

Minutes

RTA Organizational, Services and Performance Monitoring Committee Meeting

10:06 a.m., August 10, 2021

Committee Members: Byrne (Chair), Moss (Vice Chair), Duarte, Weiss

Other members: Joyce, Koomar, Lucas, McCall **Not present:** Pellot, Serrano

Staff: Becker, Benford, Bitto, Burney, Capek, Catalusci, Caver, Coffey, Dangelo, Davidson, Dimmick, Feke, Feliciano, Fields, Freilich, Gautam, Johnson, Jones, Kirkland, Lincoln, Martin, Mothes, Petit, Schipper, Sutula, Talley, Togher, Ulrich, Walker-Minor

Public/External Presenters: Colliers, Gibbons, Jurca, Sklemar, Wright

The meeting was called to order at 10:06 a.m. There were four (4) committee members present.

This meeting was live-streamed on RTA's Facebook page (www.facebook.com/rideRTA) for staff and members of the public. Members of the public were allowed to attend in-person.

Based on Centers for Disease Control (CDC) guidance to continue to avoid large events and gatherings and Ohio Department of Public Health advice that businesses and other entities may continue to require mitigation measures, as well as RTA's interest in protecting community and employee health and safety, several measures were put in place for in-person attendance, which are spelled out on the meeting notice.

RFP Procurement for Gas Supply

Natalie Ulrich, Energy Manager and Shawn Becker, Contract Administrator, gave the presentation. This is the project overview for the Natural Gas Supply Procurement.

The Authority utilizes natural gas to fuel 164 CNG buses, and to heat facilities and water. The CNG bus fleet will be growing over the next few years.

- 31 Accounts and meters:
 - 2 CNG fueling stations (Hayden began fueling mid-August 2015 + Triskett will be fueling by Dec. 2021 and March 2022)
 - 6 Large facilities (Garage/Maintenance) Central Rail. CBM, Woodhill, Paratransit, Hayden and Triskett
 - 23 Other (RTS, Transit Ctr., MOB, Bus Loops etc.)

We are moving more passengers with CNG. We produce CNG on site. We take Natural Gas, compress it and use it as fuel. Back in 2014, we used 4.8 million gallons of diesel fuel. She estimates for 2021, we will use 1.6 million, reducing the consumption by 3.2 million gallons. CNG is cleaner and less to fuel. The all-inclusive cost of CNG is the natural gas, electricity to run the compressors and the compressor operations and maintenance. In 2020, the average diesel gallon equivalent was \$.75 a gallon. With the Alternate Fuel Tax Credit, that was reduced to \$.19 per gallon. Currently we use 64% for bus and 36% for facilities

Estimated MCF Usage - 2021

1. CNG Buses 246,000 MCF (64%)
2. 29 Facilities 137,000 MCF (36%)

When we get natural gas, we pay two different entities. First is the utility, which is Dominion East Ohio. They bring the gas from the City gate to our meter. We also pay the supplier, which this procurement is pertaining to.

- Supplier Billing Components:
 1. Basis – Fixed Supplier Charge (this is what they are locking in)
 - Interstate Transportation
 - Pooling Fee
 - Risk Premium
 2. Natural Gas Commodity

With this supplier contract they will lock in basis, which will provide the ability to fix Natural Gas commodity prices. They can lock a portion of the volume at a fixed price. The price is based on NYMEX prices. NYMEX is a commodities futures exchange. We are not buying the future. Doing so will provide budget stability and smoothing out sharp price variances that can be triggered by weather, storage and production levels.

The RFP was issued May 10, 2021. Notifications were sent to ten (10) potential proposers. It was accessed on the GCRTA website by ten (10) interested parties. The evaluation panel consisted of various departments using select criteria. Procurement is still in the evaluation process. They are negotiating executable contracts with all shortlisted proposers. Due to the volatility of the energy market, firms can only hold pricing for a very short time. Best and final offers for updated pricing will be received August 23, 2021 for the basis portion. Staff plans to bring a recommendation to the Board of Trustees at their August 24, 2021 meeting.

Mayor Weiss asked for the length of the contract and pricing. Shawn said it is for 3 years to lock in the basis with two, one-year options. Natalie will monitor the market over time and can lock in the commodity at any point once the contract is executed. She can lock in a little or all of it. If they execute the contract the day of the meeting because they can only hold pricing short, the three-year base period could be locked in next week or next month based on the NYMEX. If they didn't do this strategic procurement, we'd be subject to the market at the time we're using the commodity. This allows us to monitor the market, see favorable pricing and know what we will spend for the three-year period. Natalie said they speak with various experts to see where they think the market might be. We have to tell the supplier how much we're going to use. We lock in the percentage we want at the time we want. If we didn't have a contract and the price goes up, then that's what we pay.

Ms. Birdsong added that staff is being proactive about projects and making sure that transportation is supported and not nearing the end of useful life and making sure the operational part is the concern from the beginning. Chief McCall congratulated the staff on making a comprehensive presentation. Mayor Byrne concurred.

It was moved by Mayor Weiss, seconded by Ms. Duarte and approved to move this to the full Board.

The meeting was adjourned at 10:18 a.m.


Rajan D. Gautam
Secretary/Treasurer


Theresa A. Burrage
Executive Assistant