



Regular Board Meeting Minutes May 28th, 2024

of the
LEWIS PUBLIC TRANSPORTATION BENEFIT AREA
(LPTBA dba LEWIS COUNTY TRANSIT)

Held at the Port of Chehalis Board Room located at 321 Maurin Rd. in Chehalis.

Chair Mark Westley called the meeting to order at 3:33 p.m.

Directors Present: Mark Westley, City of Centralia
Scott Brummer, Lewis County
Tony Ketchum, City of Chehalis
Kurt Eckerson, Lewis County Transit, on behalf of the represented maintenance staff

Staff Present: Joseph Clark, Executive Director
Rebecca Towner, Director of Finance and Human Relations
Tim Palmateer, Fleet Manager
Maleah Kuzminsky, Community Services Supervisor
Timi Johnson, Finance and HR Specialist
Makenzie Wilson, HR Manager
Sonya Byrd, Operations Supervisor

A. Discussion Only Items

1. Call to the Public – Public discussion on any item not listed on the agenda.
 - a. No public discussion at this time.
2. Board Member Reports
 - a. Miss Towner requested approval of a new meeting agenda with two new action items added at the end.

Secretary Ketchum moved, Vice Chair Brummer seconded, motion passed 3-0

- b. Mr. Clark stated that the June and August meetings will be cancelled. There will be meeting in July and continue to pick up as normal in September.

3. Staff Reports – Discussion

- a. Construction Update
 - i. Mr. Clark stated that Lewis County Transit was awarded the Confederate Construction Company contract with the Chehalis Tribe to work on the Morton e-Station starting in mid-June. The project should last until about the middle of September.

- ii. Tony Ketchum asked, "Since they are with the tribe, do they still have to pay taxes like everyone else?"
- iii. Mr. Clark replied that yes, they are still subject to taxes.
- iv. Mr. Clark shared that there will be EV charging but no induction charging at the Morton e-Station.
- v. Mr. Clark said that Exit 68 was well done. There was about \$600,000 leftover. DOT had asked that Lewis County Transit write with specific language, asking if there are any leftover funds from any of these projects, that the funds may be repurposed on other likeminded projects that are line out for the coming years without having to continually go back to them. Two categories would be bus pullouts or e-Stations. DOT is excited about the projects that are happening and are trying to allow a little more flexibility in some of this.
- vi. Mr. Clark stated that some of those leftover funds would go to projects such as new pullouts, or modifications and upgrading existing pullouts and stops. There has been talk about integrating an e-Station at Exit 88 in one of the complexes and adding a pullout on the hill by the Chehalis Library.
- vii. Mark Westley asked about covered shelters.
- viii. Mr. Clark stated that covered shelters are an issue. Please sleep in the covered shelters, people breaking the glass out of shelters, and graffiti. The goal is to have a shelter at every transit station and at transfer points.
- ix. Mr. Clark provided an update regarding the temporary hydrogen fueling station. As the new hydrogen buses have been delivered, there needs to be acceptance testing. To do so, there needs to be hydrogen available. Mr. Clark explained that this trailer set up will allow for a temporary hydrogen fueling station that can be trucked back and forth from California to fuel up and bring back to the Locust St. location until Douglas County PUD is up and running.
- x. Mr. Clark stated that he spoke with Toyota at the ACT conference in Las Vegas. He was told that there will need to be a certified nozzle and the purity of the hydrogen must meet a certain standard in order to fuel the Toyota Mirai's that Lewis County Transit is going to pilot.

b. Operations Update

- i. Mr. Clark shared that he and Joey Zurfluh have been working on route planning out in Morton and Packwood. It works well for it be an hour drive out and then an hour drive back. There is thought about piloting this route in July with maybe just one vehicle and see how it goes.
- ii. Mr. Clark stated that there will be a bus stop put in at Arbor Health and the dental clinic.
- iii. Mr. Clark shared that there will be a little change to the red and yellow routes as well. The goal is to try to get a little further south in Chehalis because there is more growth going on down there with the Jackson Villas Apartment complex and Holloway Oaks on Jackson Highway.
- iv. Mr. Clark updated that there have been some personnel changes. Sonya Byrd is the operations manager and Joey Zurfluh is the interim operations assistant manager. They've been doing a great job, and everything is running real smooth.
- v.

c. Fleet Update

- i. Mr. Palmateer shared that they are trying to finish up the acceptance testing with the hydrogen buses. The biggest obstacle had been trying to get the temporary hydrogen fueling station onsite. Once that was onsite, New Flyer sent out technicians to finish their pre-delivery inspection on all three buses. It was a little exciting to get them on the road. They are a little bit different. They're a nice ride, quieter, and just feels good to drive.
- ii. Mr. Palmateer stated that he had been working with New Flyer and a couple of different trainers. There is one that is working on curriculum and then they want to fly him out and film the event and tailoring around Lewis County Transit's bus. There is another trainer that will come and work with maintenance crew and the operators. He is looking at trying to schedule this for the month of July.

d. Communications Update

- i. Mrs. Kuzminsky shared that she and Joe Clark attended the ACT conference in Las Vegas. That was a 4-day conference that Joe Clark was able to present on the transit panel to discuss zero emission transits, lessons learned, and strategy moving forward. There were around 12,000 attendees. Lewis County Transit was one of three transits that presented. Anaheim is a huge transit agency who also presented. They came across similar issues as Lewis County Transit had come across. They had battery electric buses that sat an entire year before they were able to charge them.
- ii. Mr. Clark added that Colby Shoemaker from the maintenance team was also in Las Vegas at the same time. He was there to attend a conference pertaining to the maintenance and safety of hydrogen buses.
- iii. Mrs. Kuzminsky stated that final applications for Regional Mobility are due June 25th. For Exit 77, there is an ask for \$954,000 which is for public transit access, electric vehicle charging, parking bypass, and pedestrian paths. There is a \$600,000 request on Exit 88 for two bus pullouts and the infrastructure support on an expansion of the green route to go to Rochester. There is also an application for two additional hydrogen buses for \$2 million.
- iv. Mrs. Kuzminsky said there is a fourth application that is for expanded operations on the brown route at \$787,000. WSDOT gave a little bit of pushback on the expansion when discussing pre-applications, but Lewis County Transit was able to explain that the expansion is really the focus of these applications. The goal is to grow the green and brown routes to accommodate ridership and reduce the number of vehicles on the roadway. The fifth application is for the expansion of the green route for \$719,000. In total, it is about \$5.1 million for these proposals.
- v. Mr. Clark added that because Lewis County Transit put in for a bus and bus facilities grant for 2 more hydrogen buses, WSDOT said there were Climate Commitment Act dollars available. Lewis County Transit currently has 3 hydrogen buses, with 2 more arriving next year, and this would add one more to arrive in 2026. A total of 6 hydrogen buses will be in the fleet.
- vi. Mark Westley asked, "What does the replacement cycle look like?"
- vii. Mr. Clark stated, "12 years. In 2036, we would start that next generation of non-fossil fuel buses."
- viii. Mrs. Kuzminsky shared that for recent events, Lewis County Transit was involved in the Memorial Day event last week that the Veterans Association put on and the Special Olympics Torch Run was coming up the following weekend.

e. Finance Update

- i. Miss Towner went over the operations cash flow. There was one correction made. It had shown that the hardware and furniture was overspent, but with a closer look, there was \$700 leftover in that budget. The only category overspent was dues and subscriptions at about \$1,100. That was mainly due to WSTA and SMTA dues as they have increased because the amount is based off of the operation budget. The total budget for 2024 is \$6,000,518 and 34.8% has been spent altogether. When taking in account of all the departments, ideally we'd like to be at 33.3% spent as we are a third of the way through the year. We are continuing to watch, particularly on the maintenance side of things as parts costs and tire and tubes prices have increased.
- ii. Miss Towner explained the MD&A to the board, an annual requirement as part of LCT's annual financial report to the State Auditor's Office. The operating reserves did decrease from \$382,000 to about \$189,000. Most of this was due to the prepayment of insurance and also Swiftly and Spare, the ridership software. By paying upfront for the year, Lewis County Transit was able to get a better deal and there was the cash to sustain that. However, it does appear to have hit the reserves significantly. From a budgeting standpoint, there is no impact; from a cash standpoint there is.
- iii. Miss Towner went over the Exit 68 budget results. In the original application there was an ask for an induction charging station, a transformer, and related parts for the Wave Charging system, as well as a restroom. Lewis County Transit decided to not go that route. The total cost for the project ended up being \$742,000 versus the \$1.9 million ask. The bus did come out to be more as electric buses were \$717,000 and that was switched out for a hydrogen bus which ended up being \$1.3 million. At the end, there were still a savings of \$596,000 in comparison to the grant budget from the second green transportation that was awarded. There is around \$642,000 remaining. This is the remaining money that is hopefully going to be used at Exit 77. There is \$72,000 left in match requirements because Miss Towner had claimed more match in the beginning of the grant thinking there was going to be an induction charger and other expenses that incurred later. So there will be more grant funding than match.
- iv. Miss Towner explained the Lewis County Mall close out budget as well. The intent was to do 2 bus pullouts for around \$207,000. However, the mall became more of a transfer point with bus cutouts. The total project was \$359,536, a difference of about \$152,000. The bus and bus facilities grant through the consolidated formula was used to cover the \$312,536. Lewis County Transit only had to come up with a match of about \$47,000.
- v. Miss Towner stated that the MD&A report was due the next day. She has been working closely with the external accountant to do the report for Lewis County Transit every year. There is a compilation and review of QuickBooks; LCT prefers to have an outside set of eyes to review these items.
- vi. Miss Towner pointed out that LCT's total fixed assets were in the amount of almost \$9.1 million in 2023. In 2019, it was \$2.5 million. Also, from 2022 to 2023, the net position increased about \$1.5 million. There was an increase in grants receivable of about \$917,000. Grant reimbursements are sometimes slow, about 30 to 45 days out, but we are now utilizing monthly invoicing as much as possible.

- vii. Miss Towner pointed out that Lewis County Transit's debt ratio is equal to 26%, which it is ideal to be under 50%. The current ratio is 2.54% and as long as you're over 2%, that's really great. The interest coverage ratio is at 2.98%, meaning that there is almost 3 years of operating revenue which is just advertising and fares to cover the interest expense. At this point, the only interest is on the bond of \$1.5 million. There is an increase in grant revenues, \$635,000 or 19.5%. In the operating budget, there actually was \$63,627 saved. 2023 was an overall good financial year.
- viii. Miss Towner announced that there are a couple audits coming up. The first one is on June 4th with the Department of Employment Security. It will be virtual, and it is believed that they're going to do an audit around the REVIT grant of \$150,000. They will also be conducting a policy audit. The 2nd audit is the annual State Auditor's Office audit. They think they'll start at the end of June. That one usually lasts a few months. It is unknown if it will be virtual or not. They may also ask to interview the board chair for a risk assessment which is typical practice.
- ix. Tony Ketchum wanted to know at what level should the board be involved in regarding personnel issues. There was a discussion between the board and the executive director around this topic before moving onto the consent agenda.

B. Consent Agenda

1. Approval of Financial Warrants

- a. Approval of financial warrants #31789-31839 including Capital and Operating expenditures for April 1-30, 2024.

i. Capital Warrants	\$	675,598.65
ii. Capital ACH	\$	87,325.55
iii. Operating Warrants	\$	167,828.94
iv. Operating ACH	\$	159,919.68
v. Payroll ACH	\$	<u>180,286.09</u>
Total	\$	1,270,958.91

Vice Chair Brummer moved, Secretary Ketchum seconded, motion passed 3-0

D. Action Items

1. Approval of Board Minutes

- a. Adoption of April 30th, 2024 Regular Board Meeting.

Secretary Ketchum moved, Vice Chair Brummer seconded, motion passed 3-0

- 2. Authorization for the Executive Director to enter into a construction contract with Confederated Construction Co. LLC in the amount of \$302,647.00 for construction of the Morton e-Transit Station.

Vice Chair Brummer moved, Secretary Ketchum seconded, motion passed 3-0

- 3. Approval to surplus Capital Assets Bus 440 and Bus 441 as listed on FOR-104A dated 5/28/2024.

Vice Chair Brummer moved, Secretary Ketchum seconded, motion passed 3-0

4. Approval to enter into a purchase agreement with Benfield Electric in the amount of \$458,750.00 for procurement of the following equipment for the Port of Chehalis Hydrogen Fueling Station: MV Switchboard, LV Switchboard, and Substation Transformer.
 - a. Mr. Clark stated that there is a 40 to 52 week lead time on these parts right now. He showed the board a spreadsheet of the different manufacturers and explained the process for the selection of the manufacturer chosen.

Secretary Ketchum moved, Vice Chair Brummer seconded, motion passed 3-0

5. Authorization for the Executive Director to procure professional legal and tax credit consultation services from Perkins Coie LLP for an amount not to exceed \$99,999 in fiscal year 2024. Services will continue to be rendered at an hourly rate, ranging from \$475 for junior associates up to \$1,500 per hour for most experienced partners.
 - a. Mr. Clark stated that this is specifically for the negotiations on the procurements and the tax credit analysis to see how much Lewis County Transit qualifies for when going through the process. He explained the breakdown of the credits and how they are calculated.

Secretary Ketchum moved, Vice Chair Brummer seconded, motion passed 3-0

Adjournment

The Board recessed the regular meeting at 4:29 p.m. No action to follow.

The next regular meeting is on July 16th, 2024, at 3:30 p.m.

APPROVAL

LEWIS PUBLIC TRANSPORTATION
BENEFIT AREA AUTHORITY

Mark Westley, Chairperson

Scott Brummer, Vice Chairperson

Tony Ketchum, Secretary

Respectfully prepared by:

Timi Johnson
Clerk of the Board