



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS MEETING MINUTES*
OCTOBER 25, 2024 – 9:00 AM**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) convened on Friday, October 25, 2024, as a hybrid meeting.

The Board Meeting agenda packet can be found online at www.SCMTD.com. *Minutes are “summary” minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

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1 CALLED TO ORDER at 9:00 AM by Board Chair Brown.

2 SAFETY DEBRIEF

Gregory Strecker, Safety, Security & Risk Management Director, provided a debriefing on safety, emphasizing METRO’s response to a fire, earthquake and/or medical emergency, evacuation routes, and an active shooter situation.

3 ROLL CALL

The following Directors were **present**, representing a quorum:

Director Kristen Brown	City of Capitola
Director Rebecca Downing	County of Santa Cruz
Director Jimmy Dutra*	City of Watsonville
Director Shebreh Kalantari-Johnson	City of Santa Cruz
Director Manu Koenig	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Bruce McPherson	County of Santa Cruz
Director Scott Newsome	City of Santa Cruz
Director Larry Pageler	County of Santa Cruz
Director Quiroz-Carter** AR 9:16	City of Watsonville
Director Mike Rotkin	County of Santa Cruz
Ex-Officio Director Alta Northcutt	Cabrillo College
Ex-Officio Director Edward Reiskin	UC Santa Cruz

*Attended via teleconference at 275 Main Street, Watsonville, CA

**Attended via teleconference at 628 Crown Road, Santa Cruz, CA

Corey Aldridge
Nicole Witt

CEO/General Manager
General Counsel

4 ANNOUNCEMENTS

- 4.1 Today's meeting is being broadcast by Community Television of Santa Cruz County.
- 4.2 Hector Guzman of Language Line Services provided Spanish interpretation services.

5 BOARD OF DIRECTORS COMMENTS

Ex-Officio Director Northcutt announced that Cabrillo College now celebrates Indigenous Peoples Day which fell on September 27, 2024. Also, Cabrillo is in its last year of the METRO contract. Students will vote in April 2025 with the METRO contract included in that vote. If anyone is interested in tabling to provide information to the students, please contact her. Cabrillo is finalizing its housing development plans and will take it to Cabrillo's Board in November. This project is on schedule for a 2027 opening.

Director McPherson mentioned the new route structure from Watsonville to Santa Cruz and asked how the timelines were performing. John Urgo, Chief Planning and Innovation Officer, spoke to the Route 1, 2, and 90X schedules. Those routes provide eight buses an hour running between Watsonville and Santa Cruz providing more frequency and service. Consent Agenda Item 9.10 is about a grant application to fully fund all the rapid corridors' bus stops and other improvements to improve travel time and reliability.

Director Lind commended staff on pulling together the Bus Roadeo. There were a lot more people participating in the event, which was nice to see. It was fun to be a part of it. Director Pageler echoed these sentiments.

Hearing nothing further, Board Chair Brown moved to the next agenda item.

6 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

A member of the public relayed a recent ride experience with ParaCruz and saw firsthand METRO's safety training in action. The Paratransit Bus Operator remained calm and took measures to make sure passengers were always safe while communicating with Dispatch on the situation.

A member of the public expressed concerns on: 1) acquiring bathrooms for the downtown stop by Front Street; 2) providing more bus shelters to protect riders from the elements; 3) Bus Operators being identified by a number rather than their name; 4) promoting the sales tax measure so the community can support it; and 5) Board of Directors riding the bus on a regular basis.

Eduardo Montesino, Temporary Reimagine METRO Recruitment and Training Coordinator, encouraged the Board to rotate its 2025 meeting locations.

Hearing nothing further, Board Chair Brown moved to the next agenda item.

7 LABOR ORGANIZATION COMMUNICATIONS

Olivia Martinez, SEIU Region 2 Director, expressed concern that the Board may have committed a Brown Act violation. At the last Board meeting, a motion was made requesting the management wage scale study be added to this agenda. However, that did not occur and SEIU is consulting its attorneys if this is a Brown Act violation.

Nicole Witt, General Counsel, responded that she'd review the circumstances around this situation and report back to the Board.

Hearing nothing further, Board Chair Brown moved to the next agenda item.

8 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Having none, Board Chair Brown moved to the next agenda item.

CONSENT AGENDA

All items appearing on the Consent Agenda are recommended actions which are considered to be routine and will be acted upon as one motion. All items removed will be considered later in the agenda. The Board Chair will allow public input prior to the approval of the Consent Agenda items.

- 9.1 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF SEPTEMBER 2024
Chuck Farmer, Chief Financial Officer
- 9.2 ACCEPT AND FILE MINUTES OF:
A. SEPTEMBER 27, 2024 BOARD OF DIRECTORS REGULAR MEETING
Corey Aldridge, CEO/General Manager
- 9.3 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS
Gregory Strecker, Safety, Security and Risk Management Director
- 9.4 ACCEPT AND FILE: THE YEAR-TO-DATE MONTHLY FINANCIAL REPORT AS OF SEPTEMBER 30, 2024
Chuck Farmer, Chief Financial Officer
- 9.5 APPROVE: CONSIDERATION OF REAPPOINTMENTS TO THE METRO ADVISORY COMMITTEE (MAC)
Corey Aldridge, CEO/General Manager
- 9.6 APPROVE: CONSIDERATION OF AUTHORIZING FUNDING FOR ONE (1) ADDITIONAL SENIOR FINANCIAL ANALYST IN THE FINANCE DEPARTMENT
Kristina Mihaylova, Finance Deputy Director
- 9.7 APPROVE: CONSIDERATION OF AUTHORIZING FUNDING FOR ONE (1) ADDITIONAL FLEET MAINTENANCE SUPERVISOR IN THE MAINTENANCE DEPARTMENT
Dawn Crummié, Chief Human Resources Officer
- 9.8 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO CFM ADVOCATES FOR FEDERAL LEGISLATIVE REPRESENTATIVE SERVICES NOT TO EXCEED \$239,151
Corey Aldridge, CEO/General Manager
- 9.9 APPROVE: AUTHORIZE THE CEO/GENERAL MANAGER TO EXECUTE A SUBAWARD AGREEMENT WITH CALIFORNIA'S ALLIANCE FOR RENEWABLE CLEAN HYDROGEN ENERGY SYSTEMS (ARCHES) H2 LLC AND TAKE SUCH OTHER ACTIONS AS MAY BE NECESSARY TO RECEIVE GRANT FUNDS IN AN AMOUNT UP TO \$25,000,000
Derek Touns, Deputy Director of Planning and Innovation

9.10 APPROVE: CONSIDERATION OF ADOPTING A RESOLUTION TO AUTHORIZE THE CEO/GENERAL MANAGER TO SUBMIT A GRANT APPLICATION AND EXECUTE AN AGREEMENT TO RECEIVE FUNDS FROM THE CALIFORNIA TRANSPORTATION COMMISSION (CTC) SENATE BILL 1 (SB1) SOLUTIONS FOR CONGESTED CORRIDORS PROGRAM (SCCP) FOR IMPLEMENTING RAPID BUS ENHANCEMENTS ALONG THE ROUTE 1 AND 2 CORRIDORS

John Urgo, Chief Planning and Innovation Officer

Director Dutra requested Item 9.8 be pulled for further discussion.

There were no public comments.

Hearing nothing further, the Board Chair called for a roll call vote.

ACTION: MOTION TO APPROVE THE CONSENT AGENDA, EXCLUDING ITEM 9.8, AS PRESENTED

MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR LIND

MOTION PASSED WITH 11 AYES (Directors Brown, Downing, Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, Quiroz-Carter, and Rotkin).

REGULAR AGENDA

Item 9.8 previously pulled from the Consent Agenda for further discussion.

9.8 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO CFM ADVOCATES FOR FEDERAL LEGISLATIVE REPRESENTATIVE SERVICES NOT TO EXCEED \$239,151

Board Members raised the following concerns:

- How the other proposers ranked in the selection process and cost-wise, where did CFM Advocates (CFM) align. CEO Aldridge said Capital Edge ranked third out of the four RFP submittals. It was the least expensive, followed closely by CFM.
- What other factors were evaluated? CEO Aldridge responded that qualifications, experience, and staffing were the key factors.
- Choosing a firm that the Board is not familiar with.
- Which METRO departments reviewed the applications? CEO Aldridge commented that Communications and Marketing, Planning and Innovation, Finance, Operations and Administration were involved with reviewing and ranking the submittals.
- Going forward, it was requested that regional knowledge be part of the evaluation process for this type of contract. It was noted that Capital Edge partners with various entities within Santa Cruz County. Others agreed that regional knowledge is important but shouldn't be the determining factor.
- Standards should be set on METRO's expectations and regular meetings (at least once a month) should be arranged to stay on top of issues affecting METRO.
- Arranging meetings with Congressional leaders.

- Revising the contract to a one-year term and reevaluating when that term expires to either extend the contract if it is in the agency's best interest or cancelling the solicitation and reissuing the RFP. Legal Counsel Witt cautioned that changing the ranking process after the fact is risky and could be challenged.

Public comments centered on choosing a consultant that has diverse staffing to relate to the needs of our Santa Cruz communities, providing the same benefits and resources that the current consultant provides, and if it is reasonable to have the committee consider these new details.

CEO Aldridge added that CFM is not a large firm, so METRO won't become just a number. METRO will be working directly with Joel Rubin, a CFM partner who oversees the firm's DC-based Federal Affairs team. CFM was instrumental in the passage of the IIJA (Infrastructure Investment and Jobs Act) package. They are the lobbyists of the national bus coalition and pushed for additional funding for buses. CEO Aldridge noted that he has full confidence in Mr. Rubin's ability to represent METRO at a high level.

Hearing nothing further, Board Chair Brown asked for a roll call vote.

ACTION: MOTION TO AWARD A CONTRACT TO CFM ADVOCATES FOR FEDERAL LEGISLATIVE REPRESENTATIVE SERVICES FOR A ONE YEAR BASE TERM WITH OPTIONS TO EXTEND FOR AN AMOUNT NOT-TO-EXCEED \$79,717

MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR KALANTARI-JOHNSON

MOTION PASSED WITH 8 AYES (Directors Brown, Downing, Kalantari-Johnson, Koenig, Lind, Newsome, Pageler, and Rotkin). Directors Dutra, McPherson, and Quiroz-Carter rejected the motion.

- 10 PRESENTATION OF EMPLOYEE LONGEVITY AWARD FOR SEPTEMBER:
(20 YEARS) ESMERALDA ARIAS, CUSTOMER SERVICE REPRESENTATIVE
(20 YEARS) PAUL CAMACHO, DISPATCHER / SCHEDULER*
(20 YEARS) MIGUEL ESCARCEGA, JR., PARATRANSIT OPERATOR*
(20 YEARS) ALMA GUTIERREZ, PARATRANSIT OPERATOR
(20 YEARS) ROBERT MALDONADO, BUS OPERATOR*
(20 YEARS) LUIS ROCHA, MECHANIC II
(20 YEARS) BRENDA ROMAN, PARATRANSIT OPERATOR*
(20 YEARS) DANIEL ZARAGOZA, DEPUTY DIRECTOR OF OPERATIONS*
(20 YEARS) ISRAEL ZARAGOZA, PARATRANSIT OPERATOR
(40 YEARS) MARIO ESPINOZA, BUS OPERATOR***

*Signifies those present to receive their certificates in person.

Board Chair Brown read a bio on Daniel Zaragoza. Mr. Zaragoza thanked everyone in attendance and commented that working at METRO has provided him the opportunity to serve his community. He has enjoyed his tenure with METRO because he works with great people every day.

Mario Espinoza thanked Judy Souza because if it weren't for her, he wouldn't be here today. She was a kindhearted person and provided him a chance to work at

METRO. He loves what he's doing and plans to keep it up until he can't perform anymore. He thanked the Board for the warm recognition.

Brenda Roman thanked Daniel Zaragoza for being a great boss and keeping his door open to talk about any issues that arise. She thanked those that make paratransit possible in our community; our clients appreciate the service. She also recognized Jaime Perez, a fellow co-worker who passed away during COVID, and said he would have been celebrating his 20 years with METRO today as well.

Robert Maldonado thanked everyone in the room but especially his co-workers throughout the years. We're like a family and our passengers are fantastic people.

Board Chair Brown congratulated all recipients on their dedication to METRO.

**11 RETIREE RESOLUTION OF APPRECIATION FOR:
CANDIS ALMANZA, PARATRANSIT SUPERVISOR
JOSE LEONEL HERRERA, PARATRANSIT OPERATOR
JESS MARTINEZ, FLEET MAINTENANCE SUPERVISOR**

Board Chair Brown congratulated all recipients on their retirement and thanked them for their service to METRO.

Director McPherson reminded attendees that ParaCruz is celebrating its 20th Anniversary on Friday, November 15, 2024, and encouraged Board Members to support this event.

Mr. Montesino thanked the Board for honoring these employees. They are the reason why METRO is such a great organization. We work together as a team, and it is one of the reasons we have success in hiring.

Nate Abrego, Bus Operator, thanked the Board on behalf of Ms. Almanza and Mr. Herrera. He worked with them for 15 years and expressed appreciation for their commitment to the agency. He also recognized Jaime Perez who personified everything that is ParaCruz and METRO. He brought that family vibe every day.

Hearing nothing further, the Board Chair called for a roll call vote.

ACTION: MOTION TO APPROVE THE RETIREE RESOLUTIONS OF APPRECIATION FOR CANDIS ALMANZA, JOSE LEONEL HERRERA, AND JESS MARTINEZ

MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR PAGELER

MOTION PASSED WITH 11 AYES (Directors Brown, Downing, Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, Quiroz-Carter, and Rotkin).

12 STATE LEGISLATIVE UPDATE FROM SHAW, YODER, ANTWIH, SCHMELZER AND LANGE

Michael Pimentel, Shaw, Yoder, Antwih, Schmelzer and Lange spoke to the presentation and acknowledged the 2023-24 legislative session ended August 31, 2024, and the 2025-26 session will begin in January 2025. Governor Newsom will release his proposed budget January 10, 2025, which will provide an update on the state's fiscal picture. He reviewed bills Governor Newsom signed into law. He discussed the Budget Act of 2024 and funding provided to transit (SB 125) along with the appropriations timeline extensions. He highlighted the Transit

Transformation Task Force created in December 2023 and its charter. He closed on two pieces of legislation (SB 960 and SB 1420) signed into law and how they could affect METRO's future.

Discussion followed on:

- Providing examples of goals of SB 960 requiring Caltrans to develop a transit priority policy and guidance for the state highway system
- Will the bus on shoulder be addressed in SB 960 policy and will funds be available for Santa Cruz County?
- The 40 regional entities that received funds under SB 125
- Is there a conflict between bus versus rail in these two bills?
- Are the monies that flow through the SCCRTC (Santa Cruz County Regional Transportation Commission) reflected in METRO's current budget?
- Clarification on the distribution of \$34.7 million over 5 years to SCCRTC
- Statewide view of zero emission buses

Mr. Pimentel and staff addressed all concerns.

There were no public comments.

13 FEDERAL LEGISLATIVE UPDATE FROM CAPITAL EDGE

Chris Giglio, Capital Edge spoke to the presentation and covered the FY2024 Department of Transportation (DOT) budget being enacted in March 2024. The Federal Transit Formula Programs saw a 2.6% increase, with METRO's allocation being a 4.2% increase. He reviewed the Bus Competitive Programs at FTA and noted that there were no plus-ups like in previous years. The Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program did receive a plus-up. The FY2025 DOT budget began on October 1, 2024, but has not been enacted yet. A continuing resolution was passed in September to fund the government through December 20, 2024. The November election results will impact end-of-year budget negotiations. He touched on the 119th Congress beginning in January 2025 and expected changes to the House and Senate.

He closed by thanking the Board for their kind words. He is honored to have served METRO over the past several decades and proud of the shared accomplishments. He commented that he is proud of the proposal he submitted but very respectful of the leadership and being able to have the team they feel comfortable with. He acknowledged that he knows Mr. Rubin at CFM and he will serve METRO well.

Discussion followed on:

- Given the uncertainty of what will happen in the upcoming election, will visits from delegates in Santa Cruz make sense at a particular time?
- Of the members of Congress that represent this region in transportation, who do you see as winners in carrying on support for transportation?

Mr. Giglio addressed all concerns.

Several Directors thanked Mr. Giglio for his hard work and support over the years and the millions of dollars he brought to METRO.

Mr. Finke asked if the increases in the federal allocations account for inflation? Mr. Giglio said the short answer is “No” but what Congress did when they created this infrastructure bill in 2021 is that they allocated money over a five-year period. He thinks the idea was inflationary increases in that period would be about 2 – 2.5% every year; he doesn’t think they believed inflation would blow up in the way that it did.

Director Dutra left the meeting at 11:05 AM.

14 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO PLUG PROJECT HOLDING CO., LLC FOR DELIVERY AND MAINTENANCE OF A MOBILE HYDROGEN FUEL SOLUTION AND TO FURNISH LIQUID HYDROGEN FUEL IN AN AMOUNT NOT TO EXCEED \$4,563,303 AND APPROVE A CONTRACT CONTINGENCY OF \$456,330, FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$5,019,633

Derek Toups, Deputy Director of Planning and Innovation, spoke to his presentation (attached). He provided background information on ARCHES (Alliance for Renewable Clean Hydrogen Energy Systems) and the federal funds that were awarded to California. The purpose of ARCHES is to not only create a marketplace for hydrogen fuel in California, but also to match METRO with those producers so that we can consume that fuel and create zero emissions. METRO is one of thirteen agencies in the state that were included in the ARCHES program. By approving Consent Agenda Item 9.9 today it allows METRO to get the ARCHES funds unlocked. He reviewed the challenges that METRO faces to satisfy its hydrogen fueling infrastructure needs.

He transitioned to Item 14 to discuss the mobile hydrogen fuel solution, proposed infrastructure locations, Plug Power Holding Co., LLC (Plug Power) contract pricing, funding sources, and deployment timeline. He recommended the Board authorize the CEO/General Manager to award the contract to Plug Power for delivery and maintenance of a mobile hydrogen fuel solution and to furnish liquid hydrogen fuel as well as approve a contract contingency for unforeseen changes and optional/maintenance services beyond the first 12 months.

Discussion continued on:

- Do we need to get two mobile fuelers to accommodate the 53-bus purchase?
- The useful life of the fueler.
- What happens to the mobile fueler when a permanent fueling station is built?
- Is funding already in the budget for these costs?
- When evaluating the companies to select, was service and support part of that?

Mr. Toups addressed all concerns.

15 APPROVE: CONSIDER AWARD OF CONTRACTS TO MESSER, LLC (“MESSER”) TO: (1) DESIGN AND BUILD A HYDROGEN FUEL STORAGE, COMPRESSION, AND DISPENSING FACILITY (FSCD) IN AN AMOUNT NOT TO EXCEED \$10,516,134 WITH A CONTRACT CONTINGENCY OF \$1,051,613, FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$11,567,747; AND (2) TO PERFORM MAINTENANCE SERVICES FOR THE FSCD AND FURNISH LIQUID

HYDROGEN (LH2) FUEL AND FUELING SERVICES AT FIXED UNIT PRICES FOR UP TO NINE (9) YEARS IN AN AMOUNT NOT TO EXCEED \$54,947,942

Derek Toups, Deputy Director of Planning and Innovation, continued with his presentation to discuss a permanent fuel station. He reviewed the components of the fuel station, the infrastructure location, and contract pricing by Messer, LLC (Messer), and funding sources. He also reviewed the design-build project timeline.

He recommended the Board authorize the CEO/General Manager to execute contracts with Messer for the design and construction of the permanent hydrogen fuel station and to perform maintenance services for the fueling station and furnish liquid hydrogen and fueling services for up to nine years and approve a contingency budget for unforeseen construction changes.

Discussion followed on:

- Is anyone else in the city/county considering this fueling option and would we be able to fuel other agencies' vehicles in this nine-year window?
- What is the expected retirement of the CNG fueling tank at Operations?
- Placing the station in a flood zone.

Mr. Finke inquired about the safety and operations impact of having a public fueling station onsite. As we expand and add to our fleet, we need space to store all those buses. Would it be cheaper to replace the diesel fueling station with the hydrogen station?

Mr. Toups answered all concerns.

Hearing no further comments, Board Chair Brown asked for a roll call vote on both Items 14 and 15 together.

ACTION: MOTION TO APPROVE BOTH ITEMS 14 AND 15 DETAILED ABOVE TO AUTHORIZE THE CEO/GENERAL MANAGER TO EXECUTE CONTRACTS TO PLUG POWER HOLDING CO., LLC AND MESSER, LLC AS PRESENTED FOR THE MOBILE HYDROGEN FUELING SOLUTION AND PERMANENT HYDROGEN FUELING STATION

MOTION: DIRECTOR PAGELER SECOND: DIRECTOR ROTKIN

MOTION PASSED WITH 10 AYES (Directors Brown, Downing, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, Quiroz-Carter, and Rotkin). Director Dutra was absent.

16 CEO ORAL REPORT

Corey Aldridge, CEO/General Manager, spoke to the following items:

- METRO held its Bus Roadeo last Saturday, October 19th, and it was a great success. We had four categories of participants: ParaCruz, Fixed Route, Fleet and Managers.

Also, a special thanks to Directors Rotkin, Lind, and Pageler for their help. The Sentinel staff reported on the event with an article published in the Sunday edition that was in turn picked up by Mass Transit and MSN. We followed the Bus Roadeo with a company picnic.

- The Board requested a recruitment update at the last Board meeting:
 - Provisional Bus Operators – Currently recruiting for 20
 - Transit Supervisor – 3 are needed currently. HR is currently testing several candidates and then will set up interviews
 - Lead Mechanic – Currently recruiting for 1
 - Vehicle Service Worker – Candidate to start pending a criminal background check
 - Paratransit Operator – Currently recruiting for 1
 - Safety & Training Program Specialist – Reviewing job description with union; then will start recruitment
 - Grants Analyst – Reviewing job description; will start recruitment when job description is finalized and agreed upon between HR, the manager, and union
 - Marketing Specialist – funded, not currently recruiting due to evaluation of need
 - Special Projects Manager – funded, not currently recruiting due to evaluation of need
- HR participated in the Coconut Grove Employment Fair on October 17th. Approximately 50 people stopped by the METRO table to inquire and register as prospects for various positions--Vehicle Service Worker, Custodial Service Worker, Bus and Paratransit Operators, IT Desk Support, Software Engineer, Parts and Materials Clerk, Mechanic, Customer Service, Senior Planner, and Administration. This was a great turnout!
- New Hires since September 04, 2024: We have had 24 total—1 Administrative Assistant; 12 Bus Operators; 1 Business Systems Programs Manager; 1 Contracts and Purchasing Manager; 2 Custodial Service Workers; 2 Customer Service Representatives; 1 Dispatcher/Scheduler; 1 Mechanic II; 2 Paratransit Operators; and 1 Paratransit Supervisor.
- After the last Board meeting, I met with Jordan Vascones, SEA President – SEIU 521, and Gaby Gonzales, SEA Vice President - SEIU 521, to discuss their needs. What we ultimately ended up doing with this December study was add an additional position to be studied for SEIU.
- METRO is launching a “Your Voice Matters” campaign to provide an opportunity for all employees to submit positive suggestions on enhancing service, improving efficiency, and refining processes directly to management and myself. Everyone who submits a suggestion will be acknowledged and receive a special gift as a sign of METRO’s appreciation. We know our employees have great ideas and suggestions. The goal is to open up dialogue where employees feel that when they submit a comment or suggestion, they are listened to and heard.
- METRO will be participating in two Trunk or Treat Events, today, October 25th:
 - The first event is sponsored by the County Sheriff and will be held at their headquarters in Soquel. METRO will be providing trips from Capitola Mall to the event.

- The second event is being held at the Fairgrounds in Watsonville where METRO will be decorating a bus and setting up a booth to pass out candy and discuss METRO services.
- As mentioned before, the ParaCruz 20th Anniversary event will be held on November 15th from 11 AM – 2 PM. We invite the Board to celebrate with us.
- I had the opportunity last week to represent METRO's volunteer wait staff for the Second Harvest Chef Dinner. It is one of their key fundraising events for the food bank. I was joined by the UCSC Chancellor, Police Chief, Sheriff, Fire Chief, County Director of Community and Development Infrastructure, and two of METRO's Directors--Kristen Brown and Bruce McPherson. It was an excellent event, and I look forward to doing it again next year.

Mr. Finke asked how the "Your Voice Matters" campaign differs from the current comment sheets. CEO Aldridge said the comment sheets are safety related and reviewed by supervisors. Your Voice Matters will be reviewed by me and a committee of managers to see what we can do. It will be a different process from the comment sheets.

Mr. Vascones thanked CEO Aldridge and Dawn Crummié, Chief HR Officer, for that extra wage study in December.

Hearing nothing further, Board Chair Brown moved to the next agenda item.

17 ANNOUNCEMENTS OF NEXT MEETING

Board Chair Brown announced the next regular Board meeting will be on Friday, November 22, 2024, at 9:00 AM at the METRO Admin Office, 110 Vernon Street, Santa Cruz, CA

18 ADJOURNMENT

Board Chair Brown adjourned the meeting at 11:47 AM.

Respectfully Submitted,

Donna Bauer
Sr. Executive Assistant



Hydrogen Fuel Cell Zero Emissions Bus Program Hydrogen Fuel Infrastructure Improvements

Board of Directors Meeting

October 25, 2024

Three Hydrogen Transition Items on today's agenda:

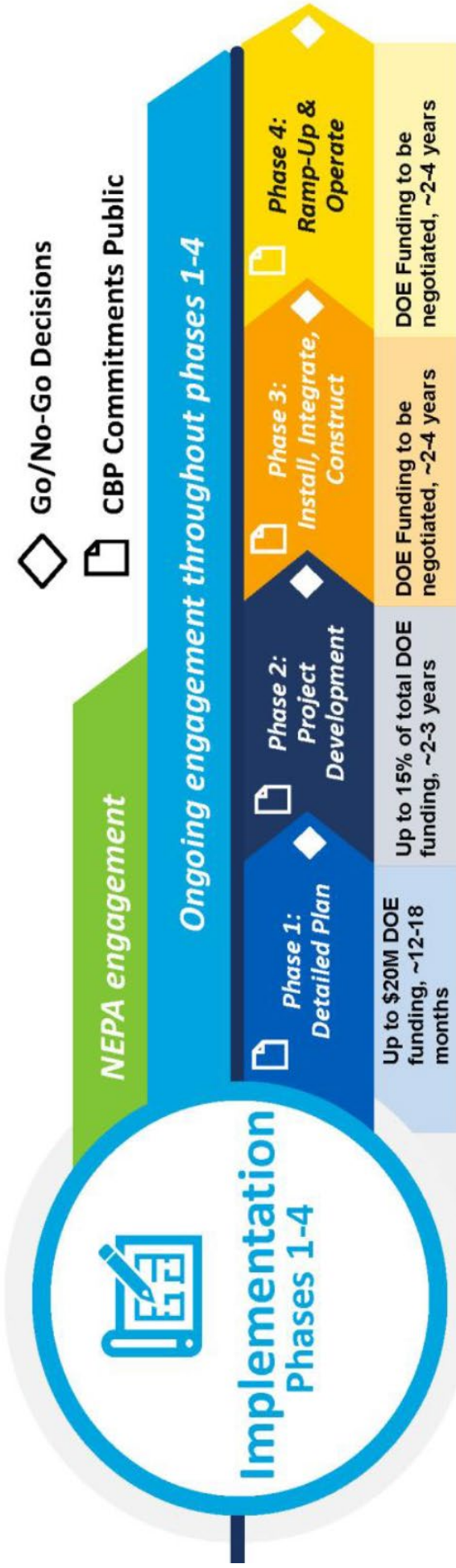
- 9.9.1 Authorize the CEO/General Manager to execute a subaward agreement with the California Alliance For Renewable Clean Hydrogen Energy Systems (ARCHES) and take such other actions as may be necessary to receive grant funds in an amount up to \$25,000,000. (CONSENT AGENDA)
- 14.1 Award contract to Plug Project Holding Co., LLC (Plug Power) for delivery and maintenance of a Mobile Hydrogen Fuel Solution (MHFS) and Liquid Hydrogen (LH2) Fuel in an amount not to exceed \$4,563,303 with a contingency of \$456,330, for a total not to exceed amount of \$5,019,633.
- 15.1 Award two contracts to Messer, LLC (Messer) to: (a) Design/Build a Hydrogen Fuel Storage, Compression, and Dispensing Facility (FSCD) in an amount not to exceed \$10,516,134 with a contingency of \$1,051,613, for a total not to exceed amount of \$11,567,747; and (b) Perform Maintenance Services for the FSCD and Furnish LH2 fuel and fueling services at fixed unit prices for up to nine (9) years in an amount not to exceed \$54,947,942.

Agenda Item 9.9.1

Alliance for Renewable Clean Hydrogen Energy Systems



ARCHES Deployment Timeline and Funded Components



\$4M

Hydrogen Fuel Storage, Compression and Dispensing Infrastructure

\$750K

Maintenance Facility Hydrogen Gas Detection and Safety Upgrades

\$1M

Workforce Development and H2 Safety Training Programs

\$19M

Additional Hydrogen Fuel Cell Electric Buses

Agenda Item 9.9.1 Recommended Action:

That the Board of Directors:

- 1) Authorize the CEO/General Manager to execute a subaward agreement with California's Alliance for Renewable Clean Energy Systems (ARCHES) H2 LLC, in a form approved by legal counsel, and take such other actions as are necessary to receive grant funds in an amount up to \$25,000,000.

Background on Hydrogen Infrastructure Options

Challenge: Satisfy Hydrogen Fuel Infrastructure Needs



Fueling Speed



Storage Capacity



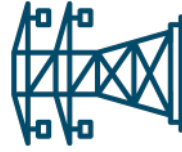
Capital Cost



Site Footprint



Fuel Cost



Site Requirements

Permanent vs. Semi-Permanent Infrastructure

Semi-Permanent/ Portable Station



- Support up to 30 buses
- “Off the shelf”
- 3 to 6 months lead time
- Single dispenser
- 12-minute fill-time

Permanent Station



- Support entire fleet
- Custom designed and built
- 18 to 24 months lead time
- Multiple dispensers
- 6-minute fill time per bus

Hydrogen Fuel Storage / Transport Options

Gaseous (H₂)



- Hydrogen stored in gaseous state
- Fueling achieved by pressure differential created via compression and cooling

Liquid (LH₂)



- Hydrogen stored in cryogenic liquid state
- Fueled achieved by pumping and vaporization

Agenda Item 14.1

Ease of Transition: Mobile Hydrogen Fuel Solution



LH2 Tank Capacity: 1500 kg

Dispensing Pressure: 350 Bar

Max Flow Rate: 3.6 kg/min

The Portable LH2 Refueler offers a similar experience to METRO's current LNG/CNG fueling procedures:

- Delivered liquid fuel
- Similar fueling times
- 8-hr daily fueling window
- Nozzle connection



An ideal short-term solution to introduce hydrogen to METRO's fleet

- 1/3 the cost of permanently built solution
- No compromise; deployment and trial flexibility
- Reduced permitting requirements w/ Speed to market

Proposed Hydrogen Fuel Infrastructure Locations



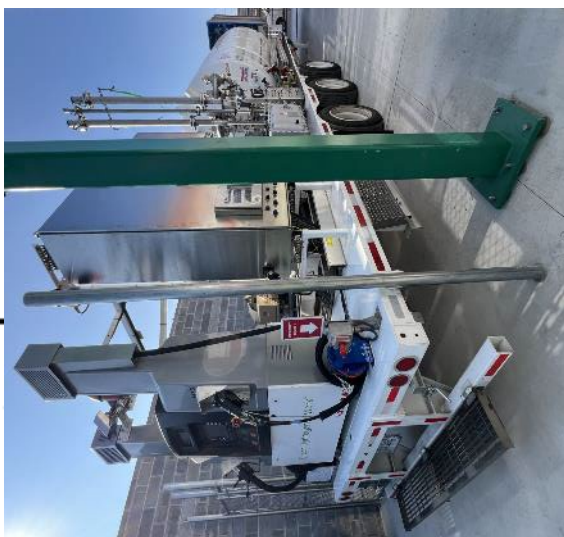
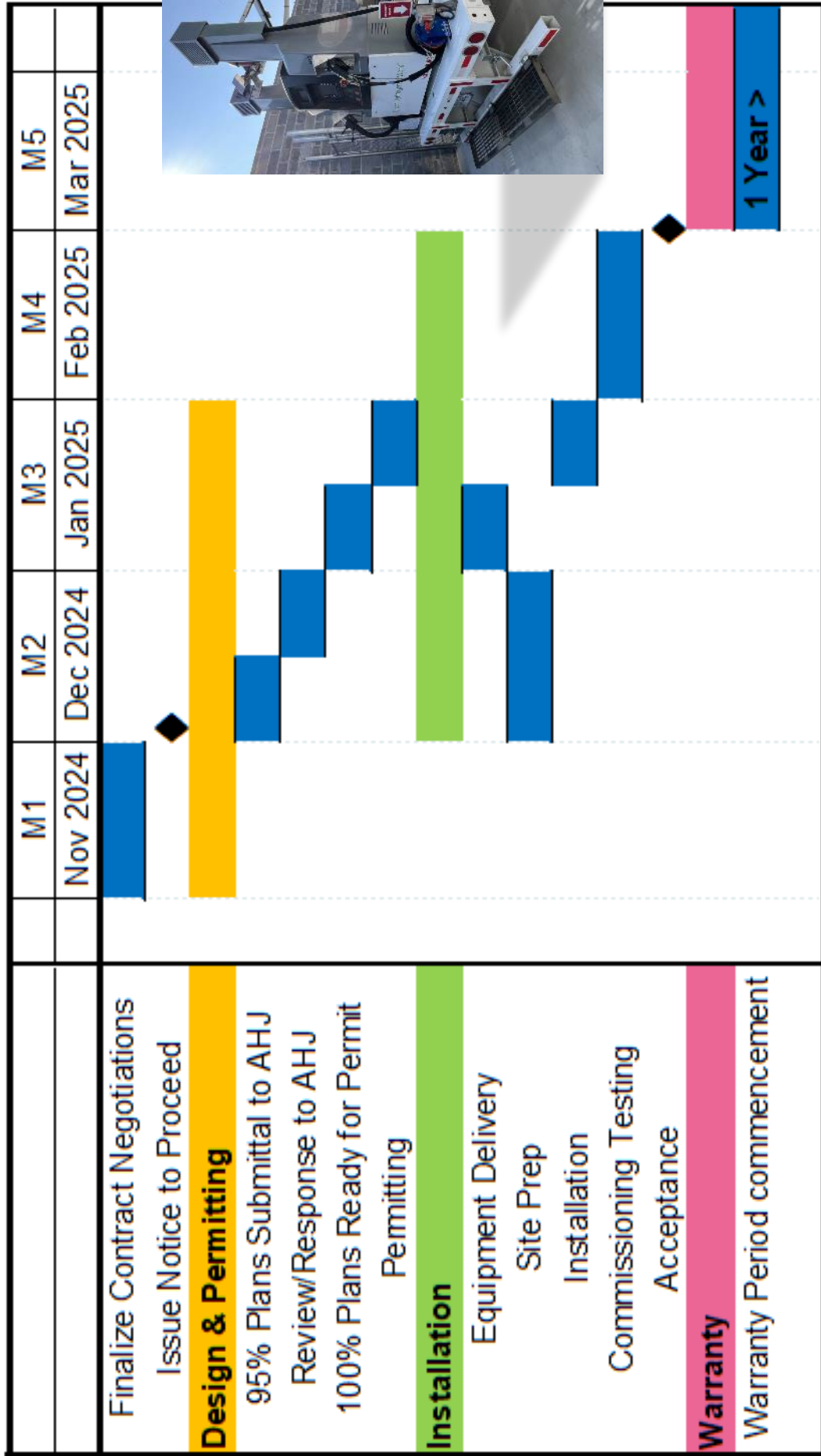
Attachment

1200 River Street, Santa Cruz, CA 95060

Plug Power Mobile Fueler Contract Pricing

Item	Description	Funding Source(s)	Base* Scope	Option Scope	Amount
1	Furnish, Install and Maintain MHFS for 1 year	CEC EnergIIZE Transit Set-Aside, ARCHES Phase 2, METRO Operating & Capital Reserve	X		\$3,260,724
2	Relocation of MHFS to secondary site			X	\$8,231
3	MHFS Extended Warranty/ Extended Maintenance Term			X	\$100,000/yr.
4	LH2 Fuel Supply and Fueling Services (@ \$11.25/kilogram)	Annual Budget		X	\$1,294,348
TOTAL CONTRACT VALUE – NOT TO EXCEED (NTE)					\$5,019,633
*includes 10% Contingency on Items 1, 2 and 4 (excludes item 3)					

Mobile Hydrogen Fuel Solution Deployment Timeline



Agenda Item 14.1 Recommended Action:

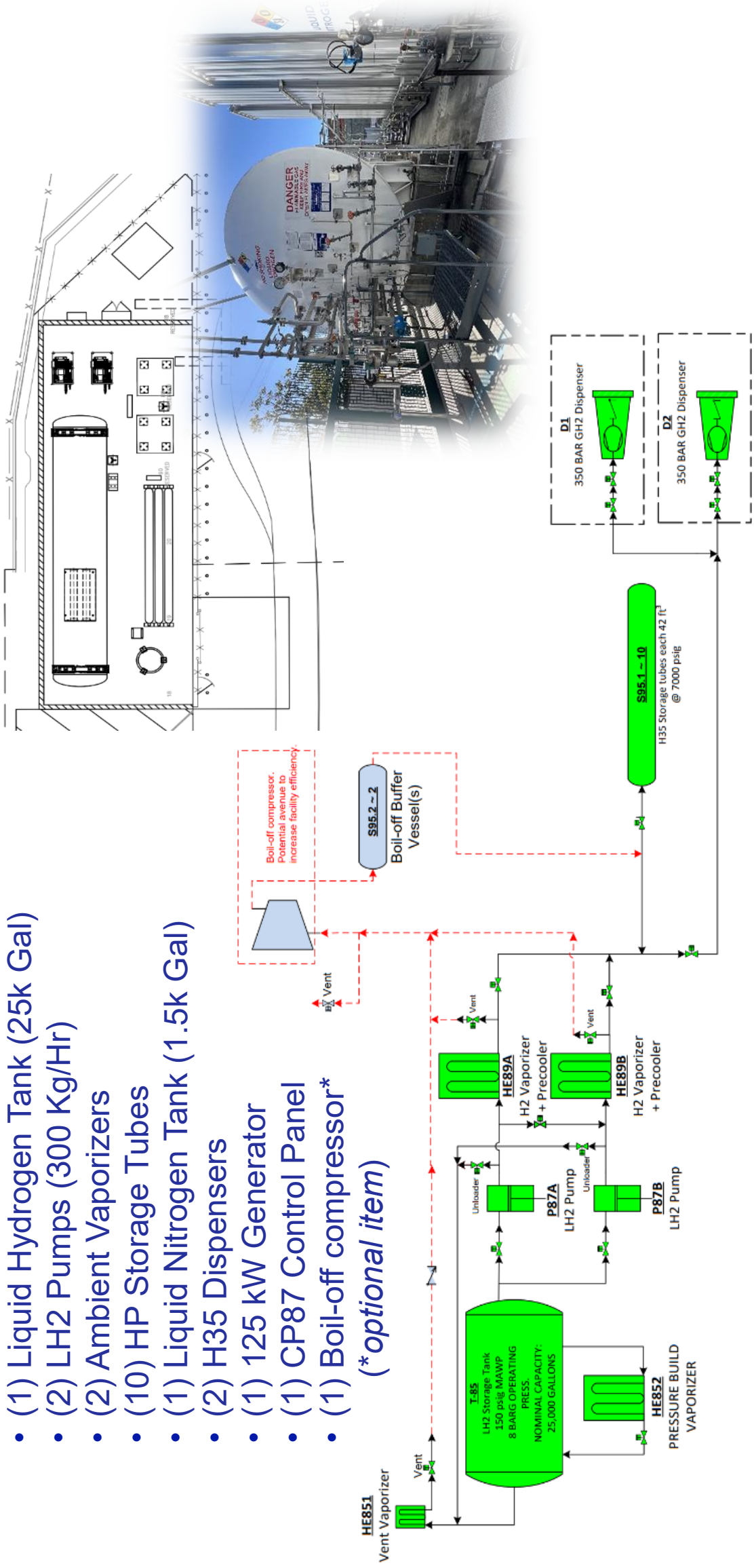
That the Board of Directors:

- 1) Award a contract to Plug Project Holding Co., LLC (Plug Power) to furnish and maintain a Mobile Hydrogen Fuel Solution (MHFS) and provide liquid hydrogen (LH2) fuel in an amount not to exceed \$4,563,303 and authorize the CEO/ General Manager to execute the Plug Power contract in a form approved by legal counsel, and
- 2) Approve a contingency budget of \$456,330 for unforeseen changes and optional/maintenance services beyond the first 12 months, including the future relocation of the MHFS, and authorize the CEO/General Manager to execute amendments exercising any such options up to the contingency amount.

Agenda Item 15.1

Permanent Fuel Station Major Equipment Components

- (1) Liquid Hydrogen Tank (25k Gal)
- (2) LH2 Pumps (300 Kg/Hr)
- (2) Ambient Vaporizers
- (10) HP Storage Tubes
- (1) Liquid Nitrogen Tank (1.5k Gal)
- (2) H35 Dispensers
- (1) 125 kW Generator
- (1) CP87 Control Panel
- (1) Boil-off compressor*
(* optional item)



Proposed Hydrogen Fuel Infrastructure Locations

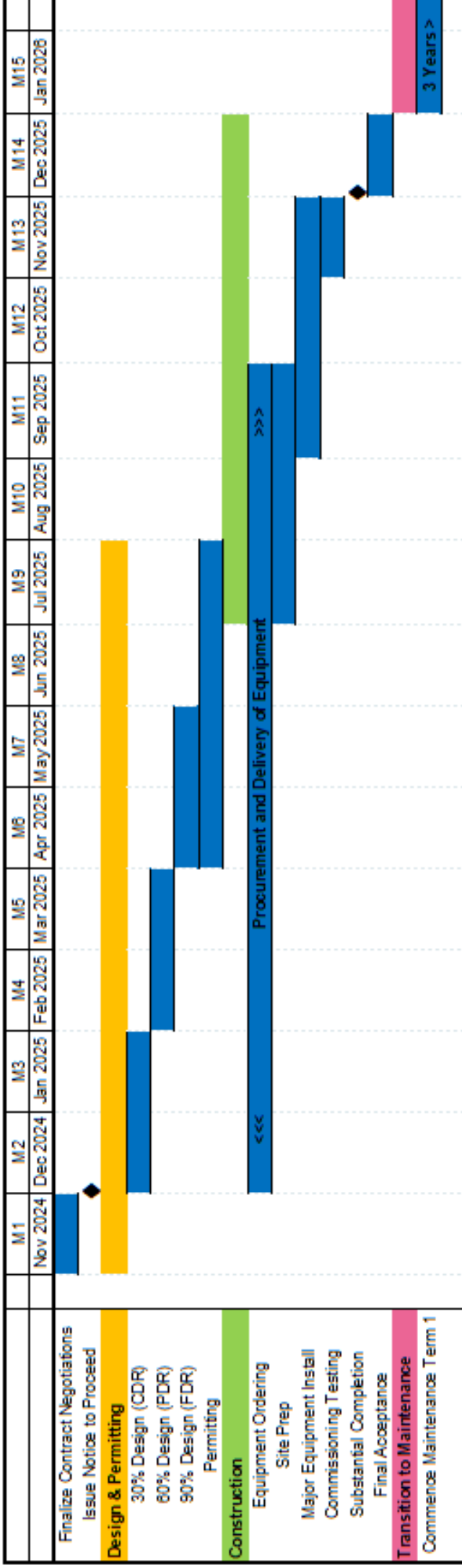


1200 River Street, Santa Cruz, CA 95060

Messer Design-Build-Maintain-Supply Contract Pricing

Item	Description	Funding Source(s)	Base Scope	Option Scope	Amount
1	FSCD Design-Build Contract	TIRCP Cycle 6, ARCHES Phase 2, METRO Operating & Capital Reserve	X		\$9,361,024
2	FSCD Design Build Contract Boil-Off Gas Compressor			X	\$905,110
3	FSCD Early Completion Bonus and Contract Contingency			X	\$1,276,613
4	FSCD Maintenance Contract, up to 9-year term, excluding LH2 Fuel Supply and Fueling Services.			X	\$2,932,309
5	LH2 Fuel Supply/Fueling Services, Years 1-3 @ \$11.37/kilogram		FY26 -FY35	X	\$15,352,506
6	LH2 Fuel Supply/Fueling Services, Years 4-6 @ \$10.33/kilogram		Annual Operating Budget		\$16,801,142
7	LH2 Fuel Supply/Fueling Services, Years 7-9 @ \$ 9.88/kilogram				\$19,861,985
TOTAL VALUE OF CONTRACTS		NOT TO EXCEED	(NTE)*		\$66,490,689
(*amount excludes LH2 Fuel Supply and Fueling Services)					

Permanent Fuel Station Design-Build Project Timeline



Project Delivery & Hand-Over

Objective: Transfer of ownership and responsibilities for the new station.

Tasks and Activities:

- Performance Test
- Training
- Establish Operations Communication Plan
- Punch Walk
- Training

Deliverables:

- O&M Manual
- As-Builts
- Certificate of Final Completion

Start-up & Commissioning

Objective: Ensure the new system and its components are installed correctly and function as intended.

Tasks and Activities:

- Pre-Startup Safety Review
- Site Acceptance Test
- Hydrogen Purity Test
- Energize System

Deliverables:

- Test Reports
- Non-Conformance Report
- Inspection Reports
- Daily's
- Certificate of Substantial Completion

Construction & Installation Phases

Objective: Build the infrastructure for the new station and install, and integrate, the new system as designed.

Tasks and Activities:

- Construction
- Equipment Installation
- Inspections
- Weekly Meetings

Deliverables:

- Daily's
- Inspection Reports
- Meeting Minutes
- Certificate of Completion

Design Phase

Objective: Develop a comprehensive design that meets all technical, regulatory, and safety requirements.

Tasks and Activities:

- Weekly Meetings
- Design Development
- HAZOP
- HSP Review
- Permitting

Deliverables:

- Project Drawings
- HSP Report
- HAZOP Risk Register
- Meeting Minutes
- Building Permits

Project Initiation & Procurement

Objective: Formally kick off the project.

Tasks and Activities:

- Kick off meeting
- Site Analysis
- Purchase Major Equipment

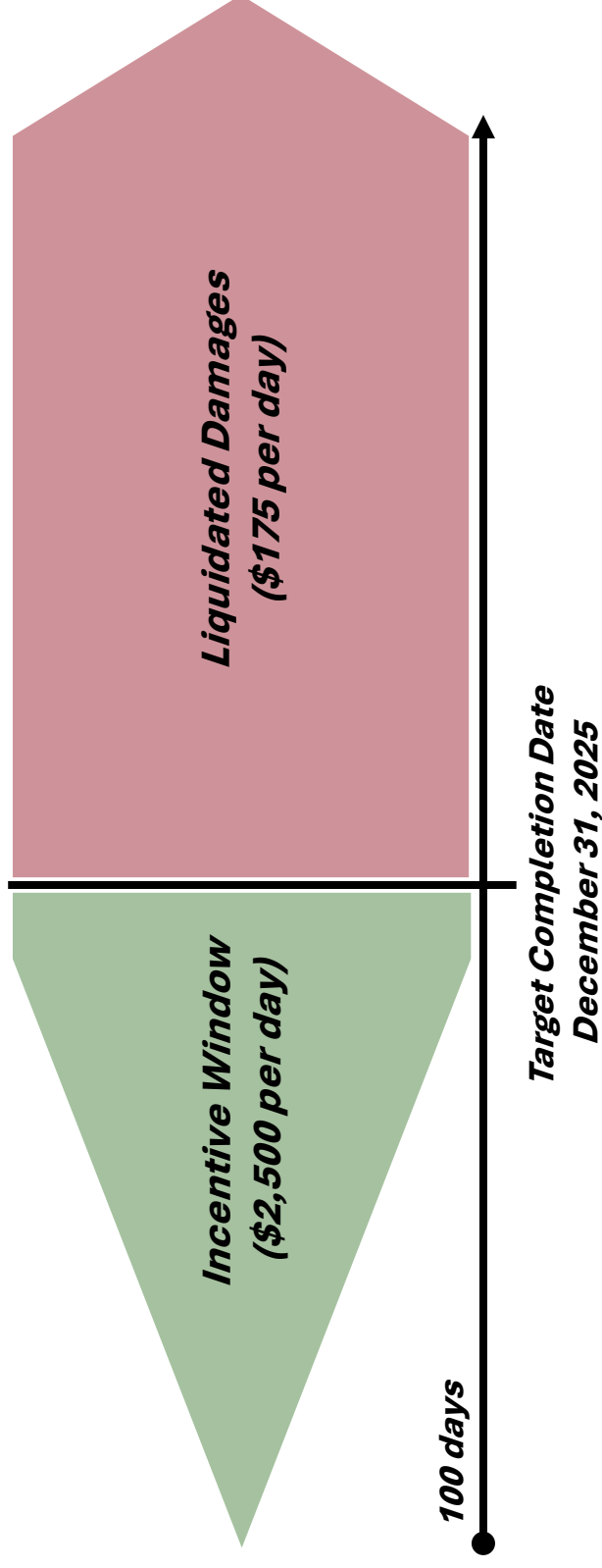
Deliverables:

- Executed Prime Contract
- Site Survey Report
- Purchase Orders
- Schedule Baseline
- Project Management Plan



Early Completion Bonus Schedule Incentive

- For every Day Messer achieves Substantial Completion in advance of the date set forth in the approved project schedule, METRO will pay a daily performance incentive of \$2,500 per Day, up to a maximum of \$250,000.
- If the Contractor does not achieve Substantial Completion by the date set forth in the approved project schedule, METRO may impose liquidated damages as follows:
 - \$175 per Day until Substantial Completion is achieved



Estimated LH2 Fuel Demand

Year	FCEB Fleet Size	Daily Max Demand (kg H2)	Weekly Demand (kg H2)
2025	14	276	950
2026	53	1,551	6,661
2027	53	1,551	6,661
2028	53	1,551	6,661

- METRO estimated demand for liquid hydrogen (LH2) fuel supply in 2025 is a minimum of 75 kilograms per day in H1 (FY25) and up to 280 kilograms per day in H2 (FY26). LH2 fuel demand is expected to grow to 1,600 kilograms per day by CY2026, and remain at that level for the duration of the base contract term (CY2026-CY2028). (29 kg hydrogen per vehicle per day)
- Messer and Plug Power LH2 fuel delivery hours are expected to fall between 7 a.m. and 3 p.m., Monday through Friday, excepting holidays.

Agenda Item 15.1 Recommended Action:

That the Board of Directors:

- 1) Approve the use of the Design-Build project delivery method to procure and maintain the FSCD, and
- 2) Award a Design-Build contract to Messer to construct the FSCD at METRO's Judy K. Souza (JKS) Operations facility in an amount not to exceed \$10,516,134 and authorize the CEO/General Manager to execute the contract in a form approved by legal counsel, and
- 3) Approve a contingency budget of \$1,051,613 for unforeseen construction changes and authorize the CEO/General Manager to execute amendments up to the contingency amount, and
- 4) Award a Maintenance and fuel delivery contract to Messer to maintain the FSCD and supply METRO with LH2 fuel and fueling services at fixed unit prices for up to nine years in an amount not-to-exceed \$54,947,942; and authorize the CEO/General Manager to execute the contracts in a form approved by legal counsel.

Questions