

To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: April 20, 2021
Subject: General Manager's Report

Operations, Fleet and Facilities

The Operations and Human Resources Department staff coordinated in scheduling, and completing the second Moderna vaccine dose to all of MTD's employees that received the first dose. The process was similar to the first effort, and, again went very, very smooth. All of those that received their second dose were grateful, and relieved.

Congratulations to Manny Castanon, Safety and Training Administrator. Manny has successfully completed all, and especially the most important final step, of certifying Santa Barbara MTD in the Employer Testing Program (ETP). He received the final sign off, at the federal level in this very lengthy and difficult process. Certification in this program allows our agency (and specifically Manny) to test (as a DMV Examiner) class B drive tests.

The driver barrier project is almost complete. All but three 30' buses, three 60' buses and the BYD fleet are complete. Staff is working diligently to get the remaining buses completed ASAP.

Subsequent to the topographic and underground surveys conducted by Southern California Edison's (SCE) surveying consultants, SCE's design consultant, Black and Veatch, completed the preliminary design for the SCE Heavy-Duty Charging project at Terminal 1.

California Energy Commission (CEC) staff released the Notice of Proposed Awards for the Blueprints for Medium- and Heavy-Duty Zero-Emission Vehicle Infrastructure (GFO-20-601) grant funding opportunity and MTD's application was one of the projects selected for the maximum award of \$200,000. The proposed awards are contingent upon approval at a CEC business meeting and execution of a grant agreement, which will all take place in the coming months.

Staff took delivery of the four remaining Chevrolet Bolts from a purchase order previously issued to Winner Chevrolet. The four new Bolts brings MTD's total count to 14.

Staff submitted a proposal to the Federal Transit Administration (FTA) Low or No Emission (Low-No) Program. The Low-No Program provides funding for the purchase of zero- and low-emission transit buses, charging equipment, and infrastructure. MTD's application included a request for funding for three 35' battery-electric buses and three heavy-duty chargers.

The Fleet Renewal Campaign project kick-off meeting with Complete Coach Works (CCW) took place on March 30. The project consists of an overhaul of a large portion of MTD's existing fleet to maintain reliability and service availability of the buses. It will also usher in a fresh new look, with new paint and graphics identical to that of the latest Gillig buses purchased in 2019. Aside from cosmetic changes, the work will include major mechanical upgrades on select buses as well as passenger and driver comfort improvements on the majority of buses addressed. Currently, CCW is preparing their production lines to receive MTD buses and staff is working with Cummins

Corporation to spec the new engines and exhaust aftertreatment systems that will be installed on seven of MTD's 2011 40' Gillig buses during the project.

Administration

Planning and Marketing Manager Hillary Blackerby serves on the California Transit Association State Legislative Committee and was recently appointed to serve on a subgroup of the committee. This subgroup will be reviewing and preparing recommended comments on the State of California's recently released draft Climate Action Plan on Transportation Infrastructure (CAPTI). The plan details how the state recommends investing billions of discretionary transportation dollars annually to aggressively combat and adapt to climate change while supporting public health, safety and equity. CAPTI builds on executive orders signed by Governor Gavin Newsom in 2019 and 2020 targeted at reducing greenhouse gas (GHG) emissions in transportation, which account for more than 40 percent of all emissions, to reach the state's ambitious climate goals.

Staff prepared and submitted the LCTOP allocation request spreadsheet and supporting documents to Caltrans for review and comments. The request is for funding to implement electrification upgrades to Terminal I in preparation for new electric buses. Staff has replied to the first round of comments. There may be additional comments as the request moves through the system towards approval.

Staff continues to work with FTA's consultant for the upcoming Triennial Review. The Review will be held virtually during the first week of May. Staff prepared and submitted the calendar year 2020 Drug and Alcohol testing Management Information System (MIS) data to the FTA, as required. Staff submitted the March monthly COVID-19 report. This was the first month of this new monthly report required by FTA. The data requested is information on service impacts, the number of employees by function, and the number of cases of COVID-19. Staff also submitted the March monthly safety and security report to FTA, and will submit the monthly ridership report as soon as the data is available.

Staff prepared and submitted two applications to the Montecito Community Foundation (MCF) for funding for bus benches along the Route 14 through Montecito. The MCF approved the applications, and will fund three new bus benches. This is a continuation of a partnership with the MCF that began in 2016.

General Manager Estrada and staff met with SBCAG and the other Santa Barbara County transit operators to discuss methods of allocating discretionary transit funds that flow through SBCAG. Specifically, the discussion included the cap-and-trade Low Carbon Transit Operations Program and the SB1 State of Good Repair program. Various options were discussed, but a consensus was not yet achieved and the discussions are continuing.

The solicitation for selecting a consultant to update the District's Short Range Transit Plan (SRTP) is nearing completion. The evaluation process is nearly complete and a recommendation for contract award will be brought to the Board in May.

The District has made use of a cooperative purchasing agreement for discounted cellular services from Verizon Wireless for nearly a decade. With that contract recently expiring, MTD had the option of continuing on with a newly negotiated contract from NASPO, the agency that established the original cooperative agreement, or switching to the State of California's Cal-NET agreement with Verizon. MTD opted to use the latter due to lower costs. While applicable to staff cell phones, more importantly is the nearly 25% savings on cellular data costs related to the provision of intelligent transportation systems on the District's fleet, including real time of arrival information for our passengers.

The District continues to draw down federal Cares Act funding as pandemic related expenses and revenue shortfalls are incurred. For the first half of the fiscal year, \$2.6 million has been received to cover the operating cost shortfall; the reimbursement for third quarter will occur upon closure of the March books. With the driver barrier installation on the diesel fleet nearly complete, most of the \$665,000 capital cost for the project has been reimbursed from Cares Act funding as well. Such funding will also serve as capital funding for the driver barriers soon to be installed on the BYD battery-electric fleet of buses.

The "interim year" OPEB actuarial valuation report for the current fiscal year was recently finalized. The main purpose of the report is to update the estimate of the District's liability for future retiree health benefits. Of particular significance in this year's report is \$465,000 increase in the liability mainly caused by the steep decline in interest rates over the past year. The results in using a lower discount rate to determine the present value of the liability as well as reducing the anticipated earnings from the trust funds set aside to pay future retiree health benefits. Increasing the liability will result in recording a corresponding expense in this year's financial statements. Note that this is an accounting entry with no effect on the District's cash flows. Also, expected higher interest rates in the future would have the opposite effect, lowering the OPEB liability and expense.