



**NOTICE THAT A SPECIAL TELECONFERENCE MEETING
OF THE BOARD OF DIRECTORS
HAS BEEN SCHEDULED FOR:**

Friday, March 27, 2020

8:30 AM

**Teleconference to be held in the John G. Britton Auditorium
550 Olive Street, Santa Barbara, CA 93101**

BOARD MEMBERS WILL JOIN VIA TELECONFERENCE

ITEMS TO BE CONSIDERED:

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

4. PUBLIC COMMENT

Members of the public may address the Board of Directors on items within the 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.sbmtd.gov and at MTD Administrative offices.

5. DECLARATION OF FISCAL AND PUBLIC HEALTH EMERGENCY DUE TO COVID-19 PANDEMIC - (ATTACHMENT - ACTION MAY BE TAKEN)

Staff requests that the Board hold a public hearing to consider a finding of a fiscal emergency, and adoption of Resolution 2020-03, declaring a fiscal and public health emergency for the agency, enabling the implementation of emergency service reductions, and delegating to the General Manager/CEO and/or his designee(s) authority to take action to commit District resources and expenditures to respond to the COVID-19 pandemic.

6. ADVANCE AUTHORITY TO EXECUTE RENEWABLE DIESEL FUEL CONTRACT - (ACTION MAY BE TAKEN)

Staff requests that the Board provide advance authority to the General Manager to enter into a renewable diesel fuel contract for an upcoming bid solicitation, subject to conditions.

7. 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 REPORT

MEETING DATE: MARCH 27, 2020 **AGENDA ITEM: #5**
DEPARTMENT: ADMINISTRATION
TYPE: ACTION ITEM
PREPARED BY: JERRY ESTRADA _____
Signature
REVIEWED BY: GENERAL MANAGER _____
Signature
SUBJECT: DECLARATION OF FISCAL AND PUBLIC HEALTH EMERGENCY
DUE TO COVID-19 PANDEMIC

RECOMMENDATION:

1. Hold public hearing to consider a finding of a fiscal emergency, and
2. Adoption of Resolution 2020-03 declaring a fiscal and public health emergency for the agency, enabling the implementation of emergency service reductions, and delegating to the General Manager/CEO and/or his designee(s) authority to take action to commit District resources and expenditures to respond to the COVID-19 pandemic.

FISCAL IMPACT:

The extent of the fiscal impact on the District from the COVID-19 pandemic is uncertain. Immediately, however, the District (“MTD”) will see a reduction in fare revenue from the loss of ridership. Hopefully, directly related expenses will be reimbursed by the Federal Transit Administration or FEMA, given this state of emergency. MTD has begun tracking expenditures attributable to this public health crisis, so that it can be eligible for any such reimbursement.

It is unknown how long this fiscal and public health emergency will affect MTD. Because there is up to a 9 month lag time in receipt of state and federal revenues, MTD will likely feel the fiscal impact for the next 9 months or beyond.

POLICY IMPLICATIONS:

Adopting the requested Board resolution is necessary to begin service reductions (expected to be implemented as conditions warrant) and accompanying reductions in force due to illness, illness of a family member, or to care for children affected by school closures. Additionally, the resolution authorizes the General Manager and/or his designee(s) (should the General Manager fall ill) to respond to the COVID-19 pandemic and to take other actions that go beyond existing authority but consistent with those included in the Public Utilities Code sections 95520 - 95536.

BOARD OF DIRECTORS REPORT

DISCUSSION:

Local, state and national leaders have declared a state of emergency regarding the COVID-19 global pandemic. The State of California has further directed residents to shelter in place and eliminate non-essential travel. Mass transportation is considered an essential service and MTD will continue to provide service to our community with available resources.

MTD is diligently working on plans and actions that will continue to allow MTD to meet community needs for public transportation in a manner that limits exposure to COVID-19 to our employees and customers.

The General Manager and other executive level managers are developing strategies to best address a variety of outcome scenarios. Management is also communicating with local public safety and health officials to ensure that MTD coordinates services and adequately supports the communities it serves. Further, MTD is in regular contact with Teamsters Local 186 leadership to keep appropriate union officials informed about any decisions that may affect working conditions. Finally, MTD is following the Center for Disease Control and World Health Organization's best practices to implement safety and service protocols.

As of March 20, MTD has taken the following actions to address local impacts from the pandemic:

Communications: Press releases, internal communications, interior bus ads, social media postings, CDC posters at Customer Service Locations;

Health and Safety: Supplying additional hand sanitizer, gloves, and posted hand washing reminders and CDC information for employees. Nightly disinfection of all high-touch locations on board buses returning to Terminal 1. Additionally, MTD has suspended the collection of fares to mitigate the spread of COVID-19 to bus drivers and cash handlers. Furthermore, rear door passenger boarding has been implemented.

As a result of this pandemic, MTD will need to be prepared for customer service reductions which match staffing levels of those MTD employees who are healthy and able to work.

As a public transit district under the Public Utilities Code, MTD is exempt from most California Environmental Quality Act (CEQA) regulations regarding projects that would have a significant effect on the environment under fiscal emergencies. As part of the exemption procedure approved by the legislature and governor in 1996 (SB 1899 Alquist/Public Resources Code section 21080.32), the Board must adopt by resolution a finding of fiscal emergency which has been caused by the failure of agency revenues to adequately fund agency programs.

This resolution signals that MTD is preparing for local impacts from the global COVID-19 pandemic and that there is a fiscal emergency. After the fiscal emergency public hearing, the Board will have 30 days in which to respond to suggestions, if any, made by the public at the hearing. Beyond this process, there is no additional CEQA documentation required of a public transit agency in its finding of fiscal emergency from the Board.

ATTACHMENTS:

- Declaration of Fiscal and Public Health Emergency in Response to COVID-19 Pandemic

RESOLUTION
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

IN THE MATTER OF DECLARATION OF
FISCAL AND PUBLIC HEALTH EMERGENCY
IN RESPONSE TO COVID-19 PANDEMIC

RESOLUTION NO. 2020-03

WHEREAS, a novel coronavirus (COVID-19) was first detected in Wuhan City, Hubei Province, China, in December 2019 and has since spread rapidly throughout the world and the United States; and

WHEREAS, the World Health Organization has declared the spread of the novel coronavirus a pandemic; and

WHEREAS, the Centers for Disease Control and Prevention (CDC) considers the virus to be a very serious public health threat; and

WHEREAS, an emergency has been declared by the President of the United States, the Governor of California, and the Santa Barbara County Office of Emergency Services; and

WHEREAS, in consultation with the MTD Board Chairperson, the General Manager has activated the use of the Districts Emergency Reserve to be used in the event of extraordinary losses resulting from natural or man-made disasters, major funding losses or suspensions, and other similar extreme circumstances(the amount of the Emergency Reserve is 10% of the approved operating budget); and

WHEREAS, rapidly changing conditions may necessitate reductions in public transportation services due to illness among MTD employees or other causes; and

WHEREAS, due to staff and operational constraints, the ability to timely respond to requests under the California Public Records Act (CPRA) may be compromised. Such responses, while important, are not an essential service that affects public health or safety. For this reason, strict compliance with time limits to respond to a CPRA will be extended to enable MTD to provide essential services. However, such responses during this emergency will be made as soon as available resources allow; and

WHEREAS, these emergency conditions require greater flexibility in terms of purchasing authority of the General Manager and/or his designee(s).

THEREFORE, BE IT RESOLVED that the Board of Directors of Santa Barbara Metropolitan Transit District:

1. Declares a Fiscal and Public Health Emergency, effective March 27, 2020

2. Authorizes the General Manager and/or his designee(s) to take all actions necessary or intended to protect MTD employees and the public from this health emergency
3. Authorizes the General Manager and/or his designee(s) to begin emergency bus service reductions as may be necessary
4. Authorizes the General Manager and/or his designee(s), in consultation with the Board Chairperson and/or his designee(s), to implement employee policy changes that have budgetary impacts, and that such changes will be brought to the board at a later date with any necessary budget or policy amendments.
5. Directs that responses to suggestions made by the public at the meeting of March 27, 2020, if any, be made within 30 days at a scheduled public meeting

THE BOARD OF DIRECTORS OF SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

PASSED AND ADOPTED RESOLUTION 2020-03 this 27th day of March 2020.

AYES: _____

NAYS: _____

ABSENT: _____

Chair, Board of Directors

ATTEST:

Secretary, Board of Directors



BOARD OF DIRECTORS REPORT

MEETING DATE: MARCH 27, 2020 **AGENDA ITEM: #6**
DEPARTMENT: FINANCE
TYPE: ACTION ITEM
PREPARED BY: BRAD DAVIS _____
Signature
REVIEWED BY: GENERAL MANAGER _____
Signature
SUBJECT: ADVANCE AUTHORITY TO EXECUTE RENEWABLE DIESEL FUEL CONTRACT

RECOMMENDATION:

Staff requests that the Board provide advance authority to the General Manager to enter into a renewable diesel fuel contract for an upcoming bid solicitation subject to the following conditions:

- The gross price of the renewable diesel does not exceed \$2.00 per gallon;
- The fixed price contract term will be for up to two years beginning December 1, 2020; and,
- The contract will be awarded to the low bidder found to be responsive and responsible.

DISCUSSION:

Basis of Advance Authority

Under MTD's procurement policy, Board approval is required before entering into contracts exceeding \$250,000. Providing advance authority to enter into the fuel contract, which will exceed this dollar threshold, will allow staff to award the contract the same day that fuel bids are received. This will result in lower bid prices due to reduced risk premiums for potential market price changes.

Price Bid Maximum

With the recent plummet in crude oil prices, down 68% at the time of this writing, staff are seeking to lock in the lower prices for future renewable diesel (RD) contracts. While not a hydrocarbon product, the price of RD nonetheless continues to correlate very closely with diesel fuel (ULSD) as evidenced by today's nearly equal spot prices for each product. The average of the monthly ULSD futures contract prices for 2021 is \$1.45 per gallon. For 2022 it is \$1.58.¹ However, with the current market volatility, daily prices are changing significantly. As a result, to avoid bringing the matter back to the Board, staff recommends a maximum award price of \$2.00 per gallon.

Renewable Diesel

The District changed from ULSD to RD this past December. The CARB Innovative Clean Transit regulation requires that beginning this year all public transit diesel fuel contracts entered into must

¹ These prices take into account the projected vendor markup and transportation costs but do not include governmental taxes and fees.

BOARD OF DIRECTORS REPORT

specify RD. RD is an alternative fuel that is nearly identical to petroleum-based diesel in its performance characteristics yet is not produced from fossil fuels. RD uses palm oil, tallow, or used cooking oil feedstocks in its production process yet it is chemically similar to ULSD. Renewable diesel produces fewer greenhouse gas (GHG) and other harmful emissions than ULSD. The California Air Resources Board (CARB) completed an air quality assessment that reported life cycle reductions in GHG emissions—primarily carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons—ranging from 15% to 80% depending on the feedstock source. The study also found reductions of 30% in particulate matter (PM), 10% in nitrogen oxides (NO_x), 5% in total hydrocarbons (THC), 10% in carbon monoxide (CO).