



March 24, 2016
1:00 p.m.

AGENDA

**Board Executive Committee Meeting
Riverside County Administration Center
Board of Supervisors Conference Room C
4080 Lemon Street, Fifth Floor
Riverside, CA 92501**

Any person with a disability who requires a modification or accommodation in order to participate in this meeting, or any person with limited English proficiency (LEP) who requires language assistance to communicate with the Riverside Transit Agency Board of Directors during the meeting, should contact the Riverside Transit Agency Clerk of the Board, telephone number (951) 565-5044, no fewer than two business days prior to this meeting to enable the Riverside Transit Agency to make reasonable arrangements to assure accessibility or language assistance for this meeting.

Agenda item descriptions are intended to provide members of the public a general summary of business to be conducted or discussed. Posting of any recommended action on an agenda item does not indicate what action will be taken. The Board of Directors may take any action it believes is appropriate on the agenda item and is not limited in any way by the notice of any recommendation.

All documents related to any agenda item are available for public inspection at www.riversidetransit.com or through the Clerk of the Board's office at the Riverside Transit Agency, 1825 Third Street, Riverside, CA 92507.

ITEM

RECOMMENDATION

- 1. CALL TO ORDER**
- 2. SELF-INTRODUCTIONS**

ITEM

RECOMMENDATION

3. PUBLIC COMMENTS – NON-AGENDA ITEMS

RECEIVE COMMENTS

Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each person's presentation is limited to a maximum of three (3) minutes.

4. APPROVAL OF MINUTES – FEBRUARY 25, 2016, EXECUTIVE COMMITTEE MEETING (P.4)

APPROVE

5. PROTOCOL FOR DEVELOPMENT PROJECTS REQUESTING SUPPORT LETTERS

DISCUSS

6. FEDERAL TRANSIT ADMINISTRATION (FTA) TRIENNIAL REVIEW UPDATE

DISCUSS

7. AUTHORIZATION TO AMEND AGREEMENT NO. 13-001 WITH GHI ENERGY, LLC TO ADD THE CLASSIFICATION OF RENEWABLE IDENTIFICATION NUMBER (RIN) CREDITS FOR CELLULOSIC BIOFUELS AS DEFINED UNDER THE U.S. ENVIRONMENTAL PROTECTION AGENCY'S RENEWABLE FUELS STANDARD (P.6)

APPROVE

8. CLOSED SESSION

A CLOSED SESSION WILL BE HELD PURSUANT TO GOVERNMENT CODE SECTION 54957.6 TO DISCUSS THE COLLECTIVE BARGAINING AGREEMENT NEGOTIATIONS WITH THE AMALGAMATED TRANSIT UNION, LOCAL 1277. THE DESIGNATED REPRESENTATIVE FOR THE RIVERSIDE TRANSIT AGENCY IS LARRY RUBIO, AND THE DESIGNATED REPRESENTATIVE FOR THE AMALGAMATED TRANSIT UNION, LOCAL 1277 IS ARTURO E. AGUILAR.

ITEM

RECOMMENDATION

9. NEXT MEETING

Thursday, April 28, 2016, 1:00 p.m.
Riverside County Administration Center
Board of Supervisors Conference Room C
4080 Lemon Street, Fifth Floor, Riverside, CA 92501

10. MEETING ADJOURNMENT

RTA BOARD EXECUTIVE COMMITTEE MEETING
Minutes
February 25, 2016

1. CALL TO ORDER

Chairman Johnston called the Board Executive Committee meeting to order at 1:00 p.m. on February 25, 2016, in the Board of Supervisor's Conference Room C, 4080 Lemon St., Riverside, CA.

2. SELF-INTRODUCTIONS

Self-introductions of those in attendance took place.

Committee Attendees

1. Chairman Frank Johnston, City of Jurupa Valley
2. First Vice-Chair Linda Krupa, City of Hemet
3. Second Vice-Chair Art Welch, City of Banning
4. Director Brenda Knight, City of Beaumont

Absent

1. Immediate Past Chair Marion Ashley, County of Riverside District V
2. Director Randon Lane, City of Murrieta

RTA Staff

1. Larry Rubio, Chief Executive Officer
2. Craig Fajnor, Chief Financial Officer
3. Vince Rouzaud, Chief Procurement & Logistics Officer

Other Attendees

1. James Donich, Agency General Counsel

3. PUBLIC COMMENTS - NON-AGENDA ITEMS

None.

4. APPROVAL OF MINUTES – JANUARY 21, 2016 SPECIAL EXECUTIVE COMMITTEE MEETING

M/S/C (WELCH/KNIGHT) approving the minutes of the January 21, 2016 Special Executive Committee meeting.

The motion carried with three affirmative votes and one abstention (KRUPA).

5. FEDERAL TRANSIT ADMINISTRATION (FTA) TRIENNIAL AUDIT
Mr. Fajnor, Mr. Rouzaud, Mr. Rubio and Mr. Donich presented an update on the FTA Triennial Audit.

6. APPROVE REVISIONS TO THE AGENCY'S PROCUREMENT POLICIES AND PROCEDURES MANUAL

M/S/C (KRUPA/WELCH) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Approve the above revisions to the Agency's Procurement Policies and Procedures Manual.

The motion carried unanimously.

The Executive Board Committee went into closed session at 1:32 p.m.

7. CLOSED SESSION

A CLOSED SESSION WAS HELD PURSUANT TO GOVERNMENT CODE SECTION 54957.6 TO DISCUSS THE COLLECTIVE BARGAINING AGREEMENT NEGOTIATIONS WITH THE AMALGAMATED TRANSIT UNION, LOCAL 1277. THE DESIGNATED REPRESENTATIVE FOR THE RIVERSIDE TRANSIT AGENCY IS LARRY RUBIO, AND THE DESIGNATED REPRESENTATIVE FOR THE AMALGAMATED TRANSIT UNION, LOCAL 1277 IS ARTURO E. AGUILAR.

The Executive Board Committee returned to open session at 1:37 p.m.

8. NEXT MEETING

Thursday, March 24, 2016, 1:00 p.m.
Riverside County Administration Center
4080 Lemon St., 5th Floor, Conference Room C
Riverside, CA 92501

9. MEETING ADJOURNMENT

The meeting was adjourned at 1:38 p.m.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

March 24, 2016

TO: BOARD EXECUTIVE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Amend Agreement No. 13-001 with GHI Energy, LLC to add the Classification of Renewable Identification Number (RIN) Credits for Cellulosic Biofuels as defined under the U.S. Environmental Protection Agency's Renewable Fuels Standard

Summary: At the May 23, 2013 Board of Directors meeting, the Board authorized staff to enter into an agreement with GHI Energy, LLC for the purchase of natural gas and management of the Agency's participation in California's Low Carbon Fuel Standards (LCFS) and the Federal Renewable Identification Number (RINs) credit programs.

These state and federal programs are designed to reduce greenhouse gas emissions by encouraging the use of alternative low carbon fuels that generate credits that are then sold on the open market. Since August 2013, the Agency has participated in both the LCFS and RINs programs earning credits for its natural gas fuel usage as compressed natural gas (CNG) is considered a low carbon fuel. Through January 2016, the Agency has earned \$842,215 in revenues from the LCFS and RINs programs.

The Environmental Protection Agency (EPA) announced in 2014 that cellulosic biogas used as transportation fuel would be eligible to earn category D3 RINs credits. RINs are the renewable identification numbers used to identify and track biofuel production that complies with federal renewable fuel standards. D3 is the RIN category for cellulosic biofuel which is commonly known as biogas and includes fuels made from waste products, including renewable natural gas.

Biogas is generated from methane produced by decomposing organic materials at large landfills, wastewater treatment facilities, farms, dairies and food processing plants. Historically, raw or minimally treated biogas had been used mainly to generate electricity for local use. However, in recent years and in response to changing market conditions, biogas facilities have upgraded their processing capabilities to remove CO₂ and other impurities to bring the methane content up to the specifications

required for fossil-based natural gas. The resulting biogas is referred to as “renewable natural gas” and is pipeline quality enabling its use as transportation fuel when compressed (CNG) or liquefied (LNG). A portion of the gas provided to the Agency under the GHI agreement consists of renewable natural gas. However, until recently, the market for D3 RINs was illiquid and very rarely traded, which meant that there was no reliable market pricing information available for participants in the market and no published index that could be reliably referenced in a contract.

During the latter half of 2015, more D3 RINs became available in the market and trades began to be reported on a more regular basis, so much so that on March 1 of this year, the Oil Price Information Service (“OPIS”), a commonly relied upon data provider for fuels markets, began publishing a daily market price for D3 RINs. Now that OPIS is providing a regular published market price that can be easily referenced in a contract, GHI has approached the Agency and offered to amend the existing contract to begin using the new price in its calculations.

Under the existing agreement with GHI, the Agency currently receives five percent of the monthly market value of Federal RINs credits generated from its gas consumption using the price for the old classification of renewable natural gas as a category D5 “advanced biofuel” RIN. The Agency will continue to receive the same five percent credit but will now be paid the price for category D3 “cellulosic biofuel” RINs, which will typically be higher.

Fiscal Impact:

The Agency will receive the monthly average of the greater of the published daily price for both D5 advanced biofuel RINs or D3 cellulosic biofuel RINs. Based on current market prices, this means the Agency could potentially double its revenue generated from RINs credits this year. However, it should be noted that the actual value of RINs credits will still be subject to market volatility.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to amend Agreement No. 13-001 with GHI Energy, LLC to include the Classification of Renewable Identification Number (RIN) Credits for Cellulosic Biofuels as defined under the U.S. Environmental Protection Agency’s Renewable Fuels Standard.