

Minutes

RTA Organizational, Services & Performance Monitoring Committee Meeting

9:02 a.m. June 5, 2018

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

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

Rev. Lucas called the meeting to order at 9:02 a.m. The secretary called the roll and reported that five (5) committee members were present.

Hayden CNG Operation and Maintenance Services

Dr. Floun'say Caver, deputy general manager of Operations and Shawn Becker, contract administrator, made the presentation. They will discuss the summary of the proposed award for the Hayden CNG Operations and Maintenance services contract. The CNG cost is comprised of three components. First, is the actual natural gas used in the production of the fuel. Second, is the electricity used to power the compression facility. Third, is the O&M cost for the upkeep and maintenance of the compression facility.

In 2017, the natural gas paid by RTA was \$869K. The electricity used to run the compression station was \$119K. The O&M cost was \$281K for a total fuel CNG cost of \$1.3 MI. The total fuel cost is evaluated internally in its unit cost, which is the cost of diesel gallon equivalent (DGE). This allows for a comparison across the country to diesel fuel. In 2017, RTA paid \$0.93 per DGE, which included all three components. During that same year, diesel cost for RTA was \$2.19, which resulted in a savings of \$1.26. The actual savings however is even greater because the federal government extended the CNG tax credit, which resulted in a \$0.56 credit, bringing the total cost with the credit for CNG to \$0.37 per DGE. As a result, the final reduction in cost was \$1.82 savings or 83% compared to diesel fuel for 2017. In 2018, the CNG cost per DGE, YTD has been \$0.83. During this same period the diesel fuel cost has been \$1.79 resulting in a \$0.96 differential of savings. Staff is waiting on a federal decision as to if the tax credit will be extended. If so, the final CNG cost for the year will be the actual cost minus \$0.56 DGE.

This proposed award is for the O&M portion of the CNG production stream. The O&M contractor will provide 24/7 monitoring of the CNG fueling station, emergency call out services, scheduled maintenance and emergency repairs, all labor, parts and consumables. The contractor and vendor will be responsible for all of the cost related to operating and maintaining the facility. Currently, 106 CNG buses operate out of Hayden. They run 70% of all of the mileage at the district. Later this year, 33 more buses will be added to the fleet, increasing the mileage and the district's reliance on CNG fuel. The current O&M contract will expire August 2018. The CNG fleet and commitment to it as a fuel continues to grow and thus displaces diesel miles. Staff is increasingly reliant on the ability to receive CNG uninterrupted. It is critical that the fueling and compression station is reliably maintained and provide 24/7 availability.

Disruption of the CNG process would be catastrophic because there is no back up facility. It would affect customers and ability to provide service from Hayden. The monthly O&M cost are estimated. First the number of CNG buses and their miles are estimated. Then the DGE is estimated that will be used to provide the projected mileage. Third the DGE volume is multiplied by the rate to get the monthly O&M cost.

This procurement is a sole source under ORC 306.43 H3 and H6. The vender, Trillium Transportation Fuels, LLC dba Trillium CNG was the original installer of the fueling station. They are the current provider of O&M service. They utilize a proprietary programmable logic control (PLC) which helps operate the fueling station. Procurement requested a proposal, April 27, 2018. One proposal was received May 24. The proposal was reviewed by staff. Their experience is a leader in CNG station construction and fuel distribution in North America. They have extensive work with public transit agencies and experience designing and building 160 stations. They have an extensive and experienced O&M team across 80% of U.S. They will provide a turnkey program customized to GCRTA's needs with 24/7 availability. There have been no preventable service interruptions to date. Their transit experience is with New York City Transit, PACE, Miami-Dade Transit and others. They have a 0% DBE goal.

The Authority gets a proposed rate, multiplied by the DGE for actual consumption each month. Staff originally projected a 20% increase, but the proposed rate is a 10% decrease in pricing. The \$0.185 per DGE will save the agency \$500K over the five-year term. The original estimate was \$2 MI. The contract will be for \$1.5 MI. Staff requests that the Organizational, Services & Performance Monitoring Committee recommend an award to Trillium Transportation Fuels, LLC dba Trillium CNG to provide Hayden CNG operations and maintenance services in an amount not to exceed \$1,500,000 for the five year term.

Mr. Nardi asked why there was a reduction in the rate. Shawn said there are CPI adjustments each year. The current rate is \$0.205. It went down to \$0.185 because they were able to spread the cost over the five-year period with their full-time staff serving other fueling stations throughout the area. Rev. Lucas mentioned that he toured the Hayden District. He thanked the staff. Rev. Lucas asked for a motion to move this to the full Board. It was moved by Mr. Nardi, seconded by Mayor Clough and approved by unanimous vote.

Quarterly Management Report

Joseph Calabrese, CEO, general manager, secretary-treasurer, made the presentation. The first quarter of 2018 was very positive. It began with a service change March 11 that connected customers to more jobs by changing 15 of 52 bus routes, saving \$4 MI per year annually. Thirty new paratransit buses were put into service. The FTA sponsored pilot program began and is enhancing pedestrian safety. Equipment was installed on 24 vehicles and three intersections. So far the results have been positive. Two funding grants were received in support of CNG fueling. One grant is to put CNG fueling at Triskett. The other is to offset the differential cost of CNG vehicles versus the diesel vehicles. Harvard garage and Brooklyn garage were sold off. The sell will save RTA \$850K per year in operating cost. The net proceeds of \$4.4 MI went into the rail car fund.

He met with people from Cleveland City Council, County Council and Mayors & Managers to discuss RTA needs and priorities. Nick Biggar was promoted to the district director position at Hayden as a part of succession planning. Biggar recently graduated from APTA's Emerging Leaders program and was named one of OPTA's 40 under 40. Staff exceeded the Harvest for

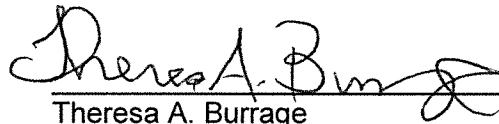
Hunger Campaign goal by 44.61%. There has been a lot of talk about RTA's fiscal management. Over the last five years, RTA has finished \$88.4 MI better than budget. That's \$17.7 MI per year on average. The tax payer's money is being managed positively. General Fund revenue year end receipts are projected to be at budget. General Fund expenses are projected to \$5.5 MI under budget year end. Staff will not meet the 25% return on fare revenue. It will be at 18.7% which is above the 18.2% in the amended budget. Cost per hour of service is 0.3% well under the cost of living adjustments of 0.2%. Operating reserve target is 30 months. They project 1.9 months by year-end. Debt coverage ratio goal is 1.5%. We're at 3.29%.

Capital is going well, running under budget. Performance measures are on target, serving 21 customers per hour for bus and 62 customers per hour for rail. Preventable accidents and collision rates were better than the TEAM goals. Reliability is up 25.36% over last year. On-time performance is 13.42% better than last year. Customer satisfaction and attendance has also improved. The DBE goal is 21.3%. The last quarter finished 24.2%. He thanked the staff for their hard work.

Rev. Lucas adjourned the meeting at 9:20 a.m.



Joseph A. Calabrese, CEO
General Manager/
Secretary-Treasurer



Theresa A. Burrage
Executive Secretary