

Minutes

RTA Organizational, Services and Performance Monitoring Committee Meeting

9:30 a.m., December 3, 2019

Committee: Lucas (Chair), Bibb, Byrne

Other Board members: Joyce, McCall, Moss, Welo

Not present: Clough, Serrano

Also Present: Anderson, Astolfi, Becker, Beveridge, Birdsong, Bitto, Brooks-Williams, Burney, Caver, Cottrell, Cranford, Dangelo, Davidson, Davis, Feliciano, Fields, Freilich, Garofoli, Gautam, Gibbons, Halverson, Jones, Kirkland, Laule, Lesis, Lincoln, Loh, Martin, McGervey, Ponder, Schipper, Schnear, Scott, Shareef, Shariff, Singh, Stocking, Sutula, Tarka, Togher, Ulrich, Vukmanic, Wiehe, Wilson, Winn, Woodford, Young, Zeller

Rev. Lucas called the meeting to order at 9:30 a.m. The secretary called the roll and reported that three (3) committee members were present.

RFP Procurement for Electricity Supply

Natalie Ulrich, energy manager and Shawn Becker, contract administrator, made the presentation. The purpose of the procurement is to lock in prices at a perceived low point in the market. The goal is to obtain long term pricing to provide budget and service stability for the term of May 2021 through May 2024. For 1.5 years, RTA maintained a certain level of pricing, then there was a sharp decrease. They are trying to lock in prices at the decrease part of the curve. They have stabilized the budget over the last four years. They timed the procurements to lock in prices to have a price decrease from 2017-2020. The decrease will not continue. If they can lock in 2021 through 2024 at 2018 prices, they will stabilize the service.

RTA consumes a lot of electricity. It powers the rail line and rail cars. It's used in the production of the CNG for the buses and for all of the Authority facilities. RTA obtains electricity from three different sources, CEI, CPP and Bedrock at Tower City and from the City of Cleveland for the airport. There are two components of electrical cost. First is distribution and delivery, which the utility provides. Second is the supplier of the electron, the commodity portion. This is the volatile portion. This procurement is for the commodity or the supply portion of the CEI accounts of which we have 141 that would apply. The supply for these accounts can either be obtained from CEI through a standard service offer at variable rates or by shopping and locking in long term rates. For 2020, she estimates RTA will use 56 million kilowatt hours of electricity. Forty-one million kilowatts or 73% will feed the 15 substations that support the rail line. Fifteen million kilowatts or 27% will feed the remaining facility accounts. Since we purchase such a large volume of kilowatt hours, small price movements represents large savings or increases in cost. A penny savings on 56 million kilowatt hours is over \$500,000 a year. The goal is to obtain long term pricing to provide budget and service stability.

The RFP was issued September 30. Proposals were received November 6. Nineteen parties downloaded the solicitation. Four firms submitted proposals. The evaluation team consist of employees from various departments using evaluation criteria. Due to the nature of the electricity market, suppliers can only hold pricing for a short period. Currently they are in the evaluation process. Best and final offers will be received December 16 before the December 17 Board meeting. A recommendation will be presented to the Board that day for approval.

Mayor Welo is the vice chair of NOPEC and chairs the committee that buys the electricity and gas for 800,000 customers. Locking it in for three years will be good. Ms. Birdsong added that they showed a range so the committee will have an idea of what the recommendation will be. Mr. Bibb asked what will be done with the savings. Staff will get back to the Board about the savings.

ESMS Update

Heather Valentino, sustainability manager, made the presentation. The ESMS is the Environmental Sustainability Management System. It's how RTA manages its environment risk. RTA uses the ISO 14001, 2015 framework, which is an international organization standard. Currently there are four sites working towards implementing the criteria; CBM, Triskett, Hayden and Main Office. This year they will approach it as a multi-site certification. There will be some overarching elements like safety and communications, but each site will tailor their program based on their operations.

Core teams have been identified at each location. Training was completed in the 2nd quarter of 2019. The significant aspects for each location was identified. CBM will work on electricity consumption, natural gas consumption, water consumption, paint storage and disposal. Hayden and Triskett will work on electricity, natural gas and water. The Main Office will work on paper usage. The core teams are cross functional. The global team includes business communications, internal audit, safety and training. CBM is led by the district director and includes business analyst, equipment and facilities and procurement. Hayden and Triskett are head by the director and similar positions for CBM. The Main Office group includes a cross functional team from most departments in the building.

The Environmental Policy is required for the ISO program. Elements that need to be included in the policy is continual improvement, pollution prevention and ensuring all regulations are followed. The policy needs to be revised annually. They have made some recommendations to the current policy. Two items will be modified and is included in the Board package. They include ensuring sustainability and environmental compliance is included in all business operations. The second is to make sure it is consistent with the program language and intent.

Staff request the committee to approve the revisions and move it to the full Board for approval. It was moved by Mayor Byrne, seconded by Mr. Bibb and moved to the full Board.

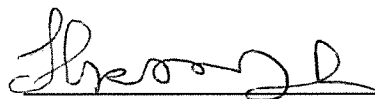
Quarterly Management Report – 3rd Quarter

Dr. Caver, deputy general manager of operations, made the presentation. The financial performance has been stable. It's projected that we'll receive \$2.3 million more than the revised budget. Expenses will have a savings \$7.4 million. The net change is \$9.7 million or a \$37 million ending balance or a 1.8 months reserve. The Board policy goal is 1 month. The reserve provides security for events such as the government shutdown earlier this year. The Red Line track west rehabilitation was completed. In 2020, they will work on the Light Rail work on the trunk line and branch line. The S-Curve retaining wall project was completed. The late Charles P. Lucas, Sr., and father of Vice President of current board member Charles P. Lucas, Jr. was honored at a dedication event this quarter. The FTA triennial audit was completed with no major issues. RTA's State Safety Oversight Program Status report had excellent reviews for rail safety.

Rev. Lucas adjourned the meeting at 9:50 a.m.



Floun'say R. Caver, Ph.D.
Interim Secretary/Treasurer



Theresa A. Burrage
Executive Secretary