



Regular Meeting of the Board of Directors

Tuesday, January 28, 2014

10:00 a.m.

OFFICIAL MINUTES

CALL TO ORDER:

Chairman Hickling called the meeting to order at 10:03 a.m.

PLEDGE OF ALLEGIANCE:

Director Knippel led the Pledge of Allegiance.

ROLL CALL:

Present

Chairman Norm Hickling

Vice Chairman Marvin Crist

Director Tom Lackey

Director Steve Hofbauer

Director Dianne Knippel

Alternate Director Ron Smith (Director Sandra Johnson absent)

APPROVAL OF AGENDA

Motion: Approve the agenda as comprised.

Moved by Vice Chairman Crist, seconded by Director Lackey

Vote: Motion carried (6-0-0-0)

Yeas: Chairman Hickling, Vice Chairman Crist, and Directors Lackey, Hofbauer, and Knippel, and Alternate Director Smith

Nays: None

Abstain: None

Absent: None

PUBLIC BUSINESS FROM THE FLOOR:

There was no public business presented.

MISCELLANEOUS BUSINESS – NON-AGENDA ITEMS:

There were no miscellaneous business – non-agenda items presented.

SPECIAL REPORTS and PRESENTATIONS (SRP):

SRP 1 PRESENTATION OF VEOLIA OPERATOR OF THE MONTH AND EMPLOYEE OF THE MONTH FOR NOVEMBER AND DECEMBER 2013

Veolia Interim Operations Manager Eduardo Sobalvarro and Executive Director Julie Austin presented plaques to George Welch, Operator of the Month for November; Ricky Collins, Operator of the Month for December; and Tisha Lanier, Employee of the Month for November. Mr. Sobalvarro announced that the Employee of the Month for December was Keith Humphreys who was not present to receive his award.

SRP 2 PRESENTATION OF AVTA EMPLOYEE OF THE QUARTER (OCTOBER 1 – DECEMBER 31, 2013)

Executive Director Julie Austin presented a plaque to Maintenance Clerk Cecil Foust, AVTA's Employee of the Quarter.

SRP 3 HIGH DESERT CORRIDOR (HDC) PROJECT

Metro HDC Project Manager Robert Machuca presented information regarding the HDC project; a multi-modal link between State Route (SR)-14 in Los Angeles County and SR-18 in San Bernardino County. He provided details pertaining to the project area, environmental impact report schedule, mode options, and outreach efforts. The Board briefly discussed this item.

SRP 4 OVERVIEW OF WAVE INDUCTIVE CHARGING SYSTEM

WAVE, Inc. Chief Development Officer Wesley Smith presented details regarding Wireless Advanced Vehicle Electrification (WAVE) technology and the proposed delivery schedule for the AVTA's electric bus demonstration project. The Board briefly discussed this item.

SRP 5 UPDATE ON STATUS OF ALTERNATIVE BUS TECHNOLOGY

Director of Operations and Maintenance Len Engel provided the status of the electric bus demonstration project. The Board discussed the locations of the charging stations and typical charge time.

CONSENT CALENDAR (CC):

CC 1 BOARD OF DIRECTORS MEETING MINUTES FOR NOVEMBER 26, 2013 – KAREN DARR

Motion: Approve item CC 1.

Moved by Vice Chairman Crist, seconded by Director Knippel

Vote: Motion carried (5-0-1-0)

Yeas: Chairman Hickling, Vice Chairman Crist, and Directors Lackey, Hofbauer, and Knippel

Nays: None

Abstain: Alternate Director Smith

Absent: None

CC 2 FINANCIAL REPORTS FOR OCTOBER THROUGH DECEMBER 2013 – COLBY KONISEK

CC 3 FY14 KEY PERFORMANCE INDICATORS REPORT FOR OCTOBER – DIETTER ARAGON

CC 4 FY14 KEY PERFORMANCE INDICATORS REPORT FOR NOVEMBER – DIETTER ARAGON

CC 5 CELL/SMART PHONE STIPEND POLICY – LYLE BLOCK

CC 6 FY14 SECOND QUARTER LOS ANGELES COUNTY SHERIFF'S DEPARTMENT REPORT (OCTOBER 1 - DECEMBER 31, 2013) – CANDICE RUDOLPH

CC 7 AMENDED CONFLICT OF INTEREST CODE AND RESOLUTION NO. 2014-001 – COLBY KONISEK

Motion: Approve items CC 2 through CC 7.

Moved by Vice Chairman Crist, seconded by Director Knippel

Vote: Motion carried (6-0-0-0)

Yeas: Chairman Hickling, Vice Chairman Crist, and Directors Lackey, Hofbauer, and Knippel, and Alternate Director Smith

Nays: None

Abstain: None

Absent: None

NEW BUSINESS (NB):

NB 1 AWARD CONTRACT #2014-16 FOR FEDERAL ADVOCACY SERVICES

Procurement Officer Lyle Block presented the staff report. Staff confirmed that the contract contains a 30-day termination for convenience clause.

Motion: Authorize the Executive Director to execute Contract #2014-16 with Van Scoyoc Associates, Inc. for federal advocacy services for a five-year term in the amount of \$4,000 per month plus authorized expenses, estimated at \$2,000 per year. Total annual expenses are estimated at \$50,000.

Moved by Vice Chairman Crist, seconded by Director Lackey

Vote: Motion carried (6-0-0-0)

Yeas: Chairman Hickling, Vice Chairman Crist, and Directors Lackey, Hofbauer, and Knippel, and Alternate Director Smith

Nays: None

Abstain: None

Absent: None

NB 2 AWARD CONTRACT #2014-01 TO PINNACLE PETROLEUM, INC. FOR BULK FUEL SUPPLY AND DELIVERY

Mr. Block presented the staff report. The Board discussed local vendor outreach efforts.

Motion: Authorize the Executive Director to execute Contract #2014-01 with Pinnacle Petroleum, Inc., of Huntington Beach, CA, for bulk fuel supply and delivery for a maximum five-year term in an annual amount not to exceed \$3,500,000.

Moved by Vice Chairman Crist, seconded by Director Hofbauer

Vote: Motion carried (6-0-0-0)

Yeas: Chairman Hickling, Vice Chairman Crist, and Directors Lackey, Hofbauer, and Knippel, and Alternate Director Smith

Nays: None

Abstain: None

Absent: None

NB 3 BOARD OF DIRECTORS 2014 MEETINGS CALENDAR

Clerk of the Board Karen Darr presented the staff report. The Board discussed costs associated with holding evening meetings, the extent to which members of the public are requesting that the Board hold evening meetings, and the

option of scheduling a special evening meeting when a specific need exists. It was suggested that instead of establishing regular evening meetings, that a special workshop format be established for an evening meeting to determine the level of public participation.

Original Motion: Approve the 2014 meetings calendar, which includes two evening meetings at 7:00 p.m. on the fourth Wednesday of March and October.

Moved by Director Lackey, seconded by Director Knippel
Director Lackey withdrew his motion.

Substitute Motion: Approve the 2014 meetings calendar consistent with past practice, without including evening meetings. Board meetings shall be held the fourth Tuesday of each month at 10:00 a.m. through November 2014. Direct staff to investigate conducting a special evening meeting workshop, as needed, with a time and date to be determined.

Moved by Vice Chairman Crist, seconded by Director Hofbauer

Vote: Motion carried (6-0-0-0)
Yeas: Chairman Hickling, Vice Chairman Crist, and Directors Lackey, Hofbauer, and Knippel, and Alternate Director Smith
Nays: None
Abstain: None
Absent: None

NB 4 PROPOSED 2014 AVTA LEGISLATIVE PRINCIPLES

Ms. Austin presented the staff report. In response to a question from Board Alternate Ron Smith, staff confirmed that Board approval would be requested prior to the AVTA's support or opposition of proposed legislation.

Motion: Receive and file the proposed 2014 AVTA Legislative Principles.

Moved by Vice Chairman Crist, seconded by Director Lackey

Vote: Motion carried (6-0-0-0)
Yeas: Chairman Hickling, Vice Chairman Crist, and Directors Lackey, Hofbauer, and Knippel, and Alternate Director Smith
Nays: None
Abstain: None
Absent: None

NB 5 LEGISLATIVE UPDATE

Federal Update: Grants Administrator Judy Vaccaro-Fry presented an update regarding the Omnibus Appropriations Bill, Transit Commuter Bill and Military Subsidies, and "LoNo" Vehicle Deployment Program. There was no Board discussion regarding the federal legislative update.

State Update: Marketing Manager Wendy Williams presented information in support of the introduction of new legislation that would allow the AVTA to conduct a pilot program to evaluate digital signage on its buses and their impact on safety. The Board discussed the impact of having too many advertisements on AVTA buses and which large advertising customers staff would target.

Ms. Williams also provided details pertaining to the California Road Repair Act of 2014, Governor Brown's FY15 Budget, and Assembly Bill 32 - Cap-and-Trade.

Motion: 1) Support the introduction of legislation by State Senator Steve Knight that would allow the AVTA to install digital advertising bus signs as part of a demonstration project for the State of California; and 2) Receive and file the Legislative Update for January 2014.

Moved by Vice Chairman Crist, seconded by Alternate Director Smith

Vote: Motion carried (6-0-0-0)
Yeas: Chairman Hickling, Vice Chairman Crist, and Directors Lackey, Hofbauer, and Knippel, and Alternate Director Smith
Nays: None
Abstain: None
Absent: None

OLD BUSINESS (OB):

OB 1 CONSIDERATION AND RECERTIFICATION OF OCTOBER 2013 AVTA BOARD AUTHORIZATION TO PURCHASE 12 CLEAN DIESEL BUSES FROM GILLIG CORPORATION UNDER CONTRACT #2014-12

Mr. Engel presented the staff report. The Board discussed this item. Vice Chairman Crist reminded staff that they were directed to go towards procuring electric buses at the July 17, 2013 Strategic Planning Workshop and asked staff if they had reached out to BYD regarding the cost of electric buses. Director Hofbauer questioned whether the AVTA's electric bus demonstration project should be completed prior to purchasing additional electric buses.

Mr. Engel indicated that a competitive procurement process would be required to acquire electric buses.

Vice Chairman Crist stated that he met with BYD staff on January 27, 2014 and they told him that they would sell the AVTA 12 electric buses for \$5.3 million, the same cost as the diesel buses, and recoup the operational savings on the other end. He cited Mr. Engel's presentation, showing that the lifecycle costs of electric buses are equal to or less than diesel buses.

Motion: Staff to meet with BYD, review their zero emission transition plan, verify that the overall cost is a net zero to the AVTA, and their current transit service levels can be achieved. Report back in 30 days with a procurement process with the timeline of implementation; what procurement process is necessary; what do we need in an RFP; is leasing an option; and is sole source possible?

Moved by Vice Chairman Crist, seconded by Alternate Director Smith

The Board continued the discussion. Director Crist went on to state that the AVTA needs to take a look at all those different factors and talk with BYD; whether we need a performance bond from them; what we actually need to do. If the Board has given direction to go toward electric buses, then it is expected that staff move toward electric buses. He stated that BYD is making a huge movement; they are giving us half price for these buses and they can recoup it at the other end. This is important for jobs, the AV, the entire structure of the AVTA.

Alternate Director Smith questioned why staff has not moved toward obtaining data on electric buses if that was the Board's direction and why there are not other reports or information to accompany the staff report. Although there may be other items that staff needs, the process should be started. Mr. Engel responded that staff had contracted for two buses with BYD and was still waiting for a final cost.

Director Hofbauer asked that if BYD is going to sell each bus for half the normal cost of \$800,000, how are they going to recoup the remaining \$400,000? Vice Chairman Crist stated that BYD will work out a deal to help with the upfront costs and recoup their costs with AVTA's savings from fuel and maintenance. Staff needs to contact BYD and discuss purchasing options.

Chairman Hickling added that the more buses BYD builds, the lower the unit price becomes in an assembly process and the price difference is recovered over time. Director Knippel asked if a sole source is permitted when the procurement involves federal dollars. Mr. Engel responded that staff would research this; he has not seen a sole source procurement for this number of buses. Chairman Hickling stated that the AVTA has an advocacy group under contract that can research this procurement.

Director Hofbauer reiterated that the AVTA has buses that need to be replaced and asked where the 30-day delay puts the AVTA in Gillig's production schedule. Vice Chairman Crist responded that BYD assured him that there would be no delay in the AVTA receiving the electric buses. Mr. Engel answered that a 30-day delay could push Gillig's delivery date from June to September 2015, depending on other orders the company receives.

General Counsel Fox informed the Board that this item is agendized as consideration and recertification of the Board's action at the October 22, 2013 Board meeting, which needs to be addressed. At the meeting, Director Lackey made the motion to authorize the Executive Director to Issue a Notice to Proceed to Gillig Corporation under Contract Number 2014-12 for the purchase of twelve (12) heavy-duty clean diesel buses scheduled for delivery in February 2015 in the amount of \$5.33 million (\$444,006 per bus). The Notice to Proceed shall be issued subject to confirmation of pre-award authority from FTA and shall include a requirement that Gillig notify AVTA in writing prior to incurring any costs associated with assembly and production. This Notice to Proceed is conditional upon the Board taking further action in January 2014. For this action to remain in effect, the Board must recertify this decision in January 2014 after considering a report from staff on the status of alternative bus technology. If the Board does not recertify this action in January 2014, this Notice to Proceed will be rescinded.

Vice Chairman Crist stated that his motion contains a 30-day continuance. General Counsel responded that it is more than continuing the item, the Board needs to recertify its decision to authorize the Notice to Proceed. Vice Chairman Crist confirmed that authorizing the Notice to Proceed would be part of his motion to continue the item until February. General Counsel stated that part of the October 22, 2013 motion included Gillig notifying the Authority prior to incurring any costs and wants to ensure that the Board addresses this also. Vice Chairman Crist stated that staff informed him on January 27, 2014 that no costs have been incurred.

Vice Chairman Crist restated his motion to put this item on hold for 30 days; direct staff to go back, negotiate with BYD, keep the jobs local, keep the money local, there is a two and half to three times factor here. It is important to this community that we have jobs here. It is important to this community, as Director Hofbauer stated earlier in the meeting, that we do things locally, if possible. So we are not going to incur any costs, that was part of the motion. BYD has said they will work with us. I see no problem with moving forward with this.

Director Lackey requested confirmation that staff must receive the results of the Altoona testing, other eligibility requirements, and that procurement guidelines will be followed before giving BYD this consideration. General Counsel

responded that Vice Chairman Crist's motion gives staff direction to explore purchasing options with BYD and review the federal procurement guidelines, and that staff would not move forward if federal guidelines were being violated.

Restated Motion: Continue item OB 1 for 30 days and recertify in February. During that time, I would like to instruct staff to work with BYD; to look at procuring the same amount of 12 electric buses; look at the timeline; what type of procurement is necessary; is it leasing, is it an option; and make sure that the overall cost is a net zero to the AVTA.

Moved by Vice Chairman Crist, seconded by Alternate Director Smith

Vote: Motion carried (6-0-0-0)

Yeas: Chairman Hickling, Vice Chairman Crist, and Directors Lackey, Hofbauer, and Knippel, and Alternate Director Smith

Nays: None

Abstain: None

Absent: None

PRESENTATION BY LEGAL COUNSEL OF ITEM(S) TO BE DISCUSSED IN CLOSED SESSION (CS):

General Counsel presented the item to be discussed in Closed Session.

CS 1 Conference with Legal Counsel – Anticipated Litigation
Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4)
(One potential case)

RECESS TO CLOSED SESSION

The Board recessed to Closed Session at 11:45 a.m.

Director Hofbauer and Alternate Director Smith left the meeting at 11:45 a.m.

RECONVENE TO PUBLIC SESSION

The Board reconvened to Public Session at 12:01.

REPORT BY LEGAL COUNSEL OF ACTION TAKEN IN CLOSED SESSION

General Counsel stated that there was no reportable action taken on CS 1.

REPORTS AND ANNOUNCEMENTS (RA):

RA 1 Executive Director's Report

- Staff is finalizing an application for \$560,000 to the Antelope Valley Air Quality Management District for AB2766 Funds to fund architectural and engineering costs associated with the WAVE inductive chargers.
- Staff is working with the Southern California Association of Governments and the lobbyist to prepare an application for LoNo Funds, a program carved out of the FTA Section 5312 federal funds, to apply toward the incremental cost difference between electric buses and diesel buses. The application is due March 10, 2014.
- Staff has posted the business plans and financial audits for fiscal years 2011, 2012, and 2013 and the Comprehensive Annual Financial Report for FY13 on the AVTA website.
- Ms. Austin will be attending the American Public Transportation Association (APTA) CEO Conference February 7 through 11, 2014.
- Ms. Williams will be attending the APTA Marketing & Communications Workshop the week of February 24, 2014.
- Mr. Engel is attending a fully sponsored Transit Bus Summit in Phoenix, AZ February 19 through 21, 2014.

MISCELLANEOUS BUSINESS – NON-AGENDA BOARD OF DIRECTORS ITEMS:

Director Lackey reported on his trip to Washington D.C. He stated that local transportation funding might become available. He was pleased with the firms who responded to the Federal Advocacy Services Request for Proposals. In addition, he will be attending an APTA Conference in March.

Chairman Hickling stated that politicians in Washington D.C. and staff at the Federal Transit Administration know about the AVTA's desire to obtain electric buses. Supervisor Antonovich sent a letter to Senators Feinstein and Boxer asking for their support with Altoona testing for new electric buses.

ADJOURNMENT:

Chairman Hickling adjourned the meeting at 12:07 a.m. to the Regular Meeting of the Board of Directors on February 25, 2014 at 10:00 a.m. in the Antelope Valley Transit Authority Community Room, 42210 6th Street West, Lancaster, California.

PASSED, APPROVED, and ADOPTED THIS 25th DAY OF MARCH 2014.


Norman L. Hickling, Chairman


Julie M. Austin, Secretary

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