

Minutes

RTA Operational Planning & Infrastructure Committee Meeting 9:20 a.m., June 5, 2018

Present: Welo (Chair), Britt, Clough, Elkins, Lucas, McCall, Moss, Nardi, Norton, Serrano

Not present: None

Also Present: Becker, Benford, Brooks-Williams, Calabrese, Castelucci, Caver, Dangelo, Davis, Feke, Feliciano, Ferraro, Fields, Foley, Garofoli, Gautam, Jaszczak, Kirchmeir, Kirkland, Krecic, Loh, Metcalf, Miller, Raguz, Raphael, Schipper, Scott, Sutula, Tarka, Vukmanic, Zeller

Mayor Welo called the meeting to order at 9:20 a.m. The secretary called the roll and reported that five (5) committee members were present.

Environmental Sustainability Management System (ESMS)

Tom Raguz, executive director of the Office of Management and Budget, made the presentation. Tom spoke to Chair Welo about the agenda items. She is excited about the solar presentation. This is the semi-annual update. No action is required. ISO 14001 is the International Organization for Standardization that sets requirements and practices in the effective leadership management system. ISO 14001 is a set of standards outlining the best practice in environmental management systems. RTA adopted these standards and currently maintain certification under the 2004 Standards at the Fleet Management Central bus facility Maintenance. The goal of the program is to incorporate multi-site certifications at the organization level. The outcomes of the program include mitigation of environmental risk, improved operational processes and mitigation of waste and financial benefits.

From inception to date since 2014, it has yielded \$200K in cost savings. At the end of last year, the management representative shifted from Mike Schipper, DGM of Engineering & Project Management to Tom. The ISO 14001 2015 standards for organizational framework protects the environment and is responsive to socio-economic needs in the region. The program integrates sustainability, protecting the environment, performance excellence and life cycle analysis into existing business practices. Fleet Management is certified under 2004 Standards and will be recertified under 2015 standards next week.

Site specific program updates include Fleet Management which is ready for certification. Their audit is ongoing June 12-14. Hayden and Triskett are ready for certification. They will have their audit scheduled for 2019. Main Office has started the on-boarding process, which is to establish a core team. It will go forward in the next month. Paratransit and Woodhill are scheduled for on-boarding in 2019 for certification in 2020. Rail will onboard in 2021 for 2022 certification. Each district identified significant aspects. Fleet Management has identified electricity consumption (3% reduction), aerosol paints (5% reduction) and spill prevention. Triskett identified electricity consumption (5% reduction), used rags (5% reduction), biohazard waste and aviary excrements (5% reduction). Hayden identified waste cardboard, office paper, oil filters, scrap metal and water consumption. Main Office has not selected its significant aspects.

Corrective action request are actions to eliminate non-conformity and to prevent non-re-assurance or auditor findings. Overall through the program, 69 corrective actions were closed and 11 still open. Of the 11, ten are applicable to 2017. Twelve corrective action request were closed in 2017. Actions required through December 2018 include CBM's certification and recruiting for a Project Specialist position in the Office of Management & Budget. The position will be responsible for the documents

and provide support for the districts. An OMB analyst handled this function in the past. Seventy percent (70%) of the position will relate to this program. Actions required through January 2019 is to get the Main Office building up and running and to get it certified in 2019 along with Triskett and Hayden to be certified in 2019. There were no questions.

Interagency Agreement regarding solar energy

Tom Raguz, executive director of the Office of Management and Budget, made the presentation. Mike Foley, the director with the Department of Sustainability at Cuyahoga County is here today to answer questions. This presentation is exploratory. Nothing has been agreed to. In November 2017 a Renewable Energy Committee was established to explore the possibility of solar as a renewable energy source and site selection. Representatives from various RTA departments serve on this committee. Benefits of solar is that it diverts electricity into solar, reduces energy costs, reduces and controls greenhouse gas emissions and energy independence and creates less reliance on normal utility products.

Three sites were identified for potential implementation in the first phase. They are Triskett, Paratransit and Euclid Park and Ride. The County Department of Sustainability was contacted related to their solar energy plans. Their goal is to partner with organizations in a joint procurement for solar energy. They also have a long-term vision of contributing to renewable and affordable energy for communities in Cuyahoga County. Benefits of a potential partnership with the County is purchasing power, leveraging County resources and intergovernmental collaboration. Other interested organizations include Cuyahoga County, City of Cleveland Heights, City of South Euclid, Metro Hospital, Metroparks and Tri-C.

A non-binding Letter of Interest (LOI) and a Memorandum of Understanding (MOU) is needed from RTA. The non-binding letter of interest currently entails that RTA will participate in a pre-bid conference during the RFP process, make a good faith effort to enter into a Power Purchase Agreement with the selected vendor and allow RTA to walk away if the conditions are not met. The MOU is in the discussion phase. Nothing has been decided, but it will be similar to the LOI. The Power Purchase Agreement (PPA) is a common financing tool that deals with procurement of solar. It's where the solar developer designs, finances, installs, owns and maintains the solar on RTA property; rooftop or ground. RTA will pay for electricity produced from the panel at a rate lower than the current electrical rate. If this goes forward, there would be a RFP process, vendor selection, contract negotiation on the rates and logistics, financial analysis as far as cost benefits analysis and finally the installation.

Staff request the approval of the Non-Binding LOI and MOU for Board approval at a future Board Meeting. They are currently in negotiations with the County with the two documents. Mayor Clough asked if all legal restrictions have been explored. Sheryl said that legal is working through the issues. Dawn Tarka added that they have provided RTA's standard terms and conditions to the county, but have not discussed the procedure for incorporating those into the RFP. But they have been clear with the County that any contract that RTA enters in will comply with RTA's terms and conditions. Joe added that if there are any issues with federal requirements and Buy America, they can walk away from the deal.

Mr. Nardi asked who the contract partners would be. Mr. Foley explained that the contract would be between RTA and the vendor. Today's effort is to pull as much buying power as possible from different local governments. It will be a group RFP. Vendors will respond with a price per kilowatt for selling solar to local governments on identified buildings. The County will work with RTA to make sure the legal part is put into place. RTA can come back at that point with a decision whether to go forward or not. It probably won't cover 100% of the electricity bill. It may be 50% or 60% at a lower rate

coming from the solar. The developer owns the panels and will pay for the installation. RTA will be their customer. RTA will be on the panel to select the vendor.

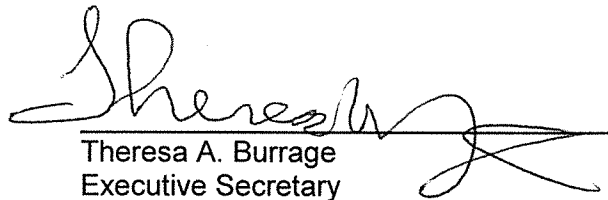
Mayor Elkins asked what the maintenance requirement will be and how long will it last. Mr. Foley said the developer is responsible for the operation and maintenance. There is a federal tax credit involved that the developers can take advantage of for 6 or 7 years. After year six or seven, the County or RTA may want to flip ownership of the panels. The RFP will request the cost to buy them at fair market value and the operating and maintenance cost. Mayor Elkins asked if the federal credits were pulled and the supplier files bankruptcy, would RTA be stuck. He is concerned that the state of Ohio and the federal government is not alternative energy friendly. Mr. Foley said that a 30% federal tax credit is in place until the end of 2019. It will step down to 27% in 2020 and 14% in 2021. The credits can be taken once the panels are put into service. One of the reasons they are doing this now is because they predict a run on panels prior to the end of the tax credits. They will look at the credentials of potential developers through the RFP process to ensure their longevity.

Mayor Elkins asked if RTA will be able to maintain the panels after the 6 or 7 years, or will it have to be contracted. Engineering advised that it either be outsourced or have personnel trained to handle. Currently personnel is not trained to do it, but could be transitioned over several years. Mr. Calabrese suggested that if there are multiple partners in the project, there could be one maintenance provider for all of the panels. Panels are warrantied for 25 years and can typically last longer. There is not a lot of maintenance involved. There are no moving parts to panels. Once a year, they may just need washing down. Mayor Welo asked for a motion to move this to the full Board. It was moved by Mr. Serrano, seconded by Mayor Welo and approved by unanimous vote.

Mayor Welo adjourned the meeting at 9:44 a.m.



Joseph A. Calabrese
CEO, General Manager
Secretary/Treasurer



Theresa A. Burrage
Executive Secretary