/Token Sales	41,250.00
9/18/2018	UCSB Administration Services Div.	Transit Enhancement-Lines 24x/12x FY19	355,813.34
9/18/2018	UCSB Administration Services Div.	Transit Enhancement-Line 28 FY19	937,501.40
9/18/2018	United Way, Santa Barbara County	Advertising on Buses	3,150.00
9/20/2018	CalPERS	OPEB Reimbursement Jul '18	4,837.18
9/21/2018	Cal OES	FEMA Reimbursement - State Portion	1,033.00
9/24/2018	City of SB - Public Works Director	Downtown Shuttle Jul '18	97,165.42
9/24/2018	True Media LLC/Cottage Health	Advertising on Buses	936.00
Total Accounts Receivable Paid During Period			\$1,461,788.69

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
119092	9/14/2018	APPLEONE EMPLOYMENT SERVIC	CONTRACT EMPLOYMENT	2,854.80	
119093	9/14/2018	CERTIFIED ENVIRONMENTAL	PROFESSIONAL SERVICES	2,224.15	
119094	9/14/2018	COX COMMUNICATIONS, CORP.	INTERNET & CABLE TV	440.17	
119095	9/14/2018	STATE OF CALIFORNIA	PAYROLL RELATED	690.00	
119096	9/14/2018	FRONTIER CALIFORNIA INC.	TELEPHONES	98.98	
119097	9/14/2018	ROBIN GONZALEZ	PR RELATED	250.00	
119098	9/14/2018	IRON MOUNTAIN INTELLECTUAL	SOFTWARE ESCROW ANALYSIS	5,400.00	
119099	9/14/2018	ANN BRADY OTTIERI	PAYROLL RELATED	277.00	
119100	9/14/2018	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	260.00	
119101	9/14/2018	SANTA MARIA TIMES, INC	EMPLOYMENT ADS/PUBLIC NOTICES	844.45	
119102	9/14/2018	SPECIAL DISTRICT RISK MGMT	MEDICAL HEALTH INSURANCE	46,118.28	
119103	9/14/2018	SANTA BARBARA SHERIFF'S DEPT	PAYROLL RELATED	67.81	
119104	9/14/2018	SO. CAL. EDISON CO.	UTILITIES	897.51	
119105	9/14/2018	SR GLOBAL SECURITY AND PROTE	SECURITY SERVICES	800.00	
119106	9/14/2018	STATE BOARD OF EQUALIZATION	PAYROLL RELATED	250.00	
119107	9/14/2018	TELCOM, INC.	VENTURA REPEATER SERVICES	1,132.00	
119108	9/14/2018	TEAMSTERS PENSION TRUST	UNION PENSION	95,171.18	
119109	9/14/2018	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	10,274.64	
119110	9/14/2018	VERIZON WIRELESS	WIRELESS PHONES & AIM CELLULAR	1,477.21	
119111	9/20/2018	AQUA-FLO	BUS WASH SUPPLIES	108.86	
119112	9/20/2018	APPLIED INDUSTRIAL TECHNOLO	BUS WASH PARTS	233.40	
119113	9/20/2018	HENRY ANDREWS	RETIREE HEALTH REIMBURSEMENT	282.06	
119114	9/20/2018	APPLEONE EMPLOYMENT SERVIC	CONTRACT EMPLOYMENT	1,602.79	
119115	9/20/2018	ASBURY ENVIRONMENTAL	WASTE OIL RECYCLER	145.00	
119116	9/20/2018	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	76.41	
119117	9/20/2018	JAMES BRACKETT	RETIREE HEALTH REIMBURSEMENT	98.00	
119118	9/20/2018	KARL BRETZ	RETIREE HEALTH REIMBURSEMENT	646.71	
119119	9/20/2018	ROBERT BURNHAM	RETIREE HEALTH REIMBURSEMENT	285.00	
119120	9/20/2018	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	199.19	
119121	9/20/2018	CAPITOL HARDWARE & BUILDING	B&G SUPPLIES	44.04	
119122	9/20/2018	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	162.46	
119123	9/20/2018	CITY OF SANTA BARBARA	CSR PARKING PERMITS	80.00	
119124	9/20/2018	CELTIS VENTURES, INC.	MARKETING SERVICES	8,312.50	
119125	9/20/2018	COAST, COALITION FOR SUSTAIN	SPONSORSHIP	500.00	
119126	9/20/2018	STAN CISOWSKI	RETIREE HEALTH REIMBURSEMENT	249.34	
119127	9/20/2018	CINTAS CORPORATION	FIRST AID SUPPLIES	635.70	
119128	9/20/2018	CIO SOLUTIONS, LP	IT SERVICES	3,750.00	
119129	9/20/2018	CUMMINS PACIFIC, LLC	BUS PARTS & REPAIRS	0.00	V

Check #	Date	Company	Description	Amount	Voids
119130	9/20/2018	CUMMINS PACIFIC, LLC	BUS PARTS & REPAIRS	9,107.03	
119131	9/20/2018	CURTIS, NANCY	RETIREE HEALTH REIMBURSEMENT	154.15	
119132	9/20/2018	DAVID DAVIS JR.	DIRECTOR FEES	180.00	
119133	9/20/2018	DENMUN OFFICE SOLUTIONS DB	IT CONTRACT SERVICES	4,675.00	
119134	9/20/2018	DIESEL FORWARD, INC.	BUS PARTS	2,586.73	
119135	9/20/2018	DRC DIRECT LLC DBA	EV/CHARGER REPAIRS	3,367.08	
119136	9/20/2018	DOWNTOWN ORGANIZATION, INC.	TC MAINTENANCE	450.00	
119137	9/20/2018	EASY LIFT TRANSPORTATION, INC	MONTHLY ADA SUBSIDY	78,496.83	
119138	9/20/2018	ERGOMETRICS, INC.	DRIVER TEST SCORING	18.00	
119139	9/20/2018	JERRY ESTRADA	REIMBURSEMENT	74.00	
119140	9/20/2018	FAST UNDERCAR	EV BUS PARTS	3.96	
119141	9/20/2018	FLEET SERVICES, INC.	BUS PARTS	838.58	
119142	9/20/2018	FRONTIER CALIFORNIA INC.	TELEPHONES	1,959.18	
119143	9/20/2018	GIBBS INTERNATIONAL INC	BUS PARTS	1,802.92	
119144	9/20/2018	GILLIG LLC	BUS PARTS	8,923.53	
119145	9/20/2018	GARY GLEASON	RETIREE HEALTH REIMBURSEMENT	247.95	
119146	9/20/2018	GLOBAL TOWING, INC.	TOWING SERVICES	1,900.00	
119147	9/20/2018	GOODYEAR TIRE & RUBBER CO	LEASED TIRES	1,652.42	
119148	9/20/2018	GOTCHA MEDIA HOLDINGS, LLC	ADVERTISING AT UCSB KIOSKS	1,200.00	
119149	9/20/2018	GRAINGER, INC.	SHOP/B&G SUPPLIES	471.03	
119150	9/20/2018	JIM HAGGERTY	RETIREE HEALTH REIMBURSEMENT	267.61	
119151	9/20/2018	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	0.00	V
119152	9/20/2018	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	648.15	
119153	9/20/2018	GABRIEL HUERTA	BICYCLE REIMBURSEMENT	399.99	
119154	9/20/2018	HYDRAULIC CONTROLS, INC.	BUS PARTS	58.30	
119155	9/20/2018	INTELLICORP RECORD INC.	PRE-EMPLOYMENT CHECK	47.56	
119156	9/20/2018	INTEGRATED SOFTWARE SYSTEM	WEB SITE CONSULTING	110.00	
119157	9/20/2018	JAY DANIEL ROBERTSON	RETIREE HEALTH REIMBURSEMENT	277.61	
119158	9/20/2018	DONALD JACKSON	RETIREE HEALTH REIMBURSEMENT	98.00	
119159	9/20/2018	JANICARE DBA	JANITORIAL SERVICES	5,048.26	
119160	9/20/2018	JERRY'S PLUMBING & HEATING, I	PLUMBING REPAIRS	75.00	
119161	9/20/2018	LOUIS JONES	RETIREE HEALTH REIMBURSEMENT	137.00	
119162	9/20/2018	KIMBALL MIDWEST	SHOP SUPPLIES	410.81	
119163	9/20/2018	LENZ PEST CONTROL DBA	SHOP FUMIGATION	6,739.00	
119164	9/20/2018	STEVE MAAS	REIMBURSEMENT	128.08	
119165	9/20/2018	MARBORG INDUSTRIES (INC)	UTILITIES & RENTAL FEES	7.95	
119166	9/20/2018	MC CORMIX CORP. (OIL)	LUBRICANTS	6,029.87	
119167	9/20/2018	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	2,770.26	
119168	9/20/2018	MCGOWAN GUNTERMANN	ANNUAL AUDIT	14,457.00	
119169	9/20/2018	MIKE CUEVAS GARDENING SERVI	LANDSCAPE MAINTENANCE SERVICE	1,150.00	
119170	9/20/2018	KENNETH B. MILLS	PROCUREMENT SERVICES	1,397.00	

Check #	Date	Company	Description	Amount	Voids
119171	9/20/2018	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	499.33	
119172	9/20/2018	MCI SERVICE PARTS, INC.	BUS PARTS	67.70	
119173	9/20/2018	NEWEGG, INC	IT EQUIPMENT & SUPPLIES	474.19	
119174	9/20/2018	NU-COOL REDI GREEN, INC	COOLANTS & SHOP SUPPLIES	597.17	
119175	9/20/2018	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	416.95	
119176	9/20/2018	EDWARD XAVIER PACHECO	DMV REIMBURSEMENT	45.00	
119177	9/20/2018	PAULA A. PEROTTE	DIRECTOR FEES	60.00	
119178	9/20/2018	PERRY LINCOLN MERCURY MAZD	SERVICE VEHICLE PARTS / REPAIRS	298.20	
119179	9/20/2018	PITNEY BOWES INC	POSTAGE METER QTRLY CHARGES	146.81	
119180	9/20/2018	CAREY POINDEXTER	RETIREE HEALTH REIMBURSEMENT	282.34	
119181	9/20/2018	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	164.19	
119182	9/20/2018	AL ROMERO SR.	RETIREE HEALTH REIMBURSEMENT	98.00	
119183	9/20/2018	SANSUM CLINIC	MEDICAL EXAMS	921.53	
119184	9/20/2018	SILVAS OIL CO., INC.	LUBRICANTS	561.21	
119185	9/20/2018	WILLIAM JOHN SHELOR	DIRECTOR FEES	60.00	
119186	9/20/2018	SM TIRE, CORP.	BUS TIRE MOUNTING	628.42	
119187	9/20/2018	SMART & FINAL	OFFICE/MEETING SUPPLIES	38.54	
119188	9/20/2018	SO. CAL. EDISON CO.	UTILITIES	9,293.12	
119189	9/20/2018	SOFTCHOICE CORP, INC.	COMPUTER SOFTWARE	813.28	
119190	9/20/2018	SOCALGAS	UTILITIES	89.80	
119191	9/20/2018	SPECIALTY TOOL & BOLT, LTD	SHOP SUPPLIES	21.21	
119192	9/20/2018	STAPLES CONTRACT & COMMERC	OFFICE SUPPLIES	301.83	
119193	9/20/2018	STEWART'S DE-ROOTING & PLUM	PLUMBING REPAIRS	912.00	
119194	9/20/2018	SB COUNTY-AUDITOR/CONTROLL	LAFCO BUDGET PRO RATA SHARE	8,812.00	
119195	9/20/2018	TELCOM, INC.	VENTURA REPEATER SERVICES	1,278.56	
119196	9/20/2018	THE LIGHTHOUSE	SHOP SUPPLIES	8.51	
119197	9/20/2018	TK SERVICE, INC.	BUS PARTS & REPAIRS	2,154.63	
119198	9/20/2018	DAVID T. TABOR	DIRECTOR FEES	120.00	
119199	9/20/2018	TANK TEAM INC.	TANK TESTS	578.38	
119200	9/20/2018	TRUMAN ARNOLD COMPANIES (T	DIESEL FUEL	62,393.49	
119201	9/20/2018	UNITED REFRIGERATION INC.	BUS AIR CONDITIONING SUPPLIES	1,346.85	
119202	9/20/2018	UNITED PARCEL SERVICE, INC.	FREIGHT CHARGES	282.59	
119203	9/20/2018	J.C. M. AND ASSOCIATES INC.	UNIFORMS	888.42	
119204	9/20/2018	VALLEY POWER SYSTEMS, INC.	BUS PARTS	13,206.06	
119205	9/20/2018	JOHN J. VASQUEZ	RETIREE HEALTH REIMBURSEMENT	666.99	
119206	9/20/2018	VENTURA COUNTY OVERHEAD D	B&G REPAIRS & SUPPLIES	850.00	
119207	9/20/2018	VOICE SMART NETWORKS, LLC	PHONE SYSTEM MAINTENANCE CONTI	841.21	
119208	9/20/2018	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	1,331.54	
119209	9/20/2018	YELLOW (YRC) TRANSPORTATION	FREIGHT CHARGES	150.00	
119210	9/20/2018	ALEXANDER YOUNG	RETIREE HEALTH REIMBURSEMENT	267.71	

Check #	Date	Company	Description	Amount	Voids
				<u>457,273.24</u>	
			Current Cash Report Voided Checks:	0.00	
			Prior Cash Report Voided Checks:	0.00	
			Grand Total:	<u><u>\$457,273.24</u></u>	



BOARD OF DIRECTORS REPORT

MEETING DATE: OCTOBER 2, 2018 **AGENDA ITEM: #7**

DEPARTMENT: GOVERNMENT RELATIONS/COMPLIANCE

TYPE: ACTION ITEM

PREPARED BY: STEVE MAAS

Signature

REVIEWED BY: GENERAL MANAGER

Signature

SUBJECT: COMMUNITY ENVIRONMENTAL COUNCIL & SIERRA CLUB
PRESENTATION – ZERO EMISSION BUSES

RECOMMENDATION:

Staff requests that the Board receive a presentation regarding zero-emission buses (ZEBs) from the Community Environmental Council (CEC) and the Sierra Club. Staff recommends that this matter be referred to the Fleet & Facilities Committee.

DISCUSSION:

On September 27, 2018, the California Air Resources Board (CARB) considered the proposed Innovative Clean Transit (ICT) regulation. The proposed regulation will return to CARB for possible adoption at a later date. If adopted, the regulation will be § 2023 of the California Code of Regulations.

The proposed ICT regulation includes the following elements regarding the transition to a ZEB fleet by 2040:

1) ZEB Rollout Plan.

Each transit agency would be required to submit a ZEB Rollout Plan approved by its governing board that demonstrates how the agency plans for ZEB purchase, infrastructure buildout, and associated financial planning and workforce training. The ZEB Rollout Plan would be due by June 30, 2020, for a large transit agency such as MTD (i.e., with 100 or more buses).

2) ZEB purchase requirements.

A large transit agency would purchase ZEBs according to the following schedule:

- Starting January 1, 2023, 25% of annual new buses purchased.
- Starting January 1, 2026, 50% of annual new buses purchased.
- Starting January 1, 2029, 100% of annual new buses purchased.

There are several additional elements to the proposed regulation, as shown in pages ES-3 to ES-5 of the attachment. For example, there are potentially some waivers available from the purchase requirements. Also, the proposed regulation would change rules regarding emissions and fossil fuels.

ATTACHMENT:

- Executive Summary from CARB staff report regarding the proposed ICT Regulation.

State of California
AIR RESOURCES BOARD

**PUBLIC HEARING TO CONSIDER THE PROPOSED
INNOVATIVE CLEAN TRANSIT REGULATION
A REPLACEMENT OF THE FLEET RULE FOR TRANSIT AGENCIES**

STAFF REPORT: INITIAL STATEMENT OF REASONS

DATE OF RELEASE: August 7, 2018

SCHEDULED FOR CONSIDERATION: September 27, 2018

Location:

**California Environmental Protection Agency
Air Resources Board
Byron Sher Auditorium
1001 I Street
Sacramento, California 95814**

This report has been reviewed by the staff of the California Air Resources Board and approved for publication. Approval does not signify that the contents necessarily reflect the views and policies of the Air Resources Board, nor does mention of trade names or commercial products constitute endorsement or recommendation for use.

EXECUTIVE SUMMARY

Purpose of Proposed Rulemaking

California's efforts to meet its health-based air quality standards, address community needs, and fight climate change require a holistic approach and a comprehensive suite of measures to reduce emissions. The transportation sector is responsible for about 40 percent of greenhouse gas (GHG) emissions, 80 percent of oxides of nitrogen (NOx) emissions, and 90 percent of diesel particulate matter (PM) emissions in California. Broadly implementing zero-emission technologies is a necessary component to effectively address these multiple and complicated air quality and climate protection issues all at once.

Transit agencies are the state's partners in leading the way with heavy-duty vehicle technology innovations. They have played, and will continue to play, important roles in helping California meet air quality standards and GHG emissions reduction goals by deploying the cleanest technologies. Examples are demonstrated in the successful use of diesel PM filters and natural gas engines. Their leadership continues today with multiple transit agencies operating zero-emission buses (ZEBs) in regular revenue service, including both battery electric buses (BEB) and fuel cell electric buses (FCEB). Transit buses are well-suited for introducing zero-emission technology because they largely operate in urban centers, have stop-and-go driving cycles, and are centrally maintained and fueled. As of May 2018, there were 132 ZEBs in operation in California and an additional 655 are either on order, have been awarded for funding, or have been planned. Eight of the ten largest California transit agencies are operating ZEBs and 12 transit agencies have made commitments to fully electrify their fleets.

Transit agencies are responsible for providing safe, affordable, and reliable transportation for riders, especially for transit-dependent low-income Californians. They provide different modes of transportation, including bus, commuter bus, passenger rail, and demand response with differing fleet sizes, composition, terrain, weather, and route length with limited budgets. Some agencies are small, operate in rural areas, and provide service with only one or two modes of transportation. Some agencies are big, serving dense urban areas with various modes of transportation and have complex service schedules and a well-equipped staff.

Transit agencies provide safe and reliable public transit services to reduce light-duty passenger vehicle miles traveled (VMT), single-occupancy trips, and congestion on roadways. Reducing VMT from passenger cars is absolutely necessary to meet our air quality and climate goals. A robust public transit system is the key to accomplishing our transportation and land use goals. Coordinated land use and transportation planning is

the cornerstone to reducing VMT, and ultimately results in healthier and more equitable neighborhoods. A vigorous transit system and affordable transit-oriented housing provides the key to improving accessibility to jobs, health care, and community services.

Zero-emission technologies are in their early commercialization stage for standard buses and pre-commercialization stage for other buses (e.g. cutaway buses, motor coaches, etc.). They are clearly demonstrating technical and economic viability, but significant effort is still needed to bring them to full utilization across all of California's diverse transit fleets. Additionally, experiences from using zero-emission technology in transit buses will benefit the market for the same technologies to be used in other heavy-duty applications. The proposed Innovative Clean Transit (ICT) regulation was developed to ensure transit service integrity and program feasibility through this transformation. The proposed regulation aims to evolve the California transit bus fleets to zero-emission technologies by 2040. Partnerships among the California Air Resources Board (Board or CARB), transit agencies, utilities, local air quality districts, and planning agencies are critical to overcoming barriers along the way.

Background and Program Overview

Under the current Transit Fleet Rule adopted nearly 20 years ago, public transit agencies operating urban bus fleets were required to select either the diesel bus path or the alternative-fuel bus path. The diesel bus path required retrofitting existing buses with diesel particulate filters, while transit agencies utilizing the alternative-fuel path had to ensure that eighty-five percent of urban bus purchases were alternative fueled buses. To date, more than half of transit buses in California operate on alternative fuels.

In the 2006 amendment to the Transit Fleet Rule, there was a 15 percent ZEB purchase requirement for larger transit agencies with more than 200 urban buses to purchase ZEBs starting in 2011. The ten transit agencies subject to the ZEB purchase requirements accounted for about 60 percent of the statewide urban bus fleet. To date, except for the ZEB purchase requirement, all other regulatory provisions have been met and are being implemented.

As part of the ZEB purchase requirement, the 2006 amendments included an advanced demonstration of ZEBs for transit agencies on the diesel path and a CARB evaluation of the status of technology. Five transit agencies in the San Francisco Bay Area formed the Zero-Emission Bay Area (ZEBA) program. The original ZEBA program included twelve FCEBs deployed in 2010 and an additional FCEB was added to the fleet and put into service in late in 2015. At the time, FCEBs were the only available zero-emission technology to meet the demands of transit service. To date, the ZEBA program has

demonstrated impressive milestone accomplishment and the feasibility of incorporating ZEBs into transit fleet operation.

In 2009, CARB staff presented evaluations of ZEB technology to the Board and concluded that ZEB technologies were not commercially ready at that time. The Board, through Resolution 09-49, found that technologies had not sufficiently advanced to appropriately assess commercial readiness, that costs of ZEBs remained significantly higher than the target prices on which the existing fleet rule had been premised, and that a new focus on GHG emission reductions from transit was appropriate. The Board directed staff to prepare proposed amendments to the regulation to delay the ZEB purchase requirement, conduct further research on commercial-readiness metrics, implement the purchase requirement once commercial readiness had been achieved, and report back to the Board in 2012 on progress towards ZEB commercialization.

In 2010, CARB staff issued a regulatory advisory to temporarily withhold the implementation of the purchase requirement for ZEBs. In the advisory, CARB stated it did not intend to enforce the ZEB purchase requirement until CARB had developed and the Board had approved new purchase requirements based on the technology evaluation.

CARB staff conducted a comprehensive technology evaluation in 2015 and concluded the ZEB technologies were now in their early commercialization stage. CARB staff updated the Board in February 2016 at a public hearing about the status of ZEB technology, price, and deployment. In that update, staff discussed plans to reinstate ZEB purchases with the Board, including the public process on amending the rule with a broader goal of making a transition to an all ZEB fleet. Staff has continued to analyze and update technical and cost information, as well as evaluate various regulatory strategies. This proposed ICT regulation is a result of that process.

Summary of Proposal

The proposed ICT regulation includes the following elements to ensure a successful and orderly transition to a ZEB fleet by 2040:

(1) ZEB Rollout Plan

- Each transit agency would be required to submit a ZEB Rollout Plan approved by governing board.
- The Rollout Plan will demonstrate how a transit agency plans for ZEB purchase and infrastructure buildout, and associated financial planning and workforce training.

- The ZEB Rollout Plan would be submitted to the Board, with due dates of June 30, 2020, for a large transit agency (with 100 or more transit buses) and June 30, 2023, for a small transit agency (with fewer than 100 transit buses).

(2) ZEB purchase requirements

- A large transit agency would purchase ZEBs according to the following schedule:
 - Starting January 1, 2023, 25 percent of annual new buses purchased;
 - Starting January 1, 2026, 50 percent of annual new buses purchased; and
 - Starting January 1, 2029, 100 percent of annual new buses purchased.
- A small transit agency would purchase ZEBs according to the following schedule:
 - Starting January 1, 2026, 25 percent of annual new buses purchased; and
 - Starting January 1, 2029, 100 percent of annual new buses purchased.

(3) Waiver for early compliance

- Purchase requirements otherwise effective in calendar year 2023 would be waived if California transit agencies collectively purchase 1,000 or more ZEBs by December 31, 2020.
- Purchase requirements otherwise effective in calendar year 2024 would be waived if California transit agencies collectively purchase 1,150 or more ZEBs by December 31, 2021.

(4) Zero-Emission Mobility Option

- A transit agency may use zero-emission cars or vans or bicycles to meet a portion of its ZEB requirements.

(5) ZEB Bonus credit

- Bonus credits for early placement of ZEBs, including extra credits for early FCEBs; however,
- Bonus credits do not apply to the waiver for early compliance.

(6) Optional Joint Zero-Emission Bus Group

- Allows for transit agencies to form a Joint Zero-Emission Bus Group to pool resources and more efficient utilization of infrastructure.

(7) Use of low NOx engines

- Starting January 1, 2020 transit agencies would be required to purchase low NOx engines if available for the bus and fuel type being purchased. The requirement does not apply to buses dispatched from NOx exempt areas.

(8) Use of renewable fuels

- Starting January 1, 2020, large transit agencies would be required to use renewable fuels for diesel and compressed natural gas (CNG) buses when fuel contracts are renewed to support existing renewable fuel policies.

(9) Deferral from ZEB purchase requirements

- A transit agency may submit a request for extension or exemption from ZEB purchase requirements, under conditions outside the transit agency's control.

(10) Reporting

- Starting 2021 all transit agencies would be required to report their fleet information annually for the prior compliance year.

Potential Impacts of the Proposal

Potential Environmental Impacts

The proposed ICT regulation is designed to assist in attaining air quality standards, reducing health risks to individuals living in California, and meeting climate change goals. The emission reductions achieved by staff's proposal will contribute to the reduction of cumulative risk of mortality and morbidity from mobile source emissions in the State. The majority of these benefits will be in the State's most populated and impacted areas where transit buses are most prevalent. These areas include the South Coast, Bay Area, San Joaquin Valley, San Diego, and the Sacramento Air Basins.

The proposed ICT regulation is expected to cumulatively reduce GHG emissions relative to current conditions by 19 million metric tons of carbon dioxide equivalent (MMT CO_{2e}) from 2020 to 2050. For tailpipe emissions of NO_x and fine particulate matter (PM_{2.5}), the proposed ICT regulation is estimated to result in cumulatively 7,032 tons and 39.4 tons emission reductions, respectively, for the same time period.

CARB, as the lead agency for the proposed ICT regulation, has prepared a draft environmental analysis (Draft EA), which analyzes the ICT Regulation in accordance with the requirements of its regulatory program certified by the Secretary of Natural Resources. (California Code of Regulation, title 17, sections 60006-60008; California Code of Regulation, title 14, section 15251, subdivision (d).) The Draft EA assesses the potential for significant adverse and beneficial environmental impacts associated with the proposed actions and provides a programmatic environmental analysis of the reasonably foreseeable compliance responses that could result from implementation of the proposed regulations.

The Draft EA concluded that implementing the proposed regulations could result in the following short-term and long-term beneficial and adverse impacts: beneficial impacts to energy demand, and greenhouse gases; less than significant impacts, or no impacts, to air quality, energy demand, greenhouse gases, land use planning, mineral resources, population and housing, public service, and recreation; and potentially significant

adverse impacts to aesthetics, agricultural and forest resources, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use planning, mineral resources, noise, transportation and traffic, and utilities and service systems. The potentially significant and unavoidable adverse impacts are primarily related to short-term, construction-related activities. This explains why some resource areas are identified above as having both less-than-significant impacts and potentially significant impacts.

Potential Economic Impacts

Zero-emission vehicles are more expensive upfront but provide operational savings in terms of lower fuel and maintenance costs. This applies to all types of zero-emission vehicles including transit buses. The proposed ICT regulation from 2020 through 2050 is expected to result in a total cost saving of \$1.5 billion for transit agencies, compared to the current conditions. Staff estimates that during the early stage of the proposed ICT regulation implementation (2020-2030), the annual costs for transit agencies are positive and high; and will increase over time compared to the current conditions. This is primarily because the cost of ZEBs are still much higher in early years; in addition, all associated service upgrades and infrastructure installation need to be acquired in early years. Starting in 2038, the annual savings begin to outweigh the higher incremental cost of ZEBs due to savings in ZEB maintenance, fuel costs, credit values from the Low Carbon Fuel Standard (LCFS) program, and the buildout of ZEB infrastructure.

Note that total costs do not include incentive programs such as the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program (HVIP), Low Carbon Transit Operation Program (LCTOP), Transit and Intercity Rail Capital Program (TIRCP), utility investments, and other funding. For fiscal year (FY) 2017-2018, the budget allocated up to \$180 million for the HVIP program with minimum of \$35 million set aside to fund ZEBs exclusively. An additional \$125 million has been allocated to the HVIP program per SB 856 for FY 2018-2019. Since HVIP's inception in FY 2009-2010 through April 2018, the program has paid for 47 ZEBs from eight transit agencies. As of April 2018, there are additional requests for HVIP for 139 ZEBs from nine transit agencies. The TIRCP recently announced its funding for 2018 includes 12 transit agencies for 298 ZEBs and associated infrastructure. On May 31, 2018, the California Public Utility Commission (CPUC) unanimously approved transportation electrification projects proposed by three major Investor Owner Utilities (IOUs), with a total of \$738 million including \$236 million from Pacific Gas and Electric and \$343 million from Southern California Edison on medium and heavy-duty infrastructure, required under Senate Bill

350, chapter 547, statutes of 2015.¹ This approval would reduce the infrastructure costs to transit agencies in those utility service areas. In addition, on May 25, 2018, CARB approved allocations for Volkswagen Environmental Trust Funds that included up to \$65 million for zero-emission transit buses.

In the Standard Regulatory Impacts Assessment (SRIA) that is part of this ISOR, staff estimated the economic impacts of the proposed ICT regulation using two scenarios. The economic impact of the proposed ICT regulation is then evaluated against each of the baselines. This was necessary because although the Board directed staff not to implement the ZEB purchase requirement in the existing Fleet Rule for Transit Agencies and an enforcement stay was in place, that regulation is still in effect. Therefore, the “Baseline” scenario was modeled to represent a situation as if the 2010 regulatory advisory to withhold the ZEB purchase requirement had not been issued. On the other hand, the scenario modeled as the “current conditions” is the best representation of the current real-life situation where ZEB purchases are not required because of the 2010 regulatory advisory. The latter is the scenario further discussed in this staff report.

Challenges and Long-Term Benefits

Transitioning to zero-emission technologies requires significant efforts and commitment, especially in the early years. Common challenges for deploying zero-emission technologies include high upfront capital costs for both vehicle purchase and fueling/charging infrastructure construction, fueling/charging infrastructure expansion and scalability, electricity rates, vehicle operation flexibility, and workforce training.

Staff recognizes the challenges transit agencies are facing in order to transition to ZEB fleets, and the commitments that transit agencies, local government agencies, and the State need to make. Even though ZEB technologies have advanced rapidly in recent years, continued improvements in ZEB costs and performance are still needed to facilitate the full transition to zero-emission technologies. Staff plans to provide the Board with a comprehensive update on costs, performance, and reliability of ZEBs and corresponding infrastructure.

The performance review would identify the status of ZEB technology and would help the State design policies to further advance zero-emission technologies, and inform funding strategies related to zero-emission vehicles and infrastructure. The review would occur

¹ *Application of San Diego Gas & Electric Company* (U 902E) for Approval of SB 350 Transportation Electrification Proposals (Cal.P.U.C. Decision 18-05-040 May 31, 2018) No. A 17-01-020 and Related Matters A 17-01-021, 17-01-022.

at least one year prior to the initiation of any purchase requirements. This review would look at bus categories, such as cutaway buses and standard buses individually, to ensure categorical needs and characteristics are considered.

However, the transition to zero-emission technologies is essential for California to meet its long-term air quality and climate protection goals. The proposed ICT regulation reduces GHG, PM, and NOx emissions, which will result in health benefits for individuals and communities in California. The value of these health benefits are due to fewer instances of premature mortality, fewer hospital and emergency room visits, and fewer lost days of school and work. The proposed ICT regulation also reduces energy consumption dramatically due to the much more fuel efficient electric drivetrain technology, which is essential to a low-carbon, low-polluting future for the transportation sector.

The proposed ICT regulation has multiple benefits for disadvantaged and low-income communities. First, it enhances public access to the cleanest transportation through the deployment of ZEBs and enhanced zero-emission mobility. This is crucial for transit-dependent riders, especially in disadvantaged and low-income communities where zero-emission personal vehicles are not always accessible. ZEBs and zero-emission mobility vehicles traveling through these communities would also dramatically reduce adverse health impacts from vehicle tailpipe emissions, especially on sensitive receptors. Second, the zero-emission mobility enhancement would increase access to public transit, including the zero-emission transit, and therefore expand the use of ZEBs. Third, ZEB manufacturers can bring high quality jobs to California, including in disadvantaged and low-income communities, which is a unique opportunity for these communities for workforce expansion and training.

The State is committed to using incentives to help with the transition to zero-emission technologies. There are several major funding programs established to reduce the incremental costs associated with zero-emission technologies. Some of these funding programs require early or extra action prior to a regulation in order to access funding. Staff's proposal provides sufficient time and opportunities for transit agencies to access funding and to deploy ZEBs in a manner that is consistent with a transit agency's normal bus purchase schedule. In addition, the LCFS program also allows transit agencies using fuels with a lower-carbon intensity to generate LCFS credits creating an additional revenue stream for the transit agencies as well as stimulating the low carbon fuel market. With the support of the state's funding to address some of the initial incremental costs of zero-emission technologies and the expected operating and maintenance savings of a ZEB over a conventional internal combustion engine bus, a transition to a fleet of 100 percent ZEBs is achievable and beneficial.

Transit agencies have always played a role as leaders in deploying cleaner, more efficient technologies in the entire heavy-duty vehicle sector. The experience gained from ZEB deployment is already being transferred to school buses and other heavy-duty applications, such as drayage, yard trucks, and delivery trucks. More health and environmental benefits will be harvested in the future when other heavy-duty applications are able to transition to zero-emission technologies as a result of successful ZEB deployment.



BOARD OF DIRECTORS REPORT

MEETING DATE: OCTOBER 2, 2018 **AGENDA ITEM: #8**
DEPARTMENT: HUMAN RESOURCES
TYPE: ACTION ITEM
PREPARED BY: MARY GREGG _____
Signature
REVIEWED BY: GENERAL MANAGER _____
Signature
SUBJECT: STAFF HEALTH INSURANCE RENEWAL EFFECTIVE JANUARY 1, 2019

RECOMMENDATION:

Staff recommends the Board of Directors authorize the General Manager to renew Staff health insurance policies for the plan year effective January 1, 2019.

DISCUSSION:

Insurance coverage under these policies is for MTD employees not represented by a Collective Bargaining Agreement. Guardian is the dental insurance provider brokered through Brown & Brown Insurance Services. Staff medical insurance is a Blue Shield HMO plan brokered by Alliant through Special District Risk Management Authority (SDRMA) Health Benefits, which provides public agencies competitive rates for the small group market through a pooled program with California State Association of Counties Excess Insurance Authority (CSAC-EIA). New to the SDRMA program in 2018 is coverage through Kaiser Permanente HMO, at rates that fall just below the Blue Shield HMO plan with services that mirror it. With Board approval on November 11, 2018, the Kaiser plan will be offered as an option for employees living in Ventura County for enrollment starting with the 2019 plan year.

FINANCIAL:

The 2019 budget estimated a 6% increase for health insurance. Quotes for the renewal rates came in under budget: dental + life at 0% and medical at 3%.

DENTAL + LIFE

Brown & Brown negotiated a 1-year rate pass with Guardian for 2019, as was also the case for the two preceding plan years. Guardian has an ongoing commitment to MTD to hold rates flat when possible, and MTD has only experienced one rate increase since 2011.

MTD provides \$50,000 Basic Term Life Guarantee Issue coverage for all eligible full time Staff employees through the Guardian plan, which also includes Accidental Death and Dismemberment (AD&D) coverage.

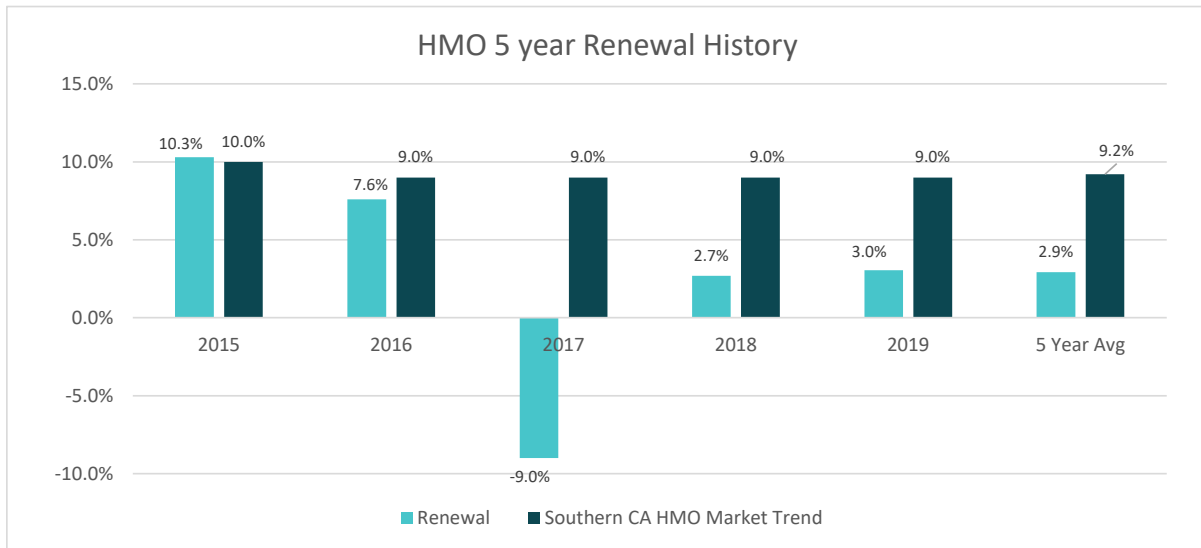
BOARD OF DIRECTORS REPORT

VOLUNTARY LIFE

Implemented in 2018 with Board approval, Voluntary Term Life is an opt-in program option for employees who would like to elect higher life insurance coverage with the current basic life program, and for those who are interested in coverage for a spouse and child(ren). Minimum participation of 10 employees is required. Cost for the additional insurance, if elected, is covered 100% by the employee as a post-tax deduction. Rates are age rated with a 2-year rate guarantee. Coverage election for the employee is up to \$500,000, spouse of up to \$250,000, and per child of up to \$10,000, not to exceed 100% of employee's amount.

MEDICAL

The CSAC-EIA Pool received an overall 3.97% increase for 2019; well below trend for California. When SDRMA adjusted their HMO Plan for our region, the result was a 3% increase. MTD's HMO plan renewal history has been solid, outperforming California HMO trend over a 5-year period, with a resulting average increase of 2.9%, as represented in the following graph:





BOARD OF DIRECTORS REPORT

MEETING DATE: OCTOBER 2, 2018 **AGENDA ITEM: #9**
DEPARTMENT: FINANCE
TYPE: ACTION ITEM
PREPARED BY: BRAD DAVIS _____
Signature
REVIEWED BY: GENERAL MANAGER _____
Signature
SUBJECT: 457(b) DEFERRED COMPENSATION PLAN AMENDMENT

RECOMMENDATION:

Staff recommends that the Board authorize an amendment to the District’s 457(b) Deferred Compensation Plan to modify the Normal Retirement Age from 65 years of age to any age the Plan Participant chooses between 65 and 70½.

DISCUSSION:

The District provides a 457(b) deferred compensation plan for union employees as an option to set aside a portion of their pay for retirement. As with a 401(k) plan, no taxes are deducted on the employee pay going into the Plan; rather, the taxes are deferred until the funds are withdrawn during retirement. The District does not contribute to the 457(b) Plan and it has no affiliation with the Western Conference Teamsters Pension Trust.

When the plan was adopted, the Normal Retirement Age was established as 65 years old. The relevance of the Normal Retirement Age in the District Plan is that it is used to determine the period that a participant is eligible to take advantage of special “catch-up” Plan provisions. These provisions allow more pay to be deferred than the standard IRS maximum dollar amounts (in 2018, the over-fifty limit is \$24,500 whereas the catch-up limit is \$37,000).

Because the catch-up period is defined as the three years prior to the Normal Retirement Age, this restricts eligibility to between the ages of 62 and 64. To provide the participant greater flexibility, staff recommends amending the Plan to allow each participant to set their own Normal Retirement Age in order to select the catch-up period that is most beneficial to them. Per IRS regulations, the Normal Retirement Age cannot exceed 70½. This matter has been reviewed and determined as allowable under state and federal law by John Nelson, the District’s retirement plan legal counsel. The amendment would be retroactive to 2017, which will allow participants currently over 64 to begin using the catch-up provisions immediately.

ATTACHMENT:

- SBMTD 457(b) Deferred Compensation Plan Amendment

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

457(b) DEFERRED COMPENSATION PLAN

AMENDMENT

The Santa Barbara Metropolitan Transit District 457(b) Deferred Compensation Plan (the "Plan") is hereby amended.

1. Article I of the Adoption Agreement is hereby amended as follows:

NORMAL RETIREMENT AGE (1.19). A Participant attains Normal Retirement Age under the Plan:

(b) **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age 65 and may not be later than age 70 ½.

2. The effective date of this Amendment shall be January 1, 2017.

SANTA BARBARA METROPOLITAN
TRANSIT DISTRICT

Dated: _____ By: _____

Title: _____

To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: October 2, 2018
Subject: General Manager's Report

Operations, Fleet & Facilities

On September 25, 2018, the Operations and Planning departments met for a “round table” in which the next bid and any changes are “proofed”. This is necessary prior to the start of the next bid. All schools are back in session; MTD is back on “regular” service/runs. Last week, Santa Barbara had three cruise ship visitations, and MTD provided extra shuttles and supervision to mitigate the passenger and crew traffic.

The long awaited Transit Center Renovation Project has been approved and permitted by the City of Santa Barbara, thus transitioning it from the design phase to the solicitation phase. Staff is currently working with MTD's architect to finalize the project specifications, and with another consultant to prepare the bid package. Staff anticipates releasing the IFB to the public in the coming weeks.

Staff, including MTD's new Maintenance Manager Nolan Robertson, took a trip to the BYD factory on September 18, 2018. Nolan had an opportunity to meet the BYD project team dedicated to MTD's build and tour the factory. During the visit, staff discussed the remaining open action items for the project and inspected the last two buses on the production line, Units #41 and #43. The bus inspections resulted in a list of items to be repaired on each bus prior to delivery to MTD. Staff anticipates delivery of the last two buses to be pushed back to mid-October.

Although MTD was informed that it would likely not be awarded funding for SCE's Charge Ready pilot, which provides funding for charging infrastructure installation projects, staff intends to resubmit for the new round of funding in mid-2019. The one major change staff hopes to include in the new application is a partnership with Gold Coast Transit District (GCTD). Staff from both agencies met on September 20, 2018, to discuss the SCE program and the advantages of joining forces on the next round of funding. SCE has approved the idea and indicated that collaboration between agencies would make for a compelling application.

Staff met with a representative from ChargePoint, Inc. on September 25, 2018, to discuss the future of battery-electric bus charging infrastructure. Based upon the discussion, it seems that original equipment manufacturers (OEMs) are getting away from proprietary charging equipment to allow agencies to install a single type of charging infrastructure that is compatible with numerous bus OEMs. This provides agencies with far more flexibility in vehicle procurement as they will not be tied to a manufacturer due to existing charging equipment.

The RFP for hiring a consultant to create a Facilities Master Plan for MTD is scheduled for release on Monday, October 1, 2018. Staff intends to award a contract by the end of the year.

Administration

MTD Staff will have a booth at the Goleta Lemon Festival on September 29th and 30th, doing outreach about MTD's services and distributing free passes to Goodland residents and visitors.

Staff attended a meeting of the City of Santa Barbara's Downtown Parking Committee on Thursday, September 30, 2018, to observe the Committee's discussion of the draft "Funk Zone Access and Parking Assessment Study." The study looked at the availability and usage of various parking options in the area.

General Manager Jerry Estrada and staff attended a meeting of county transit operators on Thursday, September 27, 2018, to hear SBGAG staff's update for apportionment of the additional FY 2017-18 population-based Transportation Development Act (TDA) / State Transit Assistance (STA) funds provided by Senate Bill (SB) 1. TDA/STA population-based funds are allocated to each county based on the county's percentage of the state's total population. SBCAG has historically apportioned these population-based funds by the percentage that each area represents of the county's total population.

Planning continues to focus on preparing the November bid for implementation on November 26, 2018, and conducting the preliminary steps for the March bid for implementation on March 4, 2018.

An ongoing priority for Human Resources is the hiring of mechanics and bus operators, and staff are utilizing partnerships with other public entities as a resource to attract candidates to a career with MTD. As an example, the Goleta Valley Library is hosting a Career Vision Workshop in October, devoted to helping job seekers learn how to identify career opportunities, build a resume, navigate the job search process, and utilize local public library job resources. HR has provided the Supervising Librarian with career literature and job opening opportunity fliers that will be given out to workshop attendees with their workshop packet. Another public agency that HR works with is the Santa Barbara City College Career Center, for posting of job openings on their Job Connection section of their website. HR will also be attending their upcoming job fair on West Campus at the end of October.

SBCC began issuing the new smart card-capable student ID cards on September 17, 2018. With fall quarter for UCSB beginning on September 26, 2018, the smart card program for UCSB students is now active as well. As the existing student ID cards are already "chipped", they are ready for use as is. Students are being notified of the program via social media, flyers, and other means.

With the new fiscal year, MTD is being reimbursed for retiree health benefit costs from the OPEB Trust. The July reimbursement has been received and the August request has been initiated. This process will result in a full offset of the annual costs, about \$70,000. This was one of the measures approved by the Board to reduce the projected operating deficit for this year.

The AVL system installation has been completed on the final two Samtrans buses. Some repairs remain to be completed and the buses given a full "shake out" before they are placed in revenue service. The work on the final two units was put on hold as shop resources were fully allocated to active bus repairs as well as destination sign parts availability.

MTD's procurement policy was developed in the 1980's and was based on the laws and regulations of that time. This current \$25,000 threshold for small purchases was established at that time based on federal procurement regulations. Any purchases over this amount are subject to formal solicitations that require a substantially more comprehensive solicitation process. Over the last 30 years, the federal limit for small purchases has been increased several times and is

presently \$250,000. Staff is looking into updating the District's Procurement Manual to bring the dollar thresholds up to date.

MTD staff is scheduled to meet this week with representatives of the two development teams selected to prepare proposals for the Calle Real property owned by the District. Furthermore, a letter was received from Buynak Fauver Archbald & Spray this week regarding their status related to this matter.



BUYNAK · FAUVER · ARCHBALD · SPRAY

ATTORNEYS

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PARTNER

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September 19, 2018

Santa Barbara Metropolitan Transit District
Attn: Jerry Estrada
550 Olive Street
Santa Barbara, California 93101

Via U.S. Mail and Email

RE: Santa Barbara Metropolitan Transit District's Calle Real Property

Dear Chairman Davis and Fellow Members of the Board:

As General Counsel to the Board, my office represents the Santa Barbara Metropolitan Transit District (MTD) with regard to various legal matters, including those related to MTD's Calle Real property. On June 14, 2018, MTD issued a Request for Qualifications/Request for Proposals for Development of MTD Calle Real Property (the "Calle Real RFQ/RFP").

In Phase 1 of the Calle Real RFQ/RFP, the RFQ phase, MTD solicits qualifications from capable development entities in order to evaluate candidates based on criteria identified in the Calle Real RFQ/RFP. MTD then evaluates submitted qualifications and, as necessary, conducts interviews to subsequently identify a short list of qualified candidates. MTD received responses from candidates on or before the August 7, 2018 deadline for this first phase of the process.

Shortly thereafter, my office became aware that a local developer, The Towbes Group, Inc. ("Towbes"), responded to the Calle Real RFQ/RFP, and that MTD, via a designated committee, would be evaluating whether Towbes should be included on the short list of candidates to be invited to participate in Phase 2, the RFP phase. During Phase 2, candidates will submit detailed proposals for development of the property to MTD.

My office represents Towbes on unrelated matters and I have brought this to the attention of General Manager, Mr. Jerry Estrada. The State Bar's Rules of Professional Conduct state that attorneys cannot accept, or continue, representation of a client *without providing written disclosure* where the attorney has a legal relationship with another entity the attorney knows or reasonably should know would be affected substantially by resolution of the matter (Rule 3-310(B)(3)). While only disclosure is required by the Rules of Professional Conduct, to avoid even the appearance of impropriety and to ensure fairness, I informed Mr. Estrada some time ago

Santa Barbara Metropolitan Transit District

September 19, 2018

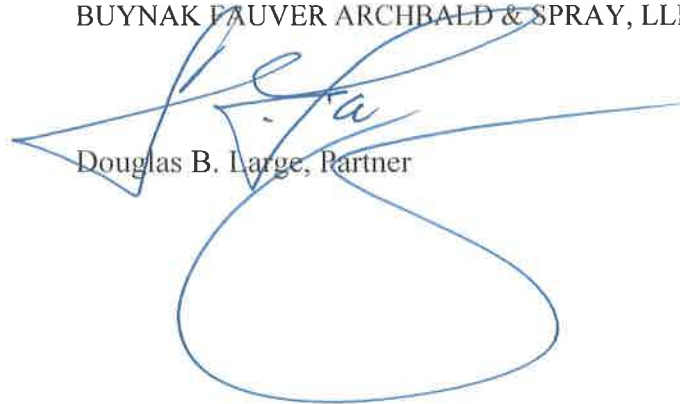
Page 2

that my office should not participate in this candidate selection process (i.e., either Phase 1 and/or Phase 2 of the Calle Real RFQ/RFP). If legal representation is required by MTD during this selection process, MTD should seek alternate counsel.

My office looks forward to continuing to represent MTD on other matters, even on the Calle Real property development and negotiation process *after* MTD selects the final candidate. In the event Towbes is selected as that final candidate, my office may return to representing MTD if we obtain the informed written consent of both MTD and Towbes.

Sincerely,

BUYNAK FAUVER ARCHBALD & SPRAY, LLP

A handwritten signature in blue ink, appearing to read 'Douglas B. Large', is written over the typed name. The signature is stylized and includes a large loop at the bottom.

Douglas B. Large, Partner

OKM/dim