

REGIONAL TRANSIT AUTHORITY EXECUTIVE COMMITTEE AGENDA

PLEASE NOTE THE DATE, TIME, AND LOCATION:

Wednesday February 6, 2019

Noon – 1:00 p.m.

SLOCOG Conference Room

1114 Marsh Street

San Luis Obispo, California

This agenda is available/posted at: <http://www.slorta.org/board/rta-board-meetings>

Individuals wishing accessibility accommodations at this meeting under the Americans with Disabilities Act (ADA) may request such accommodations to aid hearing, visual, or mobility impairment (including Limited English Proficiency) by contacting the RTA offices at 781-4472. Please note that 48 hours advance notice will be necessary to honor a request.

1. **Call Meeting to Order, Roll Call**
2. **Public Comment:** The San Luis Obispo Regional Transit Authority Executive Committee reserves this portion of the agenda for members of the public to address any items not on the agenda and within the jurisdiction of the Committee. Comments are limited to three minutes per speaker. The Committee will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.
3. **Information Items**
 - A-1 Executive Director's Report (Verbal; Receive)
4. **Action Items**
 - B-1 FY19-20 Budget Assumptions (Approve)
 - B-2 Zero-Emission Vehicle Purchase Policy (Approve)
5. **Consent Items**
 - C-1 Executive Committee Meeting Minutes of October 10, 2018 (Approve)

The Regional Transit Authority is a Joint Powers Agency serving the residents and visitors of:

Arroyo Grande Atascadero Grover Beach Morro Bay Paso Robles Pismo Beach San Luis Obispo County of San Luis Obispo

6. **March 6, 2019 Draft RTA Board Agenda:** The Executive Committee is asked to review and comment on the proposed agenda items.

Information Items

- A-1 Executive Director's Report (Receive)

Action Items

- B-1 FY19-20 Budget Assumptions (Approve)
B-2 Zero-Emission Vehicle Purchase Policy (Approve)
B-3 Annual Fiscal & Compliance Audit for Fiscal Year 2017-18 (Accept)

Consent Items

- C-1 Executive Committee Meeting Minutes of October 10, 2018 (Information)
C-2 RTA Board Meeting Minutes of January 9, 2019 (Approve)
C-3 RTA Completed Internal Control Checklist (Accept)
C-3 Authorize California SB-1 State of Good Repair Grant Application (Approve)
C-4 Declare Vehicles Surplus & Transfer to Agencies (Approve)
C-5 Authorize Procurement of Bus Garage Commissioning Services (Approve)

Closed Session Items – CONFERENCE WITH LEGAL COUNSEL: It is the intention of the Board to meet in closed session concerning the following items:

Initiation of litigation pursuant to subdivision (c) of Section 54956.9. One case.

7. **Adjournment**

Next RTA Executive Committee Meeting: **April 10, 2019**

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
FEBRUARY 6, 2019
STAFF REPORT**

AGENDA ITEM: B-1

TOPIC: Fiscal Year 2019-20 Budget Assumptions

ACTION: Approve Budget Assumptions

PRESENTED BY: Tania Arnold, Deputy Director/CFO

STAFF RECOMMENDATION: Approve Budget Assumptions to Enable Staff to Begin Development of Operating and Capital Budgets

BACKGROUND/DISCUSSION:

The following report outlines staff's recommended budget assumptions for the RTA's Fiscal Year 19-20 Operating and Capital Budget, and it is the first step in the development of our operating budget and operating program. It should be noted that the RTA is again developing a two-year operating budget and five-year capital budget. As in past years, only the first year would be financially-constrained, while the out-years should be considered advisory. Upon the Board's guidance and approval of these assumptions, staff will prepare a detailed report along with preliminary budget numbers for presentation to the Executive Committee at their April 10th meeting prior to the final draft budget presentation to the Board in May.

KEY ISSUES

1. Address SoCo Transit's request to consolidate with the RTA.
2. State Transit Assistance (STA) funds are projected to be flat to the region but they are higher than FY17-18 due to the Senate Bill 1 – Road Repair and Accountability Act (SB-1) funds, which included augmented STA funds and State of Good Repair funds.
3. Local Transportation Funds (LTF) used for operating purposes are projected to be flat to the region.
4. Liability costs continue to escalate, despite the RTA's good safety record, especially general liability costs.
5. We continue to focus on Runabout costs, which had been escalating in recent years but have leveled off.
6. Address staffing and retention, in particularly in the Bus Operator classification.

7. Fuel costs continue to remain low; this also results in declining ridership and fares.

Mission Statement

The Mission of the RTA is to provide safe, reliable and efficient transportation services that improve and enhance the quality of life for the citizens of and visitors to San Luis Obispo County.

Objectives and Revenue Impacts

- 1) Maintain service levels and hours of service that meet the standards of productivity and demand of our customers and communities through the effective and efficient delivery of RTA Fixed-Route and Runabout core services.
 - a) RTA received \$1,304,500 for RTA core services in STA funding, which includes \$517,450 in SB-1 State of Good Repair funding being used to fund the new RTA Bus Maintenance Facility project at 253 Elks Lane. Staff will work with SLOCOG staff to determine a realistic estimate for FY18-19.
 - b) Continue to monitor the results and impacts on ridership and fare revenue from the December 31, 2017 fare increase, both on RTA Fixed-Route and on the Runabout service, which included the establishment of a Runabout premium service fare.
 - c) The FY18-19 budget adopted in May 2018 included \$3,883,400 in LTF operating revenues. At that same meeting, the advisory FY19-20 LTF amount was \$4,598,870. Staff is still developing estimated annual FY18-19 expenses, which impacts the carryover amount that could reasonably be identified for the FY19-20 budget.
 - d) Federal Transit Administration (FTA) Sections 5307, 5311 and 5339 operating funding and capital funding for FY19-20 will be presented in the same format as previously presented in May 2018, taking into account preliminary projected revenues identified in the Fixing America's Surface Transportation (FAST) Act. Should the actual annual authorizations for FTA programs increase or decrease for any of these programs, staff would adjust these assumptions accordingly.
 - e) FTA Section 5307 operating funding from the Santa Maria Urbanized Area for RTA Route 10 will be budgeted based on commitments with Santa Barbara County Association of Governments (SBCAG) and the City of Santa Maria. This amount is likely to be lower than what was included in the projection for FY18-19 and staff continues discussions with SBCAG officials for Santa Maria UZA funding for RTA Route 10 operations.
 - f) Detailed miles/hours and span of service for each RTA core Fixed-Route and Runabout will be provided with the draft budget. For context, detailed budgets

based on miles/hours and span of service will also be provided separately for SLO County Services and North County Local Services. As a consolidation date is reviewed for SoCo Transit, staff will present a mock consolidated budget for review. Assuming consolidation is ultimately adopted, staff will present a budget amendment for adoption by the Board.

- g) Productivity of service during holiday time periods will be presented to the Board as part of the draft budget, specifically associated with the service provided the weeks of Christmas and New Years to determine if service levels should be reduced.
 - h) Staff will continue to research and evaluate new revenue resources should any potential shortfall in operating revenues arise. If we are unable to secure funding, staff would recommend that the Board consider adjusting the TDA allocation from the RTA jurisdictions and/or adjust service levels.
 - i) Due to changes in self-insured retention requirements, staff will review and provide recommendations regarding the RTA reserve policy, which was originally adopted in May 2014. Note: this item is being carried over to the FY19-20 due to staffing shortfalls during the current fiscal year not allowing adequate time to address this item.
- 2) Work with the SLOCOG and our transit agency partners in the region to evaluate region-wide service efficiencies.
- a) Transit agencies across the country have experienced ridership declines due to the relatively low price of fuel and increasing private automobile ownership rates, which are affecting farebox recovery ratios. Other factors also include changes to the California minimum wage. These issues have caused farebox recovery ratios to decline for most transit agencies.
 - b) Review the tasks and financial impacts included in the SoCo Transit contract for administrative, financial, marketing, maintenance and dispatch services, and evaluate efficiencies with the RTA – including SoCo Transit’s request to consolidate into the RTA.
 - c) The RTA will work with SLOCOG staff and other transit providers to evaluate efficiencies in the provision of service throughout the county.
 - d) Staff will use the *2018-20 RTA Strategic Business Plan* as well as the *2016 Short Range Transit Plan* to evaluate potential efficiencies, and with Board concurrence, implement efficiencies.

- 3) Evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs.
 - a) Staff will continue to work with SLOCOG to prioritize capital projects using the State of Good Repair STA portion of SB-1 funds. For FY17-18 and FY18-19, the RTA received funding for the design and engineering of the new RTA Bus Maintenance Facility on Elks Lane, as well as approximately \$59,000 that has been added to capital replacement reserves to match federal funds for three low floor Gillig buses to be delivered in the summer of 2020. These new SB-1 funds are an important source of revenues for the RTA and the other transit operators in our region. It directly impacts the RTA need for LTF to fund operations and the local match for capital projects by reducing local match needed for federal funds, and interest when financing for capital projects is needed.
 - b) Staff will complete the design, engineering, and permitting process for the long-term RTA Bus Maintenance Facility in late 2019. Assuming sufficient funding can be identified, the RTA will then conduct the construction services procurement in spring 2020, with construction mobilization to begin in late summer 2020.
- 4) Address projected changes in demand for Runabout service.
 - a) Runabout service hours and miles are projected to remain flat based on recent demand trends, particularly with the shift in Tri-Counties Regional Center ridership that began in February 2017. In FY13-14, the burgeoning demand would have required significant Runabout service level increases but, with a variety of measures implemented at the Board's direction, Runabout demand has decreased.
 - b) To ensure that only those persons truly eligible for Runabout service are initially registered or re-registered, staff will continue to conduct functional assessments as part of the Runabout application process. This process was added in early 2016. Staff will also provide mobility training for disabled persons who are able to use Fixed-Route services for some or all of their travel needs. Staff continue to work with groups such as the Paso Robles Independent Skills Program that have completed the RTA travel training review process and are now able to assist their clients with travel training.
 - c) Staff does not foresee needing to move forward with using supplemental taxicab services, but should future service expansions be required or if staffing shortages persist, staff will revisit this option.

Expenses Impacts

- 1) Fuel consumption and price will be budgeted conservatively; diesel fuel will be budgeted at \$3.30 per gallon. Included in the fuel line item will be diesel exhaust

fluid (DEF), used to lower diesel exhaust emissions on the newer Fixed-Route vehicles.

2) Insurance Expenses:

- a) CalTIP liability insurance premiums are projected to increase. The exact amount is not known at this time, as CalTIP actuaries are still working on May 1, 2018 through April 30, 2019 rates. Estimates will be available from CalTIP in time to include in the RTA April 2018 draft budget. Although the number of RTA losses based on mileage has been lower than the pool average, the pool has experienced significant negative claims development, and the pool is working to ensure the stability of the pool and ensure equity between all members by conducting an actuarial study on the application and formulas used in applying and calculating each agencies experience modification factor.
- b) CalTIP vehicle physical damage will increase minimally due to the added asset value of newer vehicles in the fleet, namely the six new 40-foot buses and eight new cutaway vehicles that RTA received in replacement for vehicles that had exceeded their useful life during the FY18-19.
- c) As of July 1, 2017 CalTIP no longer provides employment practices liability insurance coverage as part of the premiums paid for general liability coverage. The RTA was able to join the Employment Risk Management Authority (ERMA) to obtain coverage. The annual premium is estimated at \$27,000 with a \$50,000 self-insured retention. This self-insured retention does not currently have a reserve in place to cover it should a loss develop. As noted previously, staff hopes to bring a revised reserve policy to the Board in FY19-20 to address these needs.
- d) Workers compensation premiums through the CSAC Excess Insurance Authority are projected to increase, with the realization that workers compensation for transit services is especially challenging statewide as loss development trends in the state are not favorable. Staff will obtain a more refined estimate in early March. We continue to work with our employee committee that has evaluated workplace safety and has initiated a proactive program to address the number of claims and severity of the claims. The decline in FY18-19 was a result of these efforts, and although premiums are expected to rise, a significant portion of that increase is attributable to the increase in wages identified in the collective bargaining agreement that are triggered by the changes in the California minimum wage.
- e) Property insurance will increase due to the significant losses in the property insurance market, namely the fires in California.
- f) For budget-making purposes, staff is assuming a 6% annual increase for healthcare costs for each of the next two fiscal years.

3) Staffing Expenses:

- a) The new 4-year Collective Bargaining Agreement (CBA) was ratified in November 2017, with new wage scales that began January 1, 2018. The FY19-20 budget will include significant changes in wages and benefits, primarily due to the effects of changes to the California minimum wage program. Should the January 2020 minimum wage change be delayed by the Governor, staff would bring a budget amendment to the Board. The draft budget will assume the minimum wage change will be implemented as planned.
- b) The number of FY19-20 budgeted full-time equivalent (FTE) positions will remain the same as in FY18-19. As a reminder, the number of budgeted training department positions in FY18-19 was increased by 0.5 FTEs. It was in an effort to address Bus Operator staff shortages. This effort has proved helpful, since staff hiring and retention continues to be a critical issue.
- c) For FY19-20, the overall number of budgeted positions for the North County and SLO County services will remain the same. It should be noted that the marginal costs and revenues the services will be treated in the budget the same way as prior years: as separate and distinct columns.
- d) An annual inflationary adjustment based on the December 2017 to October¹ 2018 Consumer Price Index (CPI) for non-union employees (excluding Operations Supervisors) of approximately 3.5 - 4% will be implemented in July 2019). The Operations Supervisor classification CPI increase adjustment will be implemented in January 2020, to coincide with Bus Operator wage scale adjustments identified in the CBA. Employees within the salary range for their position will be eligible for a step merit increase subject to performance assessments.

Proposed Budget Calendar

February 14	Detailed budget assumptions and revenue forecast to Executive Committee
March 7	Obtain Board concurrence on proposed draft budget assumptions
March 7	Provide mid-year FY17-18 Budget data to Board (no additional budget amendments are being requested)
March 31	Based on feedback from Executive Committee draft FY18-19 Budget Draft complete.

¹ We typically report a 12-month figure in the Budget Assumptions staff report, but the December 2018 figure has been delayed by the Federal Government partial shutdown.

April 11 Draft FY18-19 Budget presentation to Executive Committee

April 17 Formal FY18-19 Budget presentation to RTAC

May 2 Final Board Budget presentation; Board adoption of FY18-19 Budget

Staff Recommendation

Approve the budget assumptions and budget calendar so that a detailed work plan and budget may be developed.

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (RTA)

MARCH 6, 2019

STAFF REPORT

AGENDA ITEM: B-2

TOPIC: Zero-Emission Vehicle Purchase Policy

ACTION: Approve

PRESENTED BY: Geoff Straw, Executive Director

BACKGROUND/DISCUSSION:

The California Air Resources Board adopted the Innovative Clean Transit (ICT) fleet rule on December 17, 2018. The ICT recognizes that providing clean transit and mobility options must include a long-term transition to zero-emission technologies while continuing to provide transportation options as part of Sustainable Communities Strategies and ensuring service to people with limited transportation options. Adoptoin of the attached *RTA Policy and Procedures for the Purchase of Low- or Zero-Emission Vehicles* document is the first step the RTA should consider to formally commit to this new ICT fleet rule, which replaces the previous Fleet Rule for Transit Agencies (13 CCR § 2020) adopted in 2000.

ICT Bus Purchasing Requirements

Every transit agency based in SLO County is considered a Small Transit Agency, since each agency's peak bus pull-out is fewer than 100 and we operate outside the severely-impacted South Coast or San Joaquin air basins. As such, no SLO County-based transit agency is subject to the initial 2023 zero-emission bus purchase requirements. Zero-emission vehicles include Battery-Electric Buses (BEBs) and Hydrogen Fuel Cell Buses (HFCBs). However, beginning on January 1, 2026, 25% of Small Transit Agency bus purchases must be zero-emission, and only zero-emission buses can be purchased after January 1, 2029. The ICT requires that all transit buses be zero-emission by January 1, 2040.

An important distinction must be acknowledged: traditional heavy-duty fixed-route buses like those used by the RTA, South County Transit and SLO Transit are the initial focus of the ICT implementation because the other bus types currently in the market are temporarily exempted. More specifically, the ICT currently only pertains to buses that have completed the structural integrity testing requirements under Title 49 Code of Federal Regulation 665.13 (commonly referred to as "Altoona Testing"). No vehicle used by the RTA for Runabout or other transit programs for demand response services have been Altoona tested. In addition, the RTA's over-the-road ("Greyhound-style") coaches and SLO Transit's double-decker bus are exempted until at least 2026 – presuming Altoona-tested vehicles will available in the market at that time. Staff will closely watch if/when these vehicle types are subject to the fleet purchase rule.

Joint Zero-Emission Bus Group

Under the guidance of the San Luis Obispo Council of Governments (SLOCOG), area jurisdictions have worked diligently over the past two decades to coordinate and, in some cases, consolidate transit services. Because implementing BEBs and its infrastructure would be a quantum leap forward in terms of technological complexity in our region, staff assumes it would be overly burdensome for each agency to undertake this effort independently – especially for the smaller programs such as Atascadero Dial-A-Ride and Morro Bay Transit. Based on my prior experience with a demonstration hydrogen bus program at UC Davis in the mid-2000s, attempting to implement HFCBs would be even more onerous.

Staff recommends that the next coordination step is to develop a Joint Zero-Emission Bus Group specifically permitted under the ICT to reduce the burden of transitioning to BEBs. Potential Joint Group participants include:

1. RTA for fixed-route (Routes 9, 10, 12, 14 and 15) and Runabout services.
2. County-funded Dial-A-Ride services in Nipomo, Shandon and Templeton, as well as Avila Trolley services – all directly operated by the RTA.
3. City of Paso Robles fixed-route services (Routes A and B) and dial-a-ride services directly operated by the RTA.
4. South County Transit fixed-route services (Routes 21, 24, 27 and 28) administered and maintained by the RTA. Layover points are Ramona Garden Park and Pismo Premium Outlets.
5. SLO Transit fixed-route services (Routes 1A/B, 2A/B and 3A/B).
6. Atascadero Dial-a-Ride.
7. Morro Bay Transit (deviated fixed-route and trolley services).
8. Ride-On Transportation demand response services partially funded by SLOCOG.
9. Santa Maria Area Transit fixed-route and dial-a-ride services. RTA Route 10 provides hourly service to the Santa Maria Transportation Center.
10. Monterey-Salinas Transit intercity fixed-route services along US101 with a terminus in Templeton, and bus stops in San Miguel and Paso Robles.

Developing a Joint Group has several benefits, including a coordinated training and standards for BEB charging stations. The former is important because real-world experience shows that a bus operator using poor techniques can reduce the range of a BEB by up to 10%. The latter is particularly important for RTA regional routes, which will

likely need to “top-up” charging of batteries during layovers in Paso Robles (Route 9), Santa Maria (Route 10), San Luis Obispo (Routes 9, 10 and 12), and Morro Bay (Routes 12 and 15). At a minimum, all of the services either administered/operated under contract by the RTA or directly operated by the RTA should consider the Joint Group option to help coordinate battery recharging with our jurisdiction partners.

Limited-Range Challenges of BEBs

Another benefit of Joint Grouping is that the purchase of BEBs can be implemented in areas that initially make the most sense from both a range perspective and from an infrastructure deployment perspective. As reported in the March 7, 2018 Executive Director’s report, the industry is currently testing prototype BEBs that can travel up to 300 miles on a single charge, assuming ideal operating conditions: flat terrain, relatively slow operating speeds, temperate weather, and a new battery pack. However, the RTA operating profile makes current and projected BEB technologies a challenging proposition because we operate several bus blocks¹ that travel more than 300 miles per day, in hilly terrain, at freeway speeds, and often during extreme summer weather. Also, many experts agree that the battery packs will degrade (also known as capacity fade) over time to roughly 80% of the optimal design range, which reduces the highest-available 300-mile range to roughly 240 miles under ideal conditions. That range would work reasonably well for local fixed-route services provided by SLO Transit, South County Transit, Paso Robles Express, and Santa Maria Area Transit on a single daily recharge.

In terms of recharging the batteries, two options exist: “depot-charging” in which the BEB is charged overnight in a bus yard, and “in-route” (also called “opportunity”) charging. Depot-charging is the simplest alternative, since charging infrastructure need only be installed at each bus parking yard. Smart-technology can be used to limit the “juice” put into each battery pack below the high-cost PG&E demand-charge threshold. However, depot charging requires more upfront costs for each BEB due to the larger size (and weight) of the battery packs. Moreover, based on the RTA’s operating profile, a single-charge scenario is not feasible for our entire fleet – so in-route charging must be pursued.

Under the in-route charging option, either catenary/overhead or touchless/in-ground charging devices “top-up” the batteries at fixed-route layover points. This would allow BEBs to be deployed on the RTA’s long-distance bus blocks that exceed the design range of depot-charged buses, while also having the advantage of allowing local fixed-route operators to purchase lower-cost and lighter BEBs with smaller battery packs. The greatest disadvantage of in-route charging is the complexity and capital cost of implementing the charging infrastructure throughout the service area – typically in the public right-of-way. Some early-adopters also report frequent exceedances of the demand-charge thresholds – and this has resulted in much higher than anticipated operating costs.

¹ A “bus block” is defined as the daily assignment for an individual bus, and includes the time the bus leaves the yard until it returns.

BEB Purchase Exemptions Under the ICT

The ICT includes “off-ramps” under certain circumstances at the calendar year 2026 and 2029 implementation dates, pending approval by the ARB Executive Officer. The first exemption is for delays in either bus delivery or infrastructure implementation suggest the need to delay bus purchases. The second is if available BEB technologies cannot meet a transit agency’s daily mileage needs; this is the one that the RTA could likely seek given our current operating profile and current BEB range projections. The third is if available BEBs do not have adequate gradeability performance – which could be the case with traversing the steep and arduous Cuesta Grade on RTA Route 9. The fourth exemption is if the appropriate vehicle weight class is not available for purchase. The fifth and final exemption is due to financial hardship under an RTA Board-declared fiscal emergency. Staff will closely monitor available technologies as the existing fleet nears the end of each vehicle’s economically useful life.

Transit Electrification Study

While the goals of the ICT will result in important public health benefits to each community and possible life-cycle operating cost savings, it also brings complex challenges that will require collective efforts by almost every jurisdiction to fully deploy BEBs. Staff recommends that SLOCOG undertake a comprehensive Transit Electrification Study, which could also help develop a boilerplate Joint Zero-Emission Bus Group agreement that could be considered by each transit agency in the region. Staff will work with SLOCOG staff to develop a suitable scope of work and assist in identifying outside funding opportunities to conduct this important study.

Summary

The attached Vehicle Purchasing Policy provides two important first steps: 1) laying out the commitments that the RTA must make to meet the ICT fleet rule requirements, and 2) establishing methodologies for determining if anticipated technologies meet our needs when the first round of zero-emission buses should be purchased in 2026. With regard to the latter, if we determine that available technologies do not meet our needs, we can seek the one or more “off-ramp” petitions detailed above.

STAFF RECOMMENDATION:

1. Adopt the attached *RTA Policy and Procedures for the Purchase of Low- or Zero-Emission Vehicles* document.
2. Seek outside funding to jointly develop a regional transit electrification plan with SLOCOG and other transit agencies in the region.
3. Seek to develop a Joint Zero-Emissions Bus Group, including ratification of a multi-agency agreement.

RTA POLICY AND PROCEDURES FOR THE PURCHASE OF LOW- OR ZERO-EMISSION VEHICLES

March 6, 2019

The San Luis Obispo Regional Transit Authority (RTA) is committed to being an environmentally and economically sustainable agency that uses resources efficiently and minimizes waste. The RTA remains committed to managing and conserving natural resources in an equitable manner for present and future generations of residents and visitors who benefit from our public transportation services.

The RTA recognizes that fleet assets account for a significant contribution to the region's overall greenhouse gas and other regulated emissions. The RTA further recognizes that tailpipe emissions can be reduced, possibly along with vehicle fuel and maintenance costs, through the purchase of alternatively-fueled vehicles. The RTA's fleet includes light-duty non-revenue vehicles and pieces of equipment, as well as both medium- and heavy-duty revenue vehicles.

The purpose of this policy is to document the process for purchasing and managing the RTA's diverse vehicle fleet in a manner that meets the December 17, 2018 California Innovative Clean Transit (ICT) fleet rule's goals of minimizing greenhouse gas emissions while also carefully considering life-cycle economics.

I. Policy to Purchase Low- or No-Emission Vehicles

The RTA shall make every effort to purchase and use the lowest emission vehicle possible, while taking into account the vehicle's life-cycle costs and the ability to support the agency's operations and services. This covers both replacement and expansion fleet vehicles, including those used for revenue and non-revenue purposes. The RTA also commits to operating a zero-emission fleet by 2040 in order to meet the ICT fleet rule.

The objectives of this policy are to:

1. Optimize the fleet size – eliminate or redeploy unused or under-utilized vehicles.
2. Purchase fleet vehicles that provide the best available net reduction in vehicle fleet emissions, including, but not limited to, the purchase of alternative fueled vehicles. Alternative fueled vehicles are defined as those powered in whole or in part by non-petroleum-based fuels.
3. Reduce emissions of carbon dioxide (CO₂), a critical greenhouse gas produced through combustion of fossil fuels by making reduced CO₂ emissions a critical purchase criterion.

4. Reduce emissions of carbon monoxide (CO), nitrogen oxides (NOX), and particulate matter (PM) – all pollutants produced by combustion of fossil fuels that endanger public health.
5. Implement concurrent programs using advanced emission controls on all RTA owned or operated vehicles.

II. Procedures to Evaluate Vehicle Purchase Alternatives

All RTA vehicle and equipment purchases must comply with California Air Resources Board requirements and United States Environmental Protection Act requirements. For revenue vehicles that will be funded with Federal Transit Administration funds, staff will ensure compliance with Altoona Bus Testing Program requirements and Buy America requirements.

To the extent possible, the RTA shall seek to purchase the lowest emitting technology possible. As part of this evaluation process, staff shall undertake the following steps as part of the evaluation process:

1. Determine if a vehicle or piece of equipment approaching the end of its economically useful life must be replaced, or whether existing resources can instead be redeployed. If the latter, staff will follow procedures in the *Surplus Equipment and Supplies Disposal Standards* section of the RTA Purchasing Policy.
2. If it is determined that a new vehicle or piece of equipment is necessary, staff will gather information on available technologies and whether those technologies can be implemented using existing infrastructure. Infrastructure includes existing fueling capabilities, tooling and storage needs. Staff will also determine what new training resources are necessary for vehicle/equipment operators, technicians and for supervisory oversight.
3. To the extent possible, reducing the vehicle size will be considered to achieve increased fuel efficiency and/or lower emissions, as long as the resulting smaller vehicle also fulfills its required function.
4. A staff report will be presented to the RTA Board that quantifies the estimated life-cycle costs of each technology being considered, based on known current-year costs. The life-cycle costs include the initial purchase price, the upfront infrastructure costs (spread out over the number of vehicles being considered), and any changes to on-going operating costs for the life of the vehicle or piece of equipment. The staff report will also present staff's recommendation on the technology the RTA should pursue, including whether outside agency funding may be available to cover the potential incremental costs for an alternative fuel version of a vehicle or piece of equipment and/or related infrastructure costs.

III. Exemptions to Policy

The RTA Board may grant an exemption from the requirements of this Policy under any one of the following circumstances:

1. Where there is no model of motor vehicle or motorized equipment available that will comply with the requirements of this Policy and still meet the specifications for its intended purpose.
2. Where the analysis demonstrates each of the following:
 - a. That any amortized additional incremental cost of purchasing a lower emission vehicle and associated capital infrastructure that complies with the requirements of this Policy cannot be recovered over the operating life of the vehicle or piece of equipment through a reduction in fuel, maintenance, and other costs incurred during the operating life of such vehicle or equipment; and
 - b. That staff has unsuccessfully applied for, or attempted to identify grant funding for, the purchase or lease of the vehicle or piece of equipment that complies with the requirements of this Policy from outside sources.
3. Where the use of a vehicle or piece of equipment that complies with the requirements of this Policy would significantly disrupt operations or reduce service levels.

In the case that the RTA Board identifies an exemption, staff shall submit an exemption request to the California Air Resources Board Executive Officer. If granted, staff shall purchase or lease the model of vehicle or piece of equipment that will meet the specifications and has the highest fuel efficiency and lowest available emissions ratings available for the type of vehicle or piece of equipment specified, provided the cost is within a reasonable range of the cost of a vehicle meeting the specifications but having higher emissions ratings. If the ARB Executive Officer denies the exemption request, staff will bring the matter back to the RTA Board for consideration of next steps.

IV. Reporting Requirements

Beginning March 31, 2021, and continuing every year thereafter through March 31, 2050, the RTA must annually submit a compliance report meeting the requirements of this section for the prior calendar year. The initial report must be submitted by March 31, 2021, and must include the number and information of active buses in the transit agency's fleet as of December 31, 2017.

The annual reports must include the following information:

1. Transit agency information:
 - a. Name of the transit agency;
 - b. Transit agency mailing address;
 - c. National Transit Database (NTD) identification number;
 - d. Name of related Metropolitan Planning Organization (MPO);
 - e. Air district;
 - f. Air basin;
 - g. Joint Group Number (if applicable);
 - h. Name of contact person;
 - i. Contact e-mail address;
 - j. Contact title; and
 - k. Phone number.
2. Information on each bus purchased, owned, operated, leased, or rented by a transit agency, including the following:
 - a. Information on vehicle:
 - i. Vehicle identification number (VIN);
 - ii. License plate;
 - iii. Transit agency fleet's own vehicle ID;
 - iv. Ownership type (owned, leased, rented);
 - v. Make;
 - vi. Model;
 - vii. Bus type;
 - viii. Bus length;
 - ix. Chassis (if applicable);
 - x. Bus fuel type;
 - xi. GVWR;
 - xii. Manufacture year;
 - xiii. Propulsion technology type;
 - xiv. Vehicle status (active, emergency contingency, or retired);
 - xv. Date in-service; and
 - xvi. Bus retired date.
 - b. Information on engine and propulsion system:
 - i. Engine manufacturer;
 - ii. Engine model;
 - iii. Engine model year;
 - iv. Engine family name;
 - v. Engine cylinder displacement size (liters);
 - vi. Battery rated capacity or energy level (kWh);

- vii. Bus charging strategy type (in-route, depot, or combination);
 - viii. Fuel cell system manufacturer;
 - ix. Fuel system model; and
 - x. Fuel system rated power (kW).
- c. Information on bus purchases: Quantity of zero-emission and conventional internal combustion engine buses purchased in the calendar year and their status as new or used, effective date of a Notice to Proceed, and actual or expected bus delivery date; and
- d. Information on converted buses: Quantity of buses fully converted to zero-emission from conventional internal combustion engine buses in each calendar year.

Each transit agency subject to the requirements of a Joint Group must report the same information as required under this section using the assigned Joint Group Number.

V. Training and Compliance Requirements

Upon adoption by the RTA Board of a new vehicle propulsion technology, the RTA expects that all staff will take all reasonable measures to implement the new technology in a timely manner. This includes complying with industry norms for training, and efficient operation and safe maintenance of the vehicles. Any employee failing to comply with these measures will be subject to disciplinary action, including termination.

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San Luis Obispo Regional Transit Authority

Executive Committee Meeting

Draft Minutes 10/10/2018

C-1

Members Present: Tom O'Malley, President
Lynn Compton, Past President

Members Absent: Dan Rivoire, Vice President

Staff Present: Geoff Straw, Executive Director
Tania Arnold, Deputy Director and CFO
Tim McNulty, County Counsel

Also Present: Eric Greening
Steve Martin, Mayor of Paso Robles

1. Call to Order and Roll Call:

President Tom O'Malley called the meeting to order at 12:08 p.m. A silent roll call was taken and a quorum was present.

2. Public Comments:

Mr. Eric Greening, noted that Route 9 southbound on a Sunday did not show up, and the next available bus would appear in 4 hours. In addition, next Tuesday, the Board of Supervisors have on their agenda "approval of mitigated negative declaration for bridge replacement project" where El Camino crosses Santa Margarita creek. **Mr. Greening** inquired if RTA been approached by the County on the impacts and possible delays. **Mr. Geoff Straw** said no, he will check with James Shafer. **Mr. Greening** said as part of mitigation drivers should be compensated for overtime if delays will be major.

3. Information Items:

A-1 Executive Director's Report

Mr. Straw after applying for multiple grants for the garage project, we've finally received a grant for 6.3 million. We showed a real need for the project and got great support. We're in the middle of a new design for the bus garage, consultants on site today for "design charrette". Partners can attend today 4pm-6pm and tomorrow 3pm-5pm. Discussion followed regarding parking for new facility. Update on Transit center should have 90% plans by the end of the month.

Ms. Tania Arnold discussed recruitment of new bus operators. We have one candidate in training and five in the queue to begin training. **Ms. Lynn Compton** asked what entails getting candidates in training and how long that takes. **Ms. Arnold** explained the process of hiring a driver from application to training. Discussion ensued regarding bus operator's pay, etc. **Mr. Straw** mentioned Phil Moore vacating the position of operations manager for a new position with Eastern Sierra Transit Authority in Bishop, CA. October 26th will be his last day. **Mr. Greening** asked if Employee of the Quarter BBQ will also be a goodbye party for Phil Moore. **Mr. Straw** said no because he will already be gone; EOQ will be November 2nd at South County.

Mr. Greening asked about status of integration with South County; **Mr. Straw** noted we are meeting with the union Thursday and Friday of next week.

4. Action Items

B-1 Fiscal Year 2018-19 Capital Budget Amendment

Ms. Arnold discussed the capital budget amendment. Computer systems upgrades, maintenance tools, and Token Transit system (mobile pass app). She provided an update on Token Transit, which is expected to be rolled out December 15, 2018. Bus stop improvement plans will be put out to bid. Majority of other funds will be directed to the design of the new maintenance facility, which will also most likely roll over into fiscal year 2019-2020. **Mr. Pete Rogers** asked about why the \$6.285 million is not included in capital budget amendment. **Ms. Arnold** explained that the grant we received is new funding that is not a part of roll over budget money. **Ms. Compton** asked about \$22,000 for Nipomo short range transit. **Ms. Arnold** clarified that this funding is for Nipomo Dial-a-Ride. **Mr. Greening** asked about the deadline when we need to use the new grant funds. **Mr. Straw** noted, 3 years.

President O'Malley opened public and Committee comment.

President O'Malley closed public and Committee comment.

Ms. Compton moved approval of action item B-1 and seconded by **President O'Malley**. The motion carried on a voice vote.

5. **Consent Agenda Items**

C-1 Executive Committee Meeting Minutes of September 12, 2018

Vice President Rivoire moved approval of consent agenda and seconded by **President O'Malley**. The motion carried on a voice vote.

6. **Agenda Review:**

Mr. Straw reviewed RTA Board Agenda items for the November 7, 2018 meeting.

President O'Malley asked Mr. Straw to elaborate on the KNN agreement and requested that staff move the item to an action item. He also asked Jim Hamilton from the County can speak about it.

7. **Adjournment:** **President O'Malley** adjourned RTA Executive Committee meeting at 12:48 p.m.

Respectfully Submitted,

Acknowledged by,

Chelsea Fowler
Administrative Assistant

Tom O'Malley
RTA President 2018