



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS MEETING MINUTES***

**SCOTTS VALLEY COUNCIL CHAMBERS,
1 CIVIC CENTER DRIVE, SCOTTS VALLEY, CA
JANUARY 23, 2026 – 9:00 AM**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) convened on Friday, January 23, 2026, as a hybrid meeting.

The Board Meeting agenda packet can be found online at www.SCMTD.com. *Minutes are “summary” minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

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1 CALLED TO ORDER at 9:00 AM by Board Chair Downing.

2 SAFETY DEBRIEF

Gregory Strecker, Safety, Security & Risk Management Director, provided a debriefing on safety, emphasizing METRO’s response to an active threat, fire, earthquake and/or medical emergency, and the evacuation routes at the Scotts Valley City Council Chambers.

3 ACKNOWLEDGE APPOINTMENT OF DIRECTORS

Board Chair Downing acknowledged the appointment of Director Maria Orozco from the City of Watsonville and Ex-Officio Directors Alma Márquez from Cabrillo College and Ed Reiskin from UCSC.

4 ROLL CALL

The following Directors were **present**, representing a quorum:

Director Rebecca Downing	County of Santa Cruz
Director Jimmy Dutra*	City of Watsonville
Director Shebreh Kalantari-Johnson AR 9:05 AM	City of Santa Cruz
Director Manu Koenig**	County of Santa Cruz
Director Fabian Leonor	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Vacant	County of Santa Cruz
Director Monica Martinez	County of Santa Cruz
Director Scott Newsome	City of Santa Cruz
Director Melinda Orbach	City of Capitola
Director Maria Orozco***	City of Watsonville
Ex-Officio Director Alma Márquez	Cabrillo College
Ex-Officio Director Edward Reiskin	UC Santa Cruz

*Attended via teleconference at 275 Main Street, 4th Floor, Watsonville, CA

**Attended via teleconference at 5 Kuhio Hwy #5363A, Hanalei, HI

***Attended via teleconference at 275 Main Street, 4th Floor, Watsonville, CA

and Director Martinez on becoming Chair of the Santa Cruz County Board of Supervisors.

Hearing nothing further, Board Chair Downing moved to the next agenda item.

10 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

There was one additional communication to the Board of Directors that will be added to the agenda packet.

Hearing nothing further, Board Chair Downing moved to the next agenda item.

CONSENT AGENDA

All items appearing on the Consent Agenda are recommended actions which are considered to be routine and will be acted upon as one motion. All items removed will be considered later in the agenda. The Board Chair will allow public input prior to the approval of the Consent Agenda items.

**11.1 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK AND ACH JOURNAL
DETAIL FOR THE MONTH OF DECEMBER 2025**

Chuck Farmer, Chief Financial Officer

11.2 ACCEPT AND FILE MINUTES OF:

A. DECEMBER 19, 2025 BOARD OF DIRECTORS REGULAR MEETING

Corey Aldridge, CEO/General Manager

11.3 ACCEPT AND FILE: THE FINANCIAL UPDATE NOVEMBER 2025 RESULTS

Chuck Farmer, Chief Financial Officer

**11.4 ACCEPT AND FILE: ACCEPTANCE OF AUDITED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30,
2025**

Chuck Farmer, Chief Financial Officer

**11.5 APPROVE: CONSIDERATION OF DECLARING VEHICLES AND/OR
EQUIPMENT AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION**

Chuck Farmer, Chief Financial Officer

**11.6 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE THE
AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES (AHSC)
PROGRAM AWARD AND ALL AMENDMENTS ON BEHALF OF THE SANTA
CRUZ METROPOLITAN TRANSIT DISTRICT FOR THE WATSONVILLE METRO
PROJECT**

John Urgo, Chief Planning and Innovation Officer

**11.7 APPROVE: RESCISSION OF CONTRACT AWARD TO CAPUZZI CONSULTING
GROUP, INC. FOR RAPID CORRIDORS PROJECT DESIGN AND ENGINEERING
SERVICES IN AN AMOUNT NOT TO EXCEED \$2,601,000**

Derek Toups, Planning and Innovation Deputy Director

There were no public comments.

Hearing nothing further, Board Chair Downing called for a roll call vote.

ACTION: MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED

MOTION: DIRECTOR LIND

SECOND: DIRECTOR OROZCO

MOTION PASSED WITH 9 AYES (Directors Downing, Dutra, Kalantari-Johnson, Koenig, Leonor, Lind, Martinez, Newsome, and Orozco). Director Orbach was absent.

REGULAR AGENDA

**12 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR:
(5 YEARS) CATHY DOWNES, SENIOR FINANCIAL ANALYST
(10 YEARS) PETER RASMUSSEN, TRANSPORTATION PLANNER II***

*Denotes those in attendance to receive their certificates.

There were no public comments.

Board Chair Downing thanked them for their years of service at METRO.

**13 RETIREE RESOLUTION OF APPRECIATION FOR JAVIER FAVELA, LEAD
VEHICLE SERVICE WORKER**

Board Chair Downing thanked him for his years of service at METRO and congratulated him on his retirement.

There were no public comments.

Hearing nothing further, Board Chair Downing called for a roll call vote.

**ACTION: MOTION TO APPROVE THE RETIREE RESOLUTION OF APPRECIATION
FOR JAVIER FAVELA, LEAD VEHICLE SERVICE WORKER**

MOTION: DIRECTOR LIND

SECOND: DIRECTOR LEONOR

MOTION PASSED WITH 9 AYES (Directors Downing, Dutra, Kalantari-Johnson, Koenig, Leonor, Lind, Martinez, Newsome, and Orozco). Director Orbach was absent.

14 MOBILE HYDROGEN FUELING STATION

Corey Aldridge, CEO/General Manager, provided a recap and status on the Board's direction given at the December 19, 2025 meeting. METRO continues to work with the City of Santa Cruz (City) and the City's approved noise consultant, Bollard Acoustical Consultants (Bollard), on the recent noise study performed at the station and understanding those results so METRO can achieve compliance with the City's noise ordinance. The City has stated that the station is nearly in compliance at all sites, with the exception of Site #4, due to a 5 dBA penalty assessed by the City as a result of an "unusual noise" designation. Staff is working with the City to remove the "unusual noise" designation, which would mean the station is in compliance with the City's ordinance.

Damon Curtis, Manager of Data Systems at Plug Power, became part of the solution team for mitigation after the silencer was installed and the stack was modified in order to change the tonal qualities. He agrees with Bollard's assessment of the noise study and did an additional evaluation at Site #4 on December 18, 2025. He suggested there are a couple of fine-tuning points that can be addressed to allow

the City to remove the 5 dBA penalty.

Discussion followed on:

- Compliance at all neighbor sites
- Meeting the January 31, 2026 deadline for compliance
- Surge tanks
- Venting process and capturing the loudest vents in the noise study
- Next steps – Precool program and horn deflector
- The need for a horizontal tank and why that solution was not pursued by Plug earlier.
- Holding Plug fully accountable to the contract's requirements and deadlines
- Plug's contractual responsibility to cover the additional costs incurred in the solutions applied and future mitigation efforts
- Possible solutions, outside of Plug's equipment, that are happening simultaneously in case the City doesn't change the "unusual noise" designation
- Timeline for permanent fueler

Mr. Curtis and staff addressed concerns.

Michael Nussbaum, a member of the Ocean Street Extension neighborhood, commented that Plug has not brought the noise level into compliance with the City and believes the readings are specious. Reporting the sound as only 3 dBA above the City ordinance and removing the "unusual noise" penalty doesn't resolve the noise he still hears at his residence.

Director Kalantari-Johnson thanked the community members that continue to take time from their busy schedules to attend the Board meetings and thanked them for their patience as METRO continues to work through these issues. She recommended that staff continue to communicate with Board Members and the community as this situation evolves.

Hearing nothing further, Board Chair Downing moved to the next agenda item.

15 CONSIDER ANALYSIS OF POTENTIAL REVENUE ENHANCEMENTS AND COMPONENTS OF POTENTIAL SALES TAX BALLOT MEASURE

Julie Sherman, General Counsel, introduced Shayna van Hoften, Hanson Bridgett's in-house specialist on revenue enhancement and election law.

Ms. van Hoften spoke to the Revenue Options Guide and Potential Sales Tax Ballot Measure Components included in the agenda packet. She reviewed the options that may be implemented without going to the voters; options that could be implemented but require going to the voters and/or entering into a long-term agreement with one or more local agencies; and revenue enhancement alternatives that cannot be implemented without State legislation or further action by other agencies. It was determined that a sales tax is the only viable option that would enable METRO to address its structural deficit.

Discussion followed on:

- Issuing bonds and looking at overall revenue available to secure them
- Using Mello-Roos community facilities district (CFD) for enhanced service

- Legislative requirements for placing a toll on Hwy. 17

Ms. van Hoften continued with what a sales tax ballot measure placed on the ballot by METRO could look like (based on input from Chair Downing, Director Kalantari-Johnson, Director Koenig, and recent polling results) including various components such as: a potential ballot question, the special purpose of a tax ordinance, funding objectives and, uses of funds, the structure of a potential independent oversight committee, and an amendability clause.

Discussion continued on:

- What level of service cuts would be needed if no new sales taxes are enacted and no other substantial revenue sources are identified
- Budget considerations for the new fiscal year in light of limited new revenue options

There was no public comment.

Directors thanked Ms. van Hoften for the information.

Hearing nothing further, Board Chair Downing moved to the next agenda item.

16 TRAINING ON BALLOT MEASURE “DO’S AND DON’TS”

Julie Sherman, General Counsel, turned this over to Ms. van Hoften to speak to the presentation and Political Activities Guidelines in the agenda packet touching on how METRO’s directors and employees can, and cannot, spend public resources and communicate about a potential ballot measure, prohibited and permitted activities, and any risks/penalties incurred if these guidelines are violated.

Directors Dutra and Martinez left the meeting at 11:15 AM.

Discussion followed on:

- Ability of union members to participate in political activities
- Whether a political campaign can collect signatures on METRO buses
- Whether a political campaign can encourage staff to legally participate in the process

Directors thanked Ms. van Hoften for the information.

There were no public comments.

Hearing nothing further, Board Chair Downing moved to the next agenda item.

17 UPDATE ON CHANGES TO THE RALPH M. BROWN ACT (SB 707)

In light of the time, this matter will be agendized to the February 27, 2026 meeting.

18 APPROVE: AUTHORIZING REMOTE MEETINGS FOR THE METRO ADVISORY COMMITTEE UNDER SENATE BILL 707

In light of the time, this matter will be agendized to the February 27, 2026 meeting.

19 CEO ORAL REPORT

Corey Aldridge, CEO/General Manager, addressed the following:

- January 26th - METRO’s Seabright Shuttle will begin free service to support the Seabright community during the Murray Street Bridge Retrofit Project.

- New METRO website is launching soon.
- METRO has hired one Senior Customer Service Representative, one Provisional Communications & Marketing Project Manager, and promoted one employee to an HR Analyst II.
- Last week, CEO Aldridge traveled to Washington, DC to meet with members of Congress and their staff to advocate for METRO's federal priorities. Derek Toups, Planning and Innovation Deputy Director, joined him for meetings on Capitol Hill and participated in a meeting with FEMA (Federal Emergency Management Agency) to advocate for safety-related funding, while CEO Aldridge met with USDOT (United States Department of Transportation) and FTA (Federal Transit Administration) staff to discuss METRO's priority capital projects.
- METRO will be hosting Congresswoman Zoe Lofgren next week for a tour highlighting two key initiatives in Watsonville—the proposed satellite Operations and Maintenance Facility and the redevelopment of the Watsonville Transit Center.
- The Bus Coalition also met this past week to establish the organization's federal priorities for 2026 and advocated for continued investment in Section 5339 discretionary grant funding.

There were no public comments.

Hearing nothing further, Board Chair Downing moved to the next agenda item.

20 ANNOUNCEMENT OF NEXT MEETING

Board Chair Downing announced the next regular Board meeting will be on Friday, February 27, 2026 at 9:00 AM at the Metro Admin Office, 110 Vernon Street, Santa Cruz, CA.

21 ADJOURNMENT

Board Chair Downing adjourned the meeting at 11:32 AM.

Respectfully submitted,

Donna Bauer
Sr. Executive Assistant