

**San Mateo County Transit District (District)
1250 San Carlos Avenue, San Carlos, California
Minutes of Board of Directors Special Meeting**

May 27, 2022

Members Present: M. Fraser, J. Gee (joined at 10:36 am), C. Groom, R. Guilbault, R. Medina
(Via Teleconference) (left at 12:32 pm), J. Powell (Vice Chair), P. Ratto (Chair), C. Stone

Members Absent: D. Pine

Staff Present: C. Mau, J. Cassman, D. Olmeda, A. Chan, G. Martinez, L. Larano, J. Brook,
D. Seamans

1. Call to Order/Roll Call

Chair Peter Ratto called the meeting to order at 10:00 am. Dora Seamans, District Secretary, confirmed that a quorum of the Board was present.

2. Welcome/Introduction by Acting General Manager/CEO

Carter Mau, Acting General Manager/CEO, thanked the Board and staff for stepping up during his recent absence to address family matters. He provided a brief summary of the agenda.

3. Finance Overview

Grace Martinez, Acting Chief Financial Officer, introduced the District's actuary, Doug Pryor, Vice President, Bartel Associates, LLC, and provided the presentation.

Director Charles Stone asked why the District would set up a trust. Ms. Martinez said it was another vehicle for address OPEB (Other Post-Employment Benefits). She said the 115 trust provides additional flexibility and reduced volatility with respect to contributions. Director Stone asked if there was an additional cost; Ms. Martinez said it was approximately one percent, which goes to CalPERS (California Public Employees' Retirement System). He said that the Board needs more time to review and understand the information. Director Carole Groom requested additional information. Mr. Mau said staff plans to have further discussions with the Board at the regular meetings and that the Board would receive a memo and additional information. Director Rose Guilbault asked why the District made the choices they did. Vice Chair Josh Powell asked when the Board would be required to take action on the investment method. Mr. Mau said the District's goal was to provide information so that the Board would be comfortable with the proposed changes before taking any action. Director Guilbault asked which monies would fund the investment. Ms. Martinez said the funding for the trust would come from surpluses from prior years. Director Marina Fraser asked that the District provide a list of agencies statewide that are using the same investment method, and Ms. Martinez said they would do so.

Director Jeff Gee joined the meeting at 10:36 am.

Vice Chair Powell asked why there was a shift from FY 2022 surplus to a predicted deficit in FY 2023. Ms. Martinez said there was operator vacancy and fringe benefits savings in FY 2022. She said they would use the 2022 surplus to close the gap for the FY 2023 deficit.

4. Zero-emission Bus (ZEB) / Innovative Clean Transit (ICT) Update

David Olmeda, Chief Operating Officer, Bus, introduced Liria Larano, Deputy Chief, Bus Fleet/Facilities, and they provided the presentation.

Vice Chair Powell asked if the District was veering toward having a fuel cell versus a battery electric fleet. Mr. Olmeda said they could have a hybrid fleet of both technologies.

Director Stone said in the past the District has said they were moving to electric only and asked why they were considering a hybrid fleet. Mr. Olmeda said that hydrogen fuel cell buses fall into the category of electric buses and that they have a longer range than battery electric buses.

Director Jeff Gee asked what the manufacturers' projected life cycle costs were for fuel cell versus battery electric buses. Mr. Olmeda said the life cycle costs parallel each other based on different factors, with costs for both technologies projected to be lower in the future.

Director Carole Groom asked about the potential change of cost in infrastructure and staff, and the ancillary costs in addition to capital and operating costs. Mr. Olmeda said there will be a revised training program for both operators and maintenance technicians that is required by ICT. Chair Ratto said he supported the decision to use fuel cell electric technology.

Ms. Larano continued with the presentation.

Director Gee asked if the cost was \$1 million per charging station in today's dollars, which Ms. Larano confirmed. He noted that these stations would eventually require replacement. Ms. Larano said the alternative was the cost of manually charging the buses versus automatic charging.

Mr. Mau noted that transit agencies will have difficulty meeting the state all-electric mandate.

Director Guilbault asked if there was new information on how the grid would manage the increased electricity usage. Mr. Olmeda said the District needs to assess how it purchases power. Ms. Fraser noted the broad scope of the technology switch and expressed concerns for the impacts on infrastructure. She said that the government needs to provide assistance to enable the required changes. Chair Ratto noted that other industries, such as Recology, are also under a deadline to go all electric.

Ms. Larano introduced Jaimie Levin, Senior Program Manager and Director, Center for Transportation and the Environment, who continued with the presentation.

Vice Chair Powell asked if it was the District's goal to see if it is worth changing its long-term plan from having battery electric buses to fuel cell buses, both of which are electric vehicles, which Mr. Levin confirmed. Vice Chair Powell asked what the overall cost would be to go with fuel cells and installing charging stations. Mr. Levin said that the cost of the technology is coming down, which would have a positive impact in the longer term for SamTrans.

Director Gee said there would be numerous benefits from an environmental standpoint. Mr. Mau noted that operational flexibility is also quantifiable and said they are modifying the ICT plan and moving it up by four years by not buying additional diesel buses.

Director Gee asked if there was any opportunity to work with MTC (Metropolitan Transportation Commission) and VTA (Santa Clara Valley Transportation Authority) in the purchase of hydrogen. Mr. Levin said a number of agencies who are moving towards battery electric are using a hybrid plan with both battery electric and fuel cell buses. He noted that LA Metro started out with battery electric only but would likely move towards a hybrid of battery electric and fuel cell. Director Gee said that SamTrans should partner with the school districts in this regard.

April Chan, Acting Deputy General Manager/CEO, said the region's bus operators are interested in collaboration opportunities. Mr. Levin said that resiliency of transit resources will be critical in times of emergency.

Mr. Mau said that SamTrans had been working with the other regional operators. He said the operators should lead the effort to conduct studies and then ask MTC to help pay for the upgrades.

Director Rico Medina left the meeting at 12:32 pm.

5. Break - The Board meeting recessed at 12:32 pm and reconvened at 12:56 pm.

6. Headquarters Development Update

April Chan, Acting Deputy General Manager/CEO, introduced Brian Fitzpatrick, Director, Real Estate and Development; Xiaomei Tan, Manager, Transit Oriented Development; and James Birkey, Vice President, and Eileen Tumulad, Senior Associate, Jones Lang LaSalle IP, Inc. Ms. Chan provided the initial part of the presentation and Mr. Fitzpatrick continued with the presentation.

Director Stone asked how many parking spaces for Option 2. Mr. Fitzpatrick said they would retain the current 450 spaces in the separate parking garage structure. He said SamTrans currently leases 100 spaces in the Caltrain parking lot and another 100-plus parking spots along El Camino Real to the City of San Carlos. Director Stone suggested SamTrans should share some of the garage spaces with the City, which has lost some of its spaces to parklets.

Director Fraser asked what the height limits were in San Carlos and asked if there had been any discussion about the two-story apartment building next door. Mr. Fitzpatrick said the height limits was 50 feet or four stories and the recommended option was seven stories. For the adjacent apartment building, he said it would be counter to the District's mission to buy and raze the building for proposed new housing. Director Fraser noted that the San Mateo Community College District had built workforce housing. Joan Cassman, Legal Counsel, concurred but added that the College District also owned much land and was not in a position where they needed to evict tenants of existing buildings to provide workforce housing.

Director Stone asked if the District was involved with the City of San Carlos's Downtown Specific Plan. Mr. Fitzpatrick said the District has planned a high level of engagement with the City and community.

Director Guilbault asked if there were other challenges with the City not mentioned in the presentation. Mr. Fitzpatrick said they were currently doing structural assessments of the building and foundations. Mr. Birkey said the CEQA (California Environmental Quality Act) process would still be required and added that it was advantageous to have the parking garage.

Director Groom asked if in the District's conversations with the City they had received any feedback on providing housing at the current site. Mr. Fitzpatrick said the City likely would prefer to replace the current building with housing, but SamTrans would need further direction.

Director Stone asked about the acreage of the site. Mr. Fitzpatrick said the development site is half office space and half residential, in addition to the existing parking garage. Director Stone suggested improving the appearance of the parking garage. He asked if the plans took into account a post-pandemic workforce with many employees working remotely. Mr. Birkey said their research did include analysis of hoteling or non-permanent desk space for workers who are not in the office all the time. He said that the trend with other public agencies is moving towards a middle ground model where there is in-person office work balanced by remote work.

Director Guilbault commended staff for expanding the scope of work of the Board District Headquarters Ad Hoc Committee to include housing. She said that she thought the scope should be limited to workforce housing only in addition to office space. She said she supported developing a second Board ad hoc committee dedicated solely to housing development.

Chair Ratto said he supported using the unused property in Daly City that is adjacent to a BART (Bay Area Rapid Transit) station for housing.

Vice Chair Powell said he supported workforce housing, but a survey indicating interest was needed. He said allowing remote work serves a lot of the same purpose as building workforce housing. Director Stone said he thought that building housing and increasing office space were not mutually exclusive. Director Fraser concurred and said she supported developing the Daly City site.

Director Gee agreed that the District should commit to support both office space and development of more housing. He said the District needs to be equitable in its distribution of housing throughout the County.

Mr. Mau said he would work with staff to cover what would have been discussed at the end of the workshop and bring it back to the full Board or the Board committees. He thanked the Board and staff for their participation.

7. Adjourn

The meeting adjourned at 2:26 pm.

An audio/video recording of this meeting is available online at www.samtrans.com. Questions may be referred to the District Secretary's office by phone at 650-508-6242 or by email to board@samtrans.com.