



## Special Board of Directors Meeting

### Umpqua Public Transportation District

Monday, August 5, 2024, 5:30 p.m.

3076 NE Diamond Lake Blvd, Roseburg, OR 97470

#### APPROVED MEETING MINUTES

**Meeting Called to Order at 5:33 PM.**

#### Roll Call

Mike Baker

Janice Baker

Doug Mendenhall

Michaela Hammerson

Natasha Atkinson

John Estill

Cathye Dewhirst Curreri

**Pledge of Allegiance was recited.**

#### Discuss Electric Chargers purchased on Grant 35395

Overview of the grant was provided by the General Manager. This was a combination Low-No and Bus & Bus Facilities grant application. Due to the supply change issues at the time, UPTD was encouraged to order chargers early as they had an 18-month lead time. Chargers were ordered on a PO. Proterra filed bankruptcy in July of 2023. August is when they started trying to deliver the chargers. We delayed the delivery of the chargers for as long as we could but in October they delivered without notice and we did not have the opportunity to refuse delivery.

We were informed last week that FTA has modified their requirements and the chargers, although they are equipment purchased in preparation for the project, FTA says they won't reimburse ODOT because we did not have a NEPA complete. Jennifer Boardman gave some information she received from FTA.

Information contained within the grant was discussed. NEPA would be expected to be in place at the time that the charging stations are going to be installed but the purchase was the surprise.

Financial impact for UPTD. ODOT is asking for reimbursement of \$252,000 and if we were to pay that back at this time, we would not have enough money to finish the quarter. We just finished the budget process, walked through service cuts for fixed route, ParaTransit, Dial A Ride services and eliminated medical transportation services to reduce costs and Sheri just did an income & expense projection that shows if everything went perfectly, we would only have \$127,000 by the end of the year. That's without any major financial challenges. Paying this would put us in the hole by about \$130,000. If we sell the chargers, that eliminates our ability to move forward on the project because we couldn't repurchase them at a later date and be reimbursed.

Clarifying questions were asked about the way the grant works. Breaking ground requires the NEPA but this is equipment. The grant says an EA might be required. The question is asked "Does ODOT have the ability to appeal this decision since they are the ones with the agreement and what is the responsibility of UPTD to send this payment back when we are obviously looking at a situation where we might not have a transportation district if we don't have the funds for operations?"

Jennifer Boardman states that it is the FTA that told ODOT that ODOT cannot do that, so it's not ODOT telling UPTD that they cannot do this, it is the FTA telling ODOT that they will not allow us to have this agreement with UPTD. Finance has been working with her FTA rep. She also states that she believes it was Proterra that was pushing us to order the chargers, not ODOT. She also states you can refuse orders if it's not what you want. She thinks that chances that FTA would modify what they have already told us, she could try but she doesn't see that happening. She states that on top of that we don't have the match for the buses or any of the other items. She feels FTA is going to tell ODOT they have to cancel the agreement altogether because UPTD does not have the \$300,000 or \$600,000 match for the vehicles, do

not have property and do not have the match for building the facility. She states that she is working to find someone that could possibly purchase the chargers. She states that she does not see us being able to raise the match and ODOT will not be extending the grant. She advises do not be surprised if because you do not have the match and you owe this money that ODOT will be canceling the grant.

Director Estill asks for clarification, is the FTA telling us they don't want to move forward because there was no EA done. Jennifer responds yes, that's the NEPA. So there's an argument that can be made, is it appropriate to state that because is this a piece of capital equipment or is this a facility? Jennifer interjects, "Again, it comes down to the fact, we could argue that and you might not have to pay this back and there's a possibility they would allow us to do this but again, you do not have the match money to purchase the vehicles, therefore, you have these charger but you're just going to have chargers. Even if you ordered the vehicles today, it's the middle of 2024, the grant expires December 31, 2026. GM states that the timeline is 11 months to a year for this particular build. Jennifer asks "So you guys have the \$600,000 match?" Director Estill asks when do you have to have that \$600,000, a year, two years from now?" GM responds, it would be by the time we take delivery in 2026. Director Estill asks if there is a scenario where you would have the match by that time, where you're working this issue and that issue and we think we could have the money? GM responds she will have a better answer for you by the time we have our next Board meeting. Director Estill responds to Jennifer, it sounds like it's your opinion there's no way we're going to have the match money but he says hold on, maybe, maybe not. Jennifer states ODOT would not allow UPTD to purchase, they would not sign a purchase order for a vehicle unless UPTD had the match in hand. You have to have the match, if the vehicles came in early, you would have to have that match to pay them. You have to pay those vehicles within 30 days so they would not sign the purchase order unless they knew we had the money. Director Dewhirst Curreri states that we have a very limited timeline to be able to order before the grant is up. Best case scenario would be December to have \$600,00 in pocket? GM states this time next year. Chair Hammerson states that the question for her is "The reason why we owe ODOT right now or that it is being requested that we reimburse is because the FTA is coming back and saying that this protocol was not followed. If the FTA were to reverse their decision, does that alleviate our need to reimburse ODOT? Is everyone good? ODOT gets their money, we have the chargers, is that where we are sitting or is she understanding that wrong?" Jennifer states if there was a possibility of them doing that, she does not see that happening. They are saying that this was done, ODOT did it as a pre-award, partly because UPTD received the chargers and needed that money, but this agreement is not fully executed through the FTA yet, so it was done as a pre-award because it was her understanding that UPTD needed that funding to continue operations. So that's what ODOT did. She said she will have to double check with financial services to see but they were at the point where they want to cancel the grant. So they were going to require this no matter what because UPTD does not have the match. She continues on stating that she does not know who UPTD spoke with at FTA. GM shares that she was speaking with Joseph at ODOT and Thomas, the rep that we've been working with on the NEPA and he was going to check with his representative and arrange a combined call with Jennifer, Joseph and Drew to ensure that everyone was on the same page and figure out is this or is this not the end of the grant?

Chair Hammerson asks, if the grant was cancelled, what does that mean? Does that mean ODOT is canceling the grant with the FTA? Jennifer confirms yes. Chair Hammerson continues, cause technically we have not received any grant money, we have received a pre-award from ODOT? Jennifer confirms, the \$250,000 reimbursement request. Chair Hammerson asks if that is different from the grant? Jennifer states, no, it's part of the grant.

Sheri states, essentially, they reimbursed us but now they can't get their reimbursement from FTA.

Chair Hammerson so we are trying to problem solve... If we don't think we won't be able to get the buses or get the match, if we wanted to sell them, who would we sell them to? Proterra is out of business.

GM states they were bought out by Phoenix Motorcar. Chair queries there is no way to return them. GM confirms that is correct. They split the company into 3 divisions and a different company bought each division. Chair continues, if we sell then they are now charging stations but is there support, is there a warranty and it would likely be a significant discount, unless ODOT knows a buyer. GM states RVTD has expressed interest but we don't know at what level that would be. GM spoke with Nick briefly and she is forwarding him the specs. Director Estill states he agrees, it would be at a discount because there's no support. Director Dewhirst Curreri states a little help is better than no help. We're sitting in an ugly position because we don't have a lot of leverage. Chair Hammerson asks Jennifer if there is a possibility of ODOT sharing this debt with us where we give up and sell the charging station with a possibility of the balance of the reimbursement being forgiven. Jennifer states she doubts that but she could ask. Michaela asks who makes those decisions. Jennifer responds finance or the Division Administrator and the Finance Manager. She says she had asked and is waiting for an answer to see if there was a possibility of UPTD making payments on it but finding a buyer would be the ideal situation. Discussion followed. Director Estill suggests breach of contract if there is no support for the chargers. He returns to summarize, FTA is saying they don't want us to have this agreement, his question is why, and we go back to there wasn't an EA done, therefore you didn't follow the NEPA qualifications, element one. They want to cancel because they have no confidence that we have any matching funds or that we will have any matching funds. That's their position, but the fact is you have to allow this entity to have time to come up with matching funds and is there a drop dead date? You can't just cancel because we think you don't have the possibility and therefore we're not going to engage this relationship we have. They're just walking away from it. That doesn't seem fair. Somebody should be talking to the FTA and saying number one, there's no EA required because it's not facility, it's equipment. And number two, we may get matching funds. It doesn't look good right now but we may and are we not allowed to have some sort of a time frame to develop those matching funds. That stops the carnage right now. It seems like people want to do something right now. They want to cancel it and I think that's premature before you give us time to develop a backup plan. Chair Hammerson states that she feels the concern is that the longer we hold onto these charging stations, the more they depreciate. Jennifer states that they did a pre-award so ODOT is on the hook for the money we used to purchase these items. FTA told us we need to have a NEPA. They will not reimburse if NEPA was not done prior to the time we purchased these. More discussion followed. This will be revisited at our regular Board meeting in two weeks.

### **Discuss Service Donation for match**

Chair Hammerson introduced Ben Edtl with Politogy, LLC. Ben is the managing member of Politogy. LLC a company that works in public relations and communications in the political environment with a partisan division, a governmental division and a technology division. What we are looking to do is try to help with the funding gap. Sounds like there is a position of insolvency that we are trying to avoid. He provided an overview of how they can help with UPTD's position. Michaela shared her background with Ben and his company. Ben will be a resource.

Regular session is suspended at 6:39 and will resume after Executive Session.

**Executive Session ORS 192.660(2)(i) ORS 192.660 (8):** To review and evaluate the performance of an officer, employee or staff member if the person does not request an open hearing. This reason for executive session may not be used to do a general evaluation of an agency goal, objective or operation or any directive to personnel concerning those subjects. **ORS 192.660(2)(b)** To consider the dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent who does not request an open hearing. **ORS 192.660(2)(h)** To consult with your attorney regarding your legal rights and duties in regard to current

litigation or litigation that is more likely than not to be filed. **ORS 192.660(2)(e)** To conduct deliberations with persons you have designated to negotiate real property transactions.

Regular Session resumes at 7:11 PM

No matters to vote on, no business to be conducted.

**Meeting Adjourned at 7:12 PM.**