



Regular Board Meeting Minutes
September 27th, 2022
of the
LEWIS PUBLIC TRANSPORTATION BENEFIT AREA
(LPTBA dba TWIN TRANSIT)

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

Chair Tony Ketchum called the meeting to order at 3:30 p.m.

Directors Present: Tony Ketchum, City of Chehalis
Mark Westley, City of Centralia
Lee Grose, Lewis County
Debbie Lytle, Twin Transit, on behalf of the represented bus operators
Kurt Eckerson, Twin 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
Timi Johnson, Finance and HR Specialist
Jason King, Community Relations
Maleah Kuzminsky, Community Relations 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. No board member reports at this time.
3. Staff Reports – Discussion
 - a. Admin Update
 - i. Mr. Clark stated that Twin Transit has received all the labor bids and that all of the materials were purchased for the parts room and office addition. It is anticipated that construction will start sometime mid next week and will run for about 30 days.
 - ii. Mr. Clark shared that Twin Transit is getting ready to release the RFP for the hydrogen fueling station. HTEC, the integrator, wrote the specifications. Once that was complete, that was handed off to Allen Unzelman, Twin Transit’s council. Allen then added the terms and conditions that protect Twin Transit. The RFP has since been passed on to K & L Gates, which is a law firm in Portland, OR. K & L Gates is the northwest expert and specializes in investment tax

credits. In the legislation, there is a provision that hydrogen facilities can request up to a certain percentage of the funds they spend on a project to be reimbursed. Twin Transit will be eligible for up to 50% reimbursement. How that happens is the base number is at 100%. Steel and iron are then at 40% and the rest of the content is American made which gives 30%. There are two additional adders. Twin Transit will get 10% due to being in a coal transition community, and another 10% for being a state agency. Internal apprenticeships and prevailing wages will be used on this project, so the total amount Twin Transit will be eligible for is 50% reimbursement. About 5% of that reimbursement will go to pay the investors. There is the opportunity of possibly receiving a production tax credit as well for the operations side once the station is up and running. Twin Transit has been working with Evan Ramsey from the Bonneville Environmental Foundation on this. The potential reimbursement would be \$3 per kilogram from the Inflation Reduction Act (IRA), \$3 from the Low Carbon Fuel Standards, and then \$0.60 carbon credit from the Department of Ecology, totaling to be a \$6.60 tax credit. Production cost is anticipated to be about \$6.75, so hydrogen would be made for about \$0.15 per kilogram. There is a lot of fluidity around the production tax credits. The investment credit is not as fluid as it comes out of the wind and solar. It originally came out of a gas industry, but Twin Transit is honing in on this and are requiring the respondents to the RFP to meet those requirements so that the reimbursement isn't lost. Twin Transit anticipates getting the RFP back from K & L Gates the first of next week, and then it will be reviewed before putting the RFP out. It is planned the post the RFP around October 15th with 10 days for a letter of intent. Proposals are due back by the first of December, which will then be evaluated and awarded the first of January. Then the project will start around the first of May when the weather starts clearing up.

- iii. Mr. Clark said the Borst & Scheuber bus pullout project starts tomorrow. There will be sawcut curbing and excavation going on. Some of that is going to be going on over the weekend so that school schedules aren't interrupted, but there may be a day or two in there where traffic needs to be mitigated. After the excavation is complete, everything can be moved back to the curb line and operate next to the church. Completion date is anticipated to be October 24th.
- iii. Mr. Clark updated that the Mellen Street restroom is ready. The contractor that is doing the Borst & Scheuber bus pullout is the same contractor that is doing this project, so they can just move their equipment. The foundation will be built so the restroom can be set on it, then the lines will be dug. Twin Transit is still waiting on the DOT letter, which should arrive anytime. The City of Centralia shooting the water under Mellen St. and shooting the power from under Airport Rd. so the roadways do not have to be dug up. The only section that will need to be dug up is from the corner of Mellen St. east to the manhole that is in the on ramp. There should only need to be about 10-12 ft. dug up into that lane. Twin Transit is working with Patty Page on any implications that might be present.
- iv. Mr. Clark shared that Twin Transit is going to use a lease template from the Mellen Street project to use for the Exit 77 project to get some feedback from some folks with the city. Maleah Kuzminsky has been working very hard on grants and the funding to change the condition of the park and ride and Twin Transit is very hopeful for that.
- v. Mr. Clark said that with all the new developments going on along Kresky Ave, he thought it would be beneficial to put a bus pullout along Hampe Rd. next to the

mall. Then the buses won't have to enter the mall parking lot at all. He stated he has been in conversation with the new mall landowner and the mall property management and they're both very excited and want to talk soon. Twin Transit is also helping them look for some potential renters to come in and fill up that space so that with some services that would complement what the County is doing with the shelter and things of that nature.

b. Human Resources Update

- i. Miss Towner shared that Twin Transit is still on the search for transit operators. There was an interview set for earlier in the day, but they did not show up. Twin Transit is looking into different ways for advertising the job postings such as job fairs, or in the paper. Any way to get the word out to the public. There are 5 employees in CDL training, 2 of which are really close to taking their tests.
- ii. Miss Towner announced that Twin Transit interviewed 3 candidates for a Community Services Supervisor. Each of them had a unique set of skills and the hiring committee carefully reviewed their applications. Twin Transit decided to select Maleah Kuzminsky as the new Community Services Supervisor as she is a lifetime resident of Lewis County and has already built a rapport within the community, has been involved in many projects, and has been doing a great job with grant writing.

c. Communications Update

- i. Mrs. Kuzminsky shared that the consolidated grant is due October 27th, which is by the far the largest grant application of the year. It is going to take a lot of work but there is a pretty good head start on it.
- ii. Tony Ketchum asked, "What does that do?"
- iii. Mr. Clark replied, "That is all our operational costs for the next biennium for the next four years. So, remember when we passed a pretty healthy budget? The majority of it is within that grant."
- iv. Mrs. Kuzminsky stated that the Green Transportation grant is due Thursday the 29th of September. With that there are 3 different applications. One is for the Morton e-Transit Station, one is for the Exit 77 e-Transit Station, and one is for a group of EV charging stations. 3 EV charging stations would go in the Port of Chehalis, 3 at the Mellen Street e-Transit Station, and 3 at the Lewis County Mall, which is turning into a resource center.
- v. Mr. Clark added that Twin Transit wants to make sure that when these transit stations are being built out, they are also creating the ability to fund the capital investment later on, on a replacement schedule. Some of the proceeds from charging are being organized into a capital replacement fund. Those chargers only have so many charges in them and then you must replace them, and they aren't cheap. That is being set up under Rebecca Towner's direction. She is figuring out how much of that also needs to go toward the electric bill which is operational cost. They are all purchased with a 5-year warranty so Twin Transit doesn't have to touch them. Tim Palmateer and Joey Zurfluh manage a lot of the back-end data so Twin Transit can see what is going on with them. So far, they've been operating pretty well, and the same vendor will be used for purchasing the new EV chargers. They are state certified so they can be bought right off the DES contracts and Twin Transit will have the uniformity. Just a

reminder that Twin Transit was tentatively awarded \$1.2 million from the Coal Transition Board for rural EV charging, and this project complements that.

- vi. Mr. Clark shared that Rebecca Towner, Maleah Kuzminsky, and himself put in a Congressional Direct Spend (CDS) grant for the Centralia College and Twin Transit for workforce development. A lot of things are being done to develop curriculum and buy equipment. There is a meeting with Senator Murray's office on October 17th to get the latest update. As stated previously, this did make it into the senator's budget and she is the chair of committee, so it would be surprising if it doesn't pass.
- vii. Mr. Clark stated that Rebecca Towner, Maleah Kuzminsky, and himself also wrote a grant on the REVIT program, which is Renewable Energy Vehicle Infrastructure Technologies training program. Last Friday they were notified that they were awarded that grant of \$255,000. They will be writing another grant for the ESD Career Connect for \$100,000 to \$125,000. That would hit the \$350,000 to \$375,000 mark for the overall effort. Then there is a conference call with the Bonneville Environmental Foundation on October 4th. They're interested in partnering up. They have a big STEM group, and their agency has already been working with Monica with the Center of Excellence at Centralia College. It is anticipated that the STEM grant will be around \$450,000. When it's all done, that will be just over a \$1 million for both. They're working with both superintendents and met with their CTE teams, and everything is going well.

d. Finance Update

- i. Miss Towner presented the latest cash flow statements. She stated that Twin Transit is about 2% over budget, however sales tax revenues have been higher. All but one month has been \$20,000-\$30,000 more than what was budgeted for. The highlighted categories indicate overages. Unemployment is one of those categories and that was talked about last month. Another one is other paid absences, which is shifting from salaries expense to that category. People are taking more time off than budgeted for. Twin Transit is still under budget on salaries and benefits overall.
- ii. Mr. Clark shared that the fiscal year is from January 1 to December 31. Rebecca Towner will make some journal entries to balance everything out and bring back to below budget status. Also, something else that may be impacting the budget is that Twin Transit's policy used to allow employees to accrue up to 600 vacation hours. From the auditor's standpoint, this is an unfunded liability. So Twin Transit lowered the policy to allow employees to max out at 320 vacation hours. There were some people who had hours above that and they had to be cashed out, and that may be where some of the overage is coming from. So next year everyone should be under 320 hours, and we shouldn't see this.
- iii. Tony Ketchum asked, "What are the fines and penalties?"
- iv. Miss Towner stated that some was interest on unemployment payments as some of them are being contested, but they still had to be paid. Another one was an IRS penalty from a prior year.
- v. Tony Ketchum asked, "Why is safety and cleaning supplies a huge jump?"
- vi. Miss Towner shared that Twin Transit had made some improvements to the safety supplies. There are now two first aid cabinets, two eyewash stations, and will also be purchasing an AED machine which Twin Transit has never had on the

- premise before. Tim Palmateer also purchased blood pathogen kits for the buses which were about \$150 each.
- vii. Mr. Clark states that all of this comes on the heels from a letter from OSHA. OSHA enforcement is going to be getting more stringent. They're sending out more people out into the field. Twin Transit felt it was best to go above and beyond what they were asking for.
 - viii. Miss Towner stated that facilities is doing well on their facilities supplies category, which she will shift money from that category into the safety supplies category.
 - ix. Lee Grose stated that it looked like everything was a bit under budget as far as revenue was concerned. Lee then asks, "Grants weren't coming in like we thought there going to be?"
 - x. Miss Towner replied that Twin Transit tends to invoice heavily towards the end of the year. That revenue comes in the last quarter. She had been trying to stretch out the CRSSA money as much as she can. There was just a little bit left over that she is trying to exhaust this year, but that will come in the 4th quarter.
 - xi. Miss Towner shared that the capital fund balance will have a \$515,000 ending balance. She prepared a worksheet to share with the board, which showed that Twin Transit invested about \$960,000 in different construction in progress projects. For example, Twin Transit spent in total \$113,000 in preparation for the Mellen Street restroom. There had to be a down payment, so there is a little left to pay upon delivery. Then there is the excavation and other construction costs. Then earlier in the year there was multiple vehicle purchases. This was a synopsis of what has been going on throughout the year so far. Some of the projects such as the Locust Street remodel and the stormwater and paving was started in 2021 but has or will be finished later this year. Overall, the fund balance is not changing, and is going up slightly as it stands right now due to the grant funding and sales tax.
 - xii. Mr. Clark stated that Twin Transit does quarterly progress reports (QPRs) on each grant and that is what initiates the reimbursements. Twin Transit has been holding off on some of the reimbursement ask while they have been spending some of the CARES Act money as there isn't much time left to spend it. That is where they had indicated to spend it and not hang onto it but hang onto the reserves. That will accelerate in Q4 and Q1 of next year, there will be a lot of grant dollars coming in to increase the revenue profile.

B. Consent Agenda

1. Approval of Financial Warrants

- a. Request to approve financial warrants #30414-30487 including Capital and Operating expenditures August 1-31 of 2022

i. Capital Warrants	\$	277,460.45
ii. Operating Warrants	\$	174,801.18
iii. Operating ACH	\$	125,376.71
iv. Payroll ACH	\$	<u>135,246.01</u>
Total	\$	712,884.35

Secretary Grose moved, Vice-Chair Westley seconded, Motion passed 3-0.

C. Action Items

Action

1. Approval of Board Minutes
 - a. Adoption of Amended Minutes from August 24th, 2022, Regular Board Meeting.
 - b. Adoption of Minutes from August 24th, 2022, Special Board Meeting.

Secretary Grose moved, Vice-Chair Westley seconded, Motion passed 3-0.

2. Approval to surplus a 2020 Drainage Pump to the Twin Cities Rotary Foundation for \$500
 - a. Me. Clark shared that Twin Transit purchased a larger drain manhole for the parking lot and it was not needed. The manhole is going to be turned upside down and placed at the Veteran's Museum as an outdoor fireplace for them. They have a program called "Table Talks" where they get around the kitchen table, they'd like to expand that to get around a fireplace and just help those that are suffering from PTSD or other illnesses. This will give them an opportunity to share and do some fellowship. The Rotary will buy the manhole from Twin Transit and then they'll donate it to the Veteran's Museum as well as do all the excavation and the project construction.

Secretary Grose moved, Vice Chair Westley seconded, Motion passed 3-0.

3. Approval of City of Centralia Interlocal Agreement authorizing the use of the Small Works Roster maintained by the City, for a period of one year from the date of signature.

Secretary Grose moved, Vice Chair Westley seconded, Motion passed 3-0.

Adjournment

The Board recessed the regular meeting at 4:00 p.m. No action to follow.

The next regular meeting is on October 25th, 2022, at 3:30 p.m.

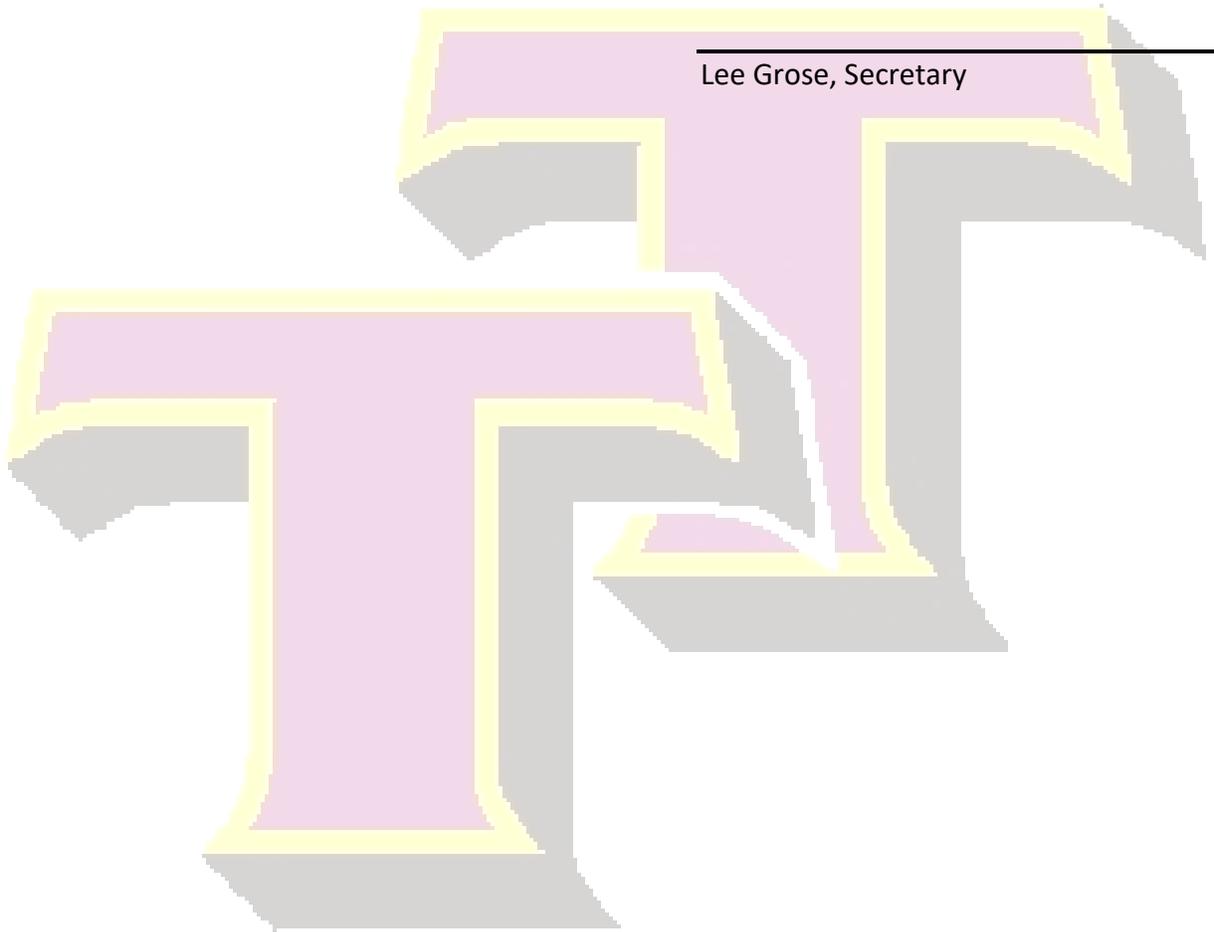
APPROVAL

LEWIS PUBLIC TRANSPORTATION
BENEFIT AREA AUTHORITY

Tony Ketchum, Chairperson

Mark Westley, Vice Chairperson

Lee Grose, Secretary



Respectfully prepared by:

Timi Johnson
Clerk of the Board