

SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
BOARD OF DIRECTORS - AGENDA

**THE BOARD OF DIRECTORS OF THE SAN JOAQUIN REGIONAL TRANSIT DISTRICT WILL HOLD A REGULAR MEETING AT 10:00 A.M. ON FRIDAY, FEBRUARY 23, 2018 IN THE BOARDROOM OF SAN JOAQUIN REGIONAL TRANSIT DISTRICT'S DOWNTOWN TRANSIT CENTER, 421 EAST WEBER AVENUE, STOCKTON, CALIFORNIA.**

ACCESSIBLE PUBLIC MEETINGS: San Joaquin Regional Transit District (RTD) will make all reasonable accommodations for persons with disabilities to participate in this meeting. Upon request to the Chief Executive Officer, RTD will provide agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number, and a brief description of the requested materials and/or preferred alternative format or auxiliary aid or service at least three workdays before the meeting. Requests should be sent to RTD by mail at P.O. Box 201010, Stockton, CA 95201, by fax at (209) 948-8516, or by e-mail to [BoardSupport@sjRTD.com](mailto:BoardSupport@sjRTD.com). *For language assistance, interpreter services, please contact (209) 943-1111. Para información en Español, por favor llame al (209) 943-1111.*

1. CALL MEETING TO ORDER
2. MOMENT OF SILENCE/REFLECTION
3. PLEDGE OF ALLEGIANCE TO THE FLAG
4. SAFETY ANNOUNCEMENT
5. ROLL CALL
6. SPECIAL PRESENTATIONS
  - A. EMPLOYEES OF THE MONTH  
Special recognition to the Administration, Maintenance, and Transportation Employees of the Month
  - B. EMPLOYEES OF THE YEAR  
Special recognition to the Administration, Maintenance, and Transportation Employees of the Year
  - C. YEARS OF SERVICE RECOGNITION  
Special recognition to retiring employees for their years of service
7. PUBLIC COMMENT

Each person who addresses the Board shall not make slanderous or profane remarks to or about any member of the Board, staff, or general public. Any person who utters loud, threatening, personal or abusive language, who is unduly repetitious or engages in extended discussion of irrelevancies, or who engages in any disorderly conduct which disrupts, disturbs, or impedes the orderly conduct of any Board meeting shall, at the discretion of the presiding officer or a majority of the Board, be barred from further audience before the Board during that meeting. All public comments shall be limited to no more than THREE MINUTES. In addition, applause, loud noises, or any other outbursts or disruptions from the audience are not allowed during or after a public comment. At the discretion of the presiding officer, those who are in violation of this protocol may be removed from the meeting.

8. REPORTS
  - A. CHIEF EXECUTIVE OFFICER UPDATE
  - B. STATE/FEDERAL LEGISLATIVE UPDATE
  - C. FINANCIAL REPORTS  
January Financial Reports provided to the Board
  - D. OPERATIONS PERFORMANCE REPORT
9. INFORMATION ITEMS  
These reports are being provided for information only.
10. CONSENT CALENDAR
  - A. RESOLUTION: APPROVING THE MINUTES OF THE JANUARY 12, 2018, REGULAR BOARD OF DIRECTORS MEETING  
Board approval of the January 12, 2018, Regular Board of Directors Meeting minutes
  - B. RESOLUTION: AUTHORIZING THE CHIEF EXECUTIVE OFFICER (CEO) OR DESIGNEE TO EXECUTE AND FILE THE FY 2018 LOCAL TRANSPORTATION FUND (LTF) CLAIM AMENDMENT NO. 1  
Board approval to authorize the Chief Executive Officer (CEO) or designee to execute and file the FY 2018 Local Transportation Fund (LTF) Claim Amendment No. 1
11. ACTION ITEMS
  - A. RESOLUTION: ADOPTING THE REVISED RTD DRUG AND ALCOHOL-FREE WORKPLACE POLICY  
Board adoption of the revised RTD Drug and Alcohol-Free Workplace Policy
  - B. RESOLUTION: AWARDED A CONTRACT TO VEHICLE WRAPS, INC. FOR BUS BRANDING FLEET UPGRADE, FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$491,288.00  
Board award of a contract to Vehicle Wraps, Inc. for bus branding fleet upgrade, for a total contract amount not to exceed \$491,288.00
  - C. RESOLUTION: AUTHORIZING THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES FOR THE FY 2018 CALIFORNIA STATE OF GOOD REPAIR PROGRAM  
Board authorizing execution of the certifications and assurances for the FY 2018 California State of Good Repair Program
12. QUESTIONS AND COMMENTS FROM DIRECTORS
13. CLOSED SESSION
  - A. LABOR NEGOTIATIONS
    1. Conference with Labor Negotiator  
Agency Negotiator: Donna DeMartino, CEO  
Employee Organization: Amalgamated Transit Union, Local 276
  - B. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

[Paragraph (1) of subdivision (d) of Government Code, Section 54956.9]:  
San Joaquin Regional Transit District vs. DSS-2731 Myrtle LLC, et al., San  
Joaquin Superior Court Case No. 39-2010-00252684-CU-EI-STK

C. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

RTD Negotiator: Donna DeMartino, CEO

1. Property: 1704 East Fremont Street, Stockton, CA  
Negotiating Party: Dr. Rami Georgies, Buyer  
Under Negotiation: Sale of Real Property, including price and terms of payment

14. ADJOURNMENT

NOTE: THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE HELD ON **FRIDAY,  
MARCH 16, 2018, AT 10:00 A.M.**

DATE POSTED: FEBRUARY 16, 2018

**SPECIAL PRESENTATION: RECOGNITION OF ADMINISTRATION, MAINTENANCE,  
AND TRANSPORTATION EMPLOYEES OF THE MONTH**

**LEAD STAFF: DONNA DeMARTINO, CHIEF EXECUTIVE OFFICER**

**BACKGROUND:**

To qualify as Employee of the Month (EOM), employees must meet the following basic requirements:

1. Has been an employee for at least six months
2. Has not been selected EOM for the previous six months
3. Has a perfect attendance record for the month
4. Does not have any disciplinary action pending or in effect

RTD selects EOMs based on the following criteria:

1. Takes initiative and accepts and carries out additional responsibilities beyond regular job assignments
2. Provides exceptional internal and external customer service by being courteous and helpful
3. Projects a positive image and has a helpful and cooperative attitude
4. Exemplifies trustworthy and ethical behavior
5. Promotes a positive work environment
6. Comes to work on time, on a daily basis

The Administrative EOMs are selected as follows:

1. A member of the management team nominates employees at a monthly meeting.
2. Nominees are selected as EOM when they receive at least a 2/3 majority of the votes cast by members of the management team.

A majority of their respective supervisors selects Maintenance and Transportation EOMs. There may be months where no EOM is selected for Administration, Maintenance, or Transportation.

Every EOM receives:

- EOM watch
- RTD coffee tumbler
- Certificate and acceptance photograph

RTD recognizes Employees of the Month by posting their photographs at each RTD facility in frames designed for EOM recognition and through a feature article with photographs in the employee newsletter, "As the Wheels Turn."

The EOM program provides that RTD selects the Employee of the Year (EOY) from the previous 12 months' EOMs. RTD offers EOYs the opportunity to represent their department/division at one of the conferences of the American Public Transportation Association (APTA).



**SPECIAL PRESENTATION:**

**RECOGNITION OF YEARS OF SERVICE FOR RETIRING  
EMPLOYEES**

**LEAD STAFF:**

**DONNA DeMARTINO, CHIEF EXECUTIVE OFFICER**

**BACKGROUND:**

RTD has benefitted from many employees who have chosen to spend a significant number of years with our agency. To recognize the years of service for retiring employees, RTD will present a certificate honoring the time employees have spent with RTD and thanking them for their service. For employees leaving after 25 years or more, RTD will provide them with a commemorative plaque.

These certificates and plaques will be presented to retiring employees in a special ceremony at the next scheduled RTD Board meeting following their retirement. On behalf of all RTD employees, Board members, customers, and the community, RTD management wishes to thank these employees for their service and contributions over the years.

**REPORT: CHIEF EXECUTIVE OFFICER UPDATE**

**LEAD STAFF: DONNA DeMARTINO, CHIEF EXECUTIVE OFFICER**

**MARCH 11, 2018 SERVICE CHANGES UPDATE**

During the January Board Meeting there were several passengers and ATU representatives who expressed concerns about the elimination of the Route 63 and the March 11 Service Improvements.

To address these concerns and to provide information about the upcoming changes related to the introduction of RTD's newest BRT corridor, Planning and Scheduling conducted public outreach and contacted guests who provided public comment.

Two public workshops were held on February 1, from 9 am – 4:00 pm and February 14, from 9 a.m. - 3:00 p.m. Over 350 guests attended the workshops. Staff answered questions about the service changes and provided trip planning assistance.

Guests are looking forward to the new BRT Routes and were happy to hear that the service changes will not leave them without viable service options.

Additionally, when staff contacted all the guests who provided public comment at the January Board Meeting, the guests understood the service changes and were satisfied to hear that they would not be negatively impacted.

**USE AND OPERATION PARTNERSHIP BETWEEN RTD AND GREYHOUND**

Greyhound approached RTD to explore options to serve its passenger operations in Stockton at RTD's DTC. Having multiple transportation options co-located in a multi-modal facility will be valuable for the residents we serve.

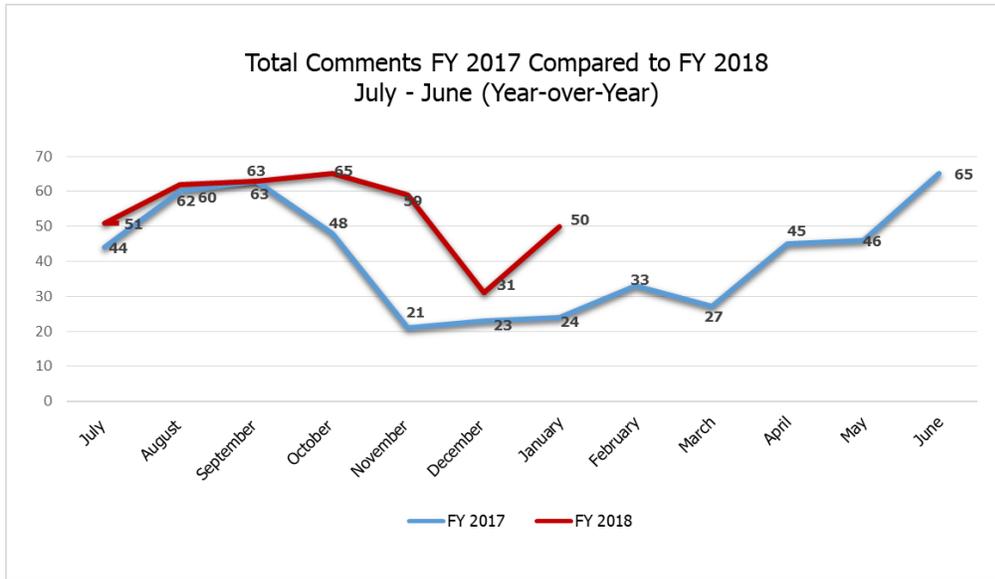
Through the new arrangement, RTD will receive over \$200K in revenue from Greyhound which will be reinvested into RTD operations. This new revenue will make it possible for the Customer Service Center (CSC) to add staff and to extend weekday hours of service to 7 p.m. In addition, the CSC will now be open to assist guests on weekends. RTD will also increase security to accommodate Greyhound's services and RTD's extended customer service hours.

RTD is currently negotiating a Use and Operation Agreement with Greyhound; the projected move-in date is scheduled for March/April of 2018.

**VOLUNTEER INCENTIVE PROGRAM**

RTD is very excited to have just launched VIP, our Volunteer Incentive Program. VIP is a convenient and empowering service that enables ADA-certified customers to recruit and reimburse their own drivers for providing transportation assistance to their medical appointments. RTD will offer the maximum allowable reimbursement rate of 54.5 cents per mile for these trips. Staff will provide a short presentation describing the program in more details.

**CUSTOMER COMMENTS (JANUARY)**



For January FY 2018, a total of 50 comments were received. This is an increase of 26 from December FY 2016 and an increase of 19 from December 2017. Two commendations were received for MV. This is an increase of 2 from FY 2017.

After conducting investigations, 17 of the comments received in January were deemed valid, 8 were deemed not valid, and there are 25 currently under investigation.

Chart reflects comment comparison from FY 2017 to FY 2018, but does not include commendations.

**POLICE ACTIVITIES (JANUARY)**

Officer Tran worked 13 days; Officer Butcher worked 22 days; Officer Rust worked 18 days. Their production statistics for January are listed below:

Type of Report Filed	Quantity	Type of Report	Quantity	Type of Report Filed	Quantity
Felony Arrests	4	Intoxication	1	Field Interviews	111
Warrants Arrests	5	Moving Citations	0	PC 640 Citations	1
Other Arrests	0	SMC Citations	0	Misdemeanor Arrests	11
Parking Citations	0	Traffic Citations	3	Abandoned Autos	0
Other Citations	0	Vehicles Towed	0	Self-Initiated Activity	0
Calls for Service	36	Weapons Seized	1		

**MEETINGS**

RTD participated in conferences and meetings of the following committees and organizations:

- **Business Team San Joaquin:** Nate Knodt, Director of Planning and Scheduling
- **CalACT Board Meeting:** Donna DeMartino, CEO
- **CalACT Fall Conference:** Donna DeMartino, CEO
- **California Transit Association (CTA):** Donna DeMartino, CEO; Gloria Salazar, Deputy CEO
- **CALSTART:** Donna DeMartino, CEO
- **City of Stockton Mayor’s Task Force for Person with Disabilities:** Toan Tran, Mobility and Contract Operations Manager

- **Greater Stockton Chamber of Commerce Fresh Wellness Committee:** Nancy Antonio, Safety and Risk Specialist
- **San Joaquin County Board of Supervisors:** Donna DeMartino, CEO; Gloria Salazar, Deputy CEO
- **San Joaquin County Smoking & Tobacco Outreach/Prevention Program (STOPP):** Nancy Antonio, Safety and Risk Specialist
- **San Joaquin Council of Governments (SJCOG) Board of Directors:** Donna DeMartino, CEO; George Lorente, Grants Manager; Toan Tran, Mobility and Contract Operations Manager
- **San Joaquin Regional Rail Commission (SJRRC) Board Meeting:** Nate Knodt, Director of Planning and Scheduling
- **SJCOG Interagency Transit Committee (ITC):** George Lorente, Grants Manager; Toan Tran, Mobility and Contract Operations Manager
- **SJCOG Management & Finance Committee:** Donna DeMartino, CEO
- **SJCOG Technical Advisory Committee (TAC):** George Lorente, Grants Manager; Toan Tran, Mobility and Contract Operations Manager
- **Social Services Transportation Advisory Committee (SSTAC):** Toan Tran, Mobility and Contract Operations Manager; George Lorente, Grants Manager
- **ZEB & Autonomous Vehicle Committee Meeting:** George Lorente, Grants Manager

## EVENTS

- **Rosa Parks Day**  
From February 3 through February 5, 2018, RTD honored Rosa Parks by reserving a front seat of Commuter, Hopper, and Stockton City buses in her memory. A commemorative sign was placed on the front seat honoring her equal rights advocacy work that began on a bus.
- **Communication Fair**  
On Monday, February 5, 2018, RTD hosted a Communication Fair at the Downtown Transit Center (DTC) along the boarding sidewalk from 9:00 a.m. – 1:00 p.m. Cell phone providers, Token Transit, bank and credit union representatives, and an RTD informational table were present. The event was intended to educate all attendees on modern technology and ways in which technology can be used to simplify the public transportation experience, especially through mobile ticketing.

## UPCOMING EVENTS

- **Midtown Launch Event**  
Thursday, March 1, 2018, RTD invites the public to attend a fun and informative event to launch the new Midtown Corridor, Bus Rapid Transit (BRT) Route 47. This launch event will take place in the parking lot of the Children's Museum of Stockton, 402 W. Weber Avenue, Stockton, CA 95203 between 4:00 p.m. – 7:00 p.m. City of Stockton Mayor Michael Tubbs, Community Center for the Blind and Visually Impaired Orientation and Mobility Specialist and RTD Director Joni Bauer, and RTD CEO Donna DeMartino are scheduled to speak. The theme of the launch event, "Reconnect from East to West," fosters the idea that RTD's new Midtown Corridor service will play an integral role in connecting the residents of our city, from Franklin High School in the east to the DMV in the west. Guests will be invited to enjoy refreshments provided by Delta College's Culinary Arts students, an RTD-themed cheer performed by the Franklin High cheer team, a celebratory bus procession led by the Franklin High School marching band, and a guided tour of the route. The event will conclude at the Children's Museum where Artie D. will be waiting to welcome everyone back. The first 50 attendees will receive a custom RTD tote bag and a commemorative Artie D. bobble head.

**REPORT: STATE/FEDERAL LEGISLATIVE REPORT UPDATE**

**UPDATED BY: JORDAN & ASSOCIATES**

**STATE REPORT**

**Legislature Reconvenes**

The State Legislature reconvened for the second half of the 2017–2018 regular legislative session on January 3. Key legislative objectives for transit agencies in California are listed below:

- Pursue additional dedicated Cap and Trade Funding from the Greenhouse Gas Reduction Fund with regards to Cap and Trade Program.
- Oppose zero-emission bus purchase mandate that would place undue burden on transit agencies and pursue legislation related to the procurement of electricity by transit systems with regards to Transit Electrification.
- Pursue legislation to amend existing law related to use of bike racks on 60-foot articulated buses to accommodate use of three-position bike racks.
- Expand Transit-Only Lane Enforcement.
- Ensure successful implementation of State Transit Assistance (STA) program.
- Seek expansion of existing bus on shoulder authorization granted to Monterey-Salinas Transit District and Santa Cruz Metropolitan Transit District with regards to Bus on Shoulder Expansion.

*Effect on RTD: This is information that can help RTD prepare for advocating at the State Legislature.*

**Governor Submits Budget to Legislature**

Governor Brown submitted his last budget proposal to the State Legislature the week of January 8. The proposal reflects the first full year of funding from Senate Bill 1, which is estimated to provide \$7.6 billion in additional funding for transit and intercity rail over the next 10 years. SB 1 is the \$55 billion transportation package passed by the Legislature last year.

The proposed budget estimates that State Transit Assistance (STA) revenue generated from the sales tax on diesel fuel in FY 2017–18 will be \$482.8 million, an increase of \$14 million over the State Controller's November estimate of \$468.8 million. In FY 2018–19, this number rises to \$554 million, an increase in \$71.2 million, largely due to a full year of SB 1 funding. The total STA formula for FY 2018–10 is \$855 million, due to other sources of revenue including the Transportation Improvement Fee, Low Carbon Transit Operations Program and Proposition 1B.

The budget proposal estimates that the swap-based excise tax rate will be set at 15.7 cents in 2018–19, generating an estimated \$506 million in FY 2018 for STIP projects, which is an increase of \$243 million over the current year.

There is no funding in the Governor's budget proposal for a Cap and Trade Expenditure Plan. The proposal only mentions that the market for Cap and Trade auction allowances rebounded following passage of AB 398 and that \$1.25 billion will be available for expenditure in FY 2018–19. Details about the Cap and Trade Expenditure Plan are expected during the Governor's State of the State speech on January 25.

A link to the Governor's budget summary can be found here:

<http://www.ebudget.ca.gov/FullBudgetSummary.pdf>

*Effect on RTD: Increases in the STA formula transit program will benefit RTD.*

### **Air Resources Board (ARB) Transit Agency Subcommittee Discusses Innovative Clean Transit (ICT) Concept**

The following information is duplicated from the previous month, but is relevant since the Air Resources Board (ARB) hosted a meeting on January 29 at the Orange County Transportation Authority for California transit agencies to discuss the proposed ICT regulatory concept, which was released on December 15. ARB is developing strategies to transition the heavy-duty mobile source sector to zero- and near-zero emission technologies so that it can meet air quality, climate, and public health goals. The long-term vision of the ICT regulation is to achieve a zero-emission transit system by 2040 as a key step in that transition.

The ICT proposal starts in 2020 with requirements for large transit agencies (with 100 or more buses) to begin phasing-in zero emission buses (ZEBs) when bus purchases are made and would encourage fleets to act early to maximize funding opportunities. Smaller fleets would have more time before the ZEB purchase requirements begin.

California has the most ZEBs deployed in the United States. As of September 2017, there were 107 ZEBs in operation in California and an additional 340 that are on order from transit agencies and universities. Nearly 1000 transit buses are purchased in California annually. Seven transit agencies with over 3,400 buses, representing about 25 percent of all buses in California, have committed to fully electrify their fleets, including RTD. RTD has set a goal of 2025 for an all-ZEB target.

The amount allocated for the Clean Truck and Bus Vouchers is \$188 million for FY 2017–18. The Clean Mobility Options for Disadvantaged Communities program offers alternate modes of transportation and encourages use of zero-emission and plug-in hybrid vehicles, vanpools, electric and regular bicycle sharing, and other mobility options. The funding allocation for this program is \$17 million for FY 2017–18 and can be used by transit agencies to implement such a program.

ARB is proposing a requirement to implement an advanced technology purchase when making bus purchases beginning in 2020, and would include a method to recognize the benefits of innovative mobility programs implemented by transit agencies that use other types of ZEBs like micro transit, vans, or cars.

The following is a summary of the rule proposal:

January 1, 2020

- Large transit fleets (more than 100 buses) would need to:
  - Purchase 25 percent ZEB when purchases are made
  - Purchase renewable fuels when diesel or natural gas contracts are renewed
  - Report fleet-wide information for all modes and fuel purchases needed to evaluate progress in meeting a fleet-wide performance-based goal
- All transit agencies in more polluted areas of California would be required to purchase low NOx engines if available at the time of conventional bus purchases

January 1, 2023

- The proposed concept would be expanded to include medium size transit fleets with more than 30 buses
- Affected transit fleets would need to meet a 50 percent ZEB purchase requirement

January 1, 2026

- All transit fleets, including smaller transit fleets, would need to meet a 74 percent ZEB purchase requirement

January 1, 2029

- All bus purchases would need to be ZEBs.

A link to the ZEV Executive Order can be found here:

<https://www.gov.ca.gov/2018/01/26/governor-brown-takes-action-to-increase-zero-emission-vehicles-fund-new-climate-investments/>

*Effect on RTD: RTD has committed to an all-ZEB implementation date of 2025, so the proposed timelines in the ICT proposal may not be difficult to meet; however, RTD and other California transit agencies are very concerned about the proposed mandates. Concerns include high, unregulated electricity costs; significant infrastructure investments needed to charge electric buses; and the shortage of electric vehicles that provide necessary, extended range operations required.*

**Governor Releases Cap and Trade Expenditure Plan**

Governor Brown released the 2018 Cap and Trade Expenditure Plan on January 26. The plan calls for \$1.25 billion to be used for affordable housing, renewable energy, zero-emission public transportation, zero-emission vehicles, environmental restoration, and more sustainable agriculture and recycling. The Plan calls for \$160 million for clean trucks, buses, and off-road freight equipment.

The Expenditure Plan represents funding that is available for appropriation after the 60 percent continuously appropriated to transit, affordable housing, and high-speed rail is accounted for.

The following is a breakdown of the funding within the Plan:

**2018-19 Cap and Trade Expenditure Plan**  
 (Dollars in Millions)

Investment Category	Department	Program	Amount
Air Toxic and Criteria Air Pollutants	Air Resources Board	AB 617 - Community Air Protection	\$250
		Technical Assistance to Community Groups	\$5
Low Carbon Transportation	Air Resources Board	Clean Vehicle Rebate Project	\$175
		Clean Trucks, Buses, & Off-Road Freight Equipment	\$160
		Enhanced Fleet Modernization Program, School Buses & Transportation Equity Projects	\$100
	Energy Commission	Low Carbon Fuel Production	\$25
Climate Smart Agriculture	Air Resources Board	Agricultural Diesel Engine Replacement & Upgrades	\$102
	Energy Commission	Energy Efficiency	\$34
	Department of Food and Agriculture	Healthy Soils	\$5
	Energy Commission	Renewable Energy	\$4
Healthy Forests	CAL FIRE	Healthy & Resilient Forests	\$160
	CalOES	Local Fire Response	\$25
Short-Lived Climate Pollutants	Department of Food and Agriculture	Methane Reduction	\$99
	CalRecycle	Waste Diversion	\$20
Integrated Climate Action: Mitigation & Resilience	Strategic Growth Council	Transformative Climate Communities	\$25
	IBank	California Integrated Climate Investment Program	\$20
	California Conservation Corps	Energy Corps	\$6
Climate and Clean Energy Research	Strategic Growth Council	California Climate Change Technology and Solutions Initiative	\$35
<b>Total</b>			<b>\$1,250</b>

Here is the link to the Cap and Trade Expenditure Plan:

<http://www.ebudget.ca.gov/2018-19/pdf/BudgetSummary/ClimateChange.pdf>

*Effect on RTD: The \$160 million in clean trucks, buses, and off-road freight equipment will provide an additional source of funding for purchasing zero-emission buses at RTD.*

### **Governor Signs Executive Order to Advance Zero-Emission Vehicles (ZEVs)**

Governor Brown outlined a \$2.5 billion plan on January 26 for encouraging California residents to buy electric vehicles and expand a network of charging stations as part of an ambitious goal of getting five million zero-emission cars on the road by 2030. The executive order is the Governor's latest step to advance an ambitious climate agenda during his final year in office.

The number of zero-emission cars is a significant expansion of Governor Brown's goal of selling 1.5 million ZEVs by 2025. Currently, there are 350,000 ZEVs on roads in California. The \$2.5 billion in spending will require legislative approval. Reaching the goal will require that 40 percent of vehicles sold in 2030 be clean, according to the California Air Resources Board. Currently about five percent of vehicles are ZEVs.

The Governor's eight-year plan would extend subsidies to help people buy emission-free vehicles. The executive order seeks 250,000 electric-vehicle charging stations and 200 hydrogen fueling stations. Currently, there are about 14,000 charging stations and 31 hydrogen stations.

Brown proposes using funds from a mixture of existing programs and the state's cap-and-trade program.

*Effect on RTD: The Governor's executive order for ZEVs does not directly affect RTD; however, it shows the strong level of commitment from the state to move toward all-electric vehicles with the goal of zero-carbon emissions.*

### **Proposition Number 69 assigned to State Bill (SB 1) Measure**

California Proposition 69, the Transportation Taxes and Fees Lockbox and Appropriations Limit Exemption Amendment, is on the ballot in June as a legislatively referred constitutional amendment. A "yes" vote support the amendment to require that revenue from the diesel sales tax and Transportation Improvement Fee (TIF), as enacted by SB1, be used for transportation-related purposes.

Proposition 69 was part of a legislative package that included SB 1. SB 1, the Road Repair and Accountability Act of 2017, enacted a \$5.2 billion a year increase in transportation-related taxes and fees, including a 12-cents per gallon increase of the gasoline excise tax, a 20-cent per gallon increase of the diesel excise tax, a four percentage points increase of the diesel sales tax, an annual \$25 to \$100 Transportation Improvement Fee, and an annual \$100 zero-emission vehicle fee.

Proposition 69 would require that revenue from the diesel sales tax and TIF be dedicated for transportation-related purposes. As of 2018, the state constitution prohibited the legislature from using gasoline excise tax revenue or diesel excise tax revenue for general non-transportation purposes. The amendment would require the diesel sales tax revenue to be deposited into the Public Transportation Account, which was designed to distribute funds for public transportation and rail systems. Proposition 69 would require the TIF revenue be spent on public streets and highways and public transportation systems.

*Effect on RTD: Public transit will receive funding from the diesel sales tax revenue. RTD should sign the letter circulating from the Coalition to Support Local Transportation Improvements to support Proposition 69 and oppose efforts to repeal SB 1.*

## **FEDERAL REPORT**

### **Congress Passes Two-Year Budget Deal**

Congress approved a two-year budget deal on February 9 that clears the way for the completion of FY 2018 appropriations. The House and Senate cleared legislation (HR 1892) that implements a broad budget deal negotiated by the congressional leadership earlier in the week. The bill also includes a six-week Continuing Resolution to fund government operations through March 23. The legislation passed the House by a vote of 240-186 and the Senate by a vote of 71-28.

Congress voted early Feb. 9 to approve a measure that funds the federal government at FY 2017 levels through March 23, 2018, and raises budget caps required by the 2011 Budget Act for both FY 2018 and FY 2019 by \$295.6 billion above current levels.

A Continuing Resolution that runs through March 23, 2018 is designed to give appropriators time to write a FY 2018 Omnibus Appropriations bill using the new discretionary spending caps. Other provisions include suspending the federal debt ceiling until March 1, 2019, and provide nearly \$90 billion for disaster relief aid. It also includes a retroactive, one-year extension of expired tax breaks, including alternative fuel benefits for transit properties and vehicles.

While described as a two-year budget agreement, Congress still needs to enact additional legislation to make much of the agreement a reality. The House and Senate Appropriations Committees will spend the coming weeks drafting a FY 2018 Omnibus Appropriations bill using the new discretionary spending caps.

Appropriators will use the new discretionary spending cap to draft FY 2019 appropriations bills, a process that will begin soon. The higher discretionary spending cap presents an opportunity to lobby Congress for increased funding for priority domestic discretionary programs such as increased transit funding.

Appropriators will have some latitude over how they divide the \$295.6 billion in additional discretionary spending, but they will be guided by a memorandum agreed to by the congressional leadership that outlines how some of the additional spending will be divided.

The budget agreement includes \$20 billion in spending on infrastructure above current levels. However, there are no details in the text of the legislation regarding how the \$20 billion should be spent and allocated. The figure is based solely on the memorandum released by the congressional leadership and will be left to appropriators to make it a reality.

While there is no specific language in the legislation setting aside \$20 billion for infrastructure, an agreement between Senate Majority Leader Mitch McConnell (R-KY) and Senator Minority Leader Chuck Schumer (D-NY) outlines that an additional \$10 billion per year for the next two years will be allocated to "programs related to rural water and wastewater, clean and safe drinking water, rural broadband, energy, innovative capital projects, and surface transportation."

Some are calling the additional \$20 billion a "down payment" on the President's infrastructure package, but if the funds are allocated by congressional appropriators across the broad spectrum of programs outlined in the agreement, the impact could be negligible. In addition, while not mentioned specifically in the agreement, water resources programs at the U.S. Army Corps of Engineers and Bureau of Reclamation and Veterans Hospital construction at the Veterans Administration might also have a claim to a piece of the pie, among others.

The congressional appropriations committees will decide on the allocation of the first \$10 billion (along with funding for all federal programs) over the next several weeks as they craft a final FY 2018 budget.

This must be completed prior to the March 23 expiration of the current Continuing Resolution that is funding government operations.

*Effect on RTD: The additional \$68 billion in non-defense domestic discretionary funding for FY 2019 provides an opportunity for RTD to make programmatic requests to the congressional delegation to increase funding for buses through the existing Section 5339 Bus and Bus Facilities Program.*

### **President Submits FY 2019 Budget Proposal to Congress**

The President's FY 2019 budget proposal released on February 12 calls for a 19.2% cut to the Department of Transportation's discretionary budget from FY 2017 enacted levels. This is as part of a reorganization of transportation spending designed to coincide with the released infrastructure initiative.

The proposal would decrease the department's discretionary budget from \$19.3 billion to \$15.6 billion. The request submitted to Congress pointed to its infrastructure proposal that would spend \$200 billion over 10 years to defend its proposal. The infrastructure proposal asks states and local governments to take more responsibility for funding infrastructure. The largest single program within the plan, funded at \$100 billion over 10 years, requires non-federal sponsors to fund at least 80% of any particular project.

The FY 2019 request proposes deep cuts to popular transportation programs. The TIGER program would be eliminated, which received \$500 million in last year's appropriations. It also proposes to "wind down" the Capital Investment Grant program at the FTA. In FY 2019, the program would pay only for those projects that already have full funding agreements. The request amounts is a cut from \$2.41 billion in FY 2017 to \$1 billion for FY 2019.

The request also calls for cutting grants to Amtrak by more than half, particularly for long-distance routes. The budget would provide Amtrak with \$738 million (down from \$1.5 billion in FY 2017). FTA Section 5307 and Section 5336 Urbanized Area Formula funds are proposed at \$4.8 billion, as authorized in the FAST Act. Section 5339 Bus and Bus Facilities Program funds are funded at \$777 million (as authorized in the FAST Act).

The proposal will likely have limited influence on Capitol Hill, since lawmakers passed a budget deal that set overall funding levels for the next two years and boosted spending for defense and domestic programs by \$300 billion. Still, the President's budget shows the administration's spending priorities and sets the tone of political debate between and within parties.

The budget does not address the insolvency of the Highway Trust Fund (HTF). Federal gas taxes provide revenue to the trust fund, but the tax hasn't been increased since 1993. Transportation Secretary Elaine Chao said the HTF's declining balance must be addressed—possibly as part of an infrastructure initiative the President released the same day. Chao stopped short of endorsing any particular path to fixing the trust fund, saying all options remain "on the table." House Transportation and Infrastructure Chairman Bill Shuster (R-PA) has said an infrastructure bill should address the problem facing the trust fund. He has not ruled out a gas tax increase.

President Trump indicated two days after submitting his infrastructure plan to Congress that he backs a 25-cent hike in the federal gasoline tax as a way to fund his administration's \$1.5 trillion infrastructure plan, according to lawmakers attending a bipartisan White House meeting on February 14. That policy position would place the President at odds with the vast majority of congressional Republicans, who have opposed raising the gas tax.

*Effect on RTD: The President's budget proposal will not have much influence on Capitol Hill, but provides a baseline of information for RTD's advocacy efforts in Washington. The FTA transit formula programs proposed in the President's budget benefit RTD, since it is funded at the FAST Act authorized levels.*

### **President's Long-Awaited Infrastructure Plan Released to Skeptical Congress**

The White House presented a long-awaited infrastructure initiative on February 12, which proposes to use \$200 billion of federal funding to generate \$1.5 trillion or more of total spending. However, this initiative was released on the same day as the FY 2019 budget, which requests that Congress sharply cut infrastructure spending. The funding would cover surface transportation, drinking water and wastewater, energy and rural broadband.

The \$200 billion would fall into five categories:

- \$100 billion through a state and local government incentive program in which the federal government would provide a small percentage of a project's cost
- \$50 billion in block grants to rural state governors
- \$20 billion for so-called transformative projects
- \$20 billion to expand federal loan programs, such as TIFIA
- \$10 billion in a capital financing fund for federal office buildings

The 55-page document would divide \$200 billion over 10 years among five programs. The largest single program would allocate \$100 billion in incentives to states and local governments, whose requests for federal money would be judged on how much non-federal funding they can bring to the table. The incentives program would require 80% non-federal funding from state and local sponsors, representing a dramatically new and reduced role for the federal government. The initiative proposes to sell federally owned assets. In addition, it calls for divestments in roads, airports near Washington, and electricity transmission assets around the country.

But the FY 2019 budget proposal submitted the same day calls for deep cuts to infrastructure programs, including a 19.2% cut to the Department of Transportation's budget from the FY 2017 funding levels. The President's budget would also cut spending on Amtrak and the Capital Investment Grant program, as well as transit research programs.

The House Transportation and Infrastructure Committee Democratic staff projected that the budget proposal would cut \$168 billion over 10 years from programs under the committee's jurisdiction. Democrats and many industry groups criticized the proposal as a ruse meant to appear as a significant investment that actually didn't add any new spending when cuts are taken into account. The infrastructure proposal doesn't include any new revenue, and senior administration officials have said it would be paid for with cuts elsewhere in the budget.

Neither the infrastructure initiative nor the budget request outlined a way to fix the HTF, which is projected to run out of funding by the end of FY 2020. The proposal raises some ideas for pay-fors; including tolling on more interstate highways and divesting federally-owned assets, especially in the energy sector.

The proposal's second largest component is a \$50 billion package for rural infrastructure. States would be required to submit plans to address infrastructure in areas with population of less than 50,000. Of the available funds, \$40 billion would be distributed to governors as block grants on a formula based on the number of rural lane miles and rural populations with the state. The remaining \$10 billion would be used for rural performance grants within certain assets of infrastructure and grants to Native American tribes.

The Commerce Department would oversee a new \$20 billion program to fund innovative infrastructure, a category of transformative projects that would change the way infrastructure is delivered. The infrastructure plan also calls for a more streamlined permit approval process under the National Environmental Policy Act (NEPA), including placing a two-year limit on the duration of environmental reviews and a 150-day statutory limit for outside stakeholder groups to challenge reviews and decisions in court.

Leveraging federal dollars is the major thrust behind the Administration's plan. The plan estimates that \$14 billion in federal credit loan programs, such as TIFIA/WIFIA/RRIF/RUS could leverage between \$800 billion and \$900 billion in infrastructure spending.

Another type of financing, tax-exempt private activity bonds (PABs), would be broadened under the Administration plan. Currently, these tax-exempt bonds can be issued for projects relating to airports, docks and wharves, mass transit, water supply and sewage, sanitation, high-speed rail, hydro power, schools, power generation, federal-aid highway projects, international bridges and tunnels, and rail-freight transfer for facility projects already receiving federal funding. This list would be expanded to include more highway and transit projects, non-high-speed passenger rail, flood control and storm water facilities, rural broadband, and brownfield/Superfund sites.

The proposal would also eliminate the PAB state volume caps and transportation volume caps, and would treat PABs the same as other tax-exempt securities under the Alternative Minimum Tax (AMT).

Changes to existing programs: The Trump plan also proposes a wide variety of changes to the laws governing existing infrastructure programs.

#### Highways

- States would be allowed to toll existing Interstate highway lane-miles, as long as proceeds are used for infrastructure
- States would be authorized to perform utility relocation before NEPA process is completed
- Threshold for FHWA "major project oversight" rules would be increased from a \$500 million project to a \$1 billion project
- States would be given general authority to pay federal government back for federal contribution for already-completed highway projects in order to be freed from perpetual federal restrictions on project

#### Transit

- Use of "value-capture" mandated as a component of all new subway and light rail projects would eliminate existing legal constraints on the use of public-private partnerships (PPP) in mass transit
- Existing mass transit PPP pilot program would be permanently codified and have federal share increased to 50%

#### Airports

- Small hub airports could apply for permission to levy passenger facility charges with much lower paperwork burden that now only applies to non-hub airports
- Existing airport privatization pilot program would be expanded and improved
- FAA reviews of projects (other than critical airfield infrastructure) would be reduced
- Airports would be allowed to offer incentive payments for early completion of AIP projects

#### Rail

- Statute of limitations for rail projects would be lowered from two years to 150 days, which would make the time frame for legal challenges to be consistent with those for transit and highway projects.

#### Water (EPA)

- Clean Water State Revolving Fund would be allowed to lend to private owners (like Safe Drinking Water Revolving Fund does), and areas of Clean Water Act would be amended to level playing field between public and private providers

A link to the President's Infrastructure Plan can be found here:

<https://www.whitehouse.gov/wp-content/uploads/2018/02/INFRASTRUCTURE-211.pdf>

*Effect on RTD: The infrastructure plan provides an opportunity for RTD to pursue additional federal funding through the Bus and Bus Facilities Program. Due to political realities of the November mid-term elections, whether Congress will pass an infrastructure bill this year is unclear.*

### **Congress Considers Ways to Restore Earmarks**

Some leading lawmakers are calling for a return to the practice of allowing members of Congress to sponsor targeted infrastructure project spending, or earmarks, as a way to enhance congressional control over how the money is spent. The House Rules Committee held hearings on January 17–18, and heard from both members of Congress and outside public witnesses.

Both the House and Senate halted the use of congressionally targeted project funding in 2011, after reports of some high-cost earmarks going to projects of questionable value. However, lawmakers have since said they did not like ceding the power to administration officials to decide which specific projects to fund and some say banning earmarks amounted to Congress giving up some of its constitutional power of the purse.

A number of lawmakers have also said ending earmarks has made it harder for Congress to pass legislation, including measures to authorize infrastructure projects. President Trump recently made that argument when he told members of Congress they should bring back earmarks as a way to help lawmakers work together.

While many lawmakers want to restore earmarks, they also insist that any return to member-directed spending must have a better system of accountability than in the past, such as by publicly disclosing the earmarks in advance and making the case for their benefits.

House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA) testified before the Rules Committee and argued for Congress to “take back our constitutional authority, which I think is so, so important.” Article One, Section Nine, Clause Seven of the Constitution provides authority to Congress to direct spending in the way that Congress deems appropriate. Shuster also address fiscal conservatives, saying a return to earmarks “is not a spending issue. The ban hasn’t saved a penny. Continuing a ban doesn’t mean we will be spending any less. This is purely a question of who exactly is making our spending decisions.”

House Rules Committee Chairman Pete Sessions (R-TX) said the House could have “transparent, merit-based” earmarks in place by the time the Fiscal 2019 appropriations process gets underway. Sessions said that he, House Appropriations Committee Chairman Rodney Frelinghuysen (R-NJ), House Transportation Chairman Bill Shuster, and staff members have been discussing how Congress can exercise more power over annual appropriations and brainstorming ideas for how earmarks may return. Sessions said that whatever proposal his panel suggests to the House Republican Conference could replace the current moratorium by the time Fiscal 2019 appropriations bills begin moving forward and, possibly, by the time a massive infrastructure bill moves through Congress.

On a related note, Shuster announced January 2 that he will be retiring in November. Shuster is in his third term as chairman and would be prohibited under House rules from holding the gavel for another term. Shuster said he is focused on working with the President to pass a much-needed infrastructure bill. In addition, Appropriations Committee Chairman Frelinghuysen announced on January 29 that he will not be seeking re-election. The top GOP House appropriator was expected to have a difficult re-election in New Jersey this fall, given the lack of popularity of President Trump. Sessions contended that Congress can be more transparent than agencies in making decisions about infrastructure projects. Lawmakers should provide funding for projects “in a legislative process, where things are done in committee, in subcommittee, in hearings, and are competitive-whether it is for water, rail or transportation.” Underscoring his point, Sessions highlighted a recent General Accounting Office

report, which concluded that the Department of Transportation's process for choosing the winners of highway and freight projects grants lacked transparency.

Before House members can move forward with a yet unreleased proposal, there are several questions for lawmakers to consider, including whether earmarks would be allowed on authorizing and appropriation bills, as was the case before the House ban went into place, or if they would be allowed solely on appropriations bills. The House lawmakers will need to decide if they want to move forward with a proposal this year, or wait until the next session of Congress which begins next January, when the rules package is considered.

They also need to determine when and how earmarks can be added to legislation—whether they need to be presented to chairmen and included when a bill is released—or added at the subcommittee level, the committee level, the floor, or all of the above. They will also need to avoid embarrassing situations, which is one of the reasons former House Speaker John Boehner moved to eliminate the practice, instead of overhauling it. One of those embarrassing situations for the Republicans was the so-called \$200 million Bridge to Nowhere, which was initially added to the 2005 Highway and Transit Authorization Law (SAFETEA-LU) and would have connected a rural Alaskan town with an island that had roughly 50 people and an airport.

There were, of course, strong objections to bringing back earmarks, although most members testifying were in favor of reinstating the process. Republican Study Committee Chairman Mark Walker (R-NC) spoke against the possible return, arguing that if the Republicans take that step it would lose control of the House during the 2018 midterm elections.

If the House brings back earmarks later this year, senators will have to decide if they leave the practice a historical footnote or join their colleagues in "congressionally directed spending" once again. Currently, senators are divided on what to do, with some saying the practice would restore constitutional appropriations authority, while others feel that earmarking is simply too notorious.

Senator Richard Shelby (R-AL), who is next in line to become Appropriations Committee Chairman, said he supports "directed appropriations" but noted there would have to be a substantial discussion among senators because earmarks became "abused and pejorative" before they were banned in 2011. If the House was to remove the ban, that would place senators in a tight spot. If they leave the ban in place, that could cause complications for confereing legislation and frustrate Senate appropriators, who would be barred from directing federal spending in a way equal to their House colleagues.

Since the ban took effect in 2011, lawmakers on both sides of the Capitol have discussed a possible return to earmarking, but haven't gained serious traction until now. House Republicans almost brought back the practice in November of 2016 when setting up their rules for the 115<sup>th</sup> Congress, but House Speaker Paul Ryan pushed back, saying the "optics" would not be good after President Trump was elected. In the year since, there has been a strong push among Republicans to revisit the prohibition put in place seven years ago. Lawmakers from both political parties who testified in front of the House Rules Committee were overwhelmingly in favor of supporting a return to earmarks in some form. The second day of hearings was a panel of off-Hill experts who were mostly against a return to earmarking.

Interest in earmarking is now higher than it has been since Republicans took back the House in 2011 and announced they would refuse to bring bills containing earmarks to the House or Senate floor. There are three reasons why the interest in earmarking is peaking now, all of which have to do with President Trump.

1. **Infrastructure Plan**—President Trump will submit his infrastructure plan to Congress in the next few weeks and will make it a major legislative priority for 2018. The plan will include tens of billions of dollars in funding for discretionary grant programs where federal agencies would

evaluate and select projects. When Congress eliminated earmarking in 2011, they also took away the ability of executive branch agencies to pick its own projects. The 2012 MAP-21 law eliminates most discretionary programs. However, one large new discretionary grant in the 2015 FAST Act, called FASTLANE/INFRA was authorized, creating resentment in Congress that members aren't awarding grants to their states or local governments. The mood in Congress is that if they cannot pick the projects, then neither should the President.

2. **Program stalemate**—there are existing programs, such as the Federal Transit Administration's "Capital Investment Grant" program, where the authors of the statute did not anticipate that a President would want to shut down the program. For programs like New Starts, the self-imposed earmark ban in Congress is a major roadblock that could prevent Congress from ordering the Administration to proceed with projects that have long been in the pipeline and are anticipating federal funding.
3. **A matter of trust**—most earmarks are about a lack of trust. A member of Congress doesn't trust the executive branch to give their district a fair share of funding distributions for a discretionary program. Or, for formula programs, the member of Congress does not trust their state or local government to pick the right projects for their district. Trust between Congress and the White House is very low. To the extent that Congressional earmarking is a symptom of distrust between the two branches, it is easy to see why the demand for bringing earmarks back is strong.

*Effect on RTD: This is primarily informational but RTD should pay close attention to the development of potential earmarks in the FY 2019 appropriations measures as well as an infrastructure initiative that is being considered in Congress this year.*

### **Federal Transit Administration (FTA) Seeks Comments on Automated Transit Bus Research**

FTA has issued two Requests for Comment notices that will help the agency develop funding opportunities for bus automation demonstration projects and provide information to the U.S. Department of Transportation's guidance on advancing automated vehicle technologies.

#### Research Program: Automated Transit Buses Request for Comments

Motor vehicle automation as a technology platform and service model has become the most talked about development for surface transportation. Public transportation is expected to have a significant role in this new area. First mile/last mile service or circulators are an example where the use of automated motor vehicles could play an effective role.

FTA is seeking comments and information to determine the current state of the industry as related to automated vehicle technology in order to make more informed decisions regarding future areas of research. The purpose of the request for comments is to gauge the transit industry's ability and interest in responding to funding opportunities and evaluations of cases where commercially ready technology and products could be applied to transit to provide early demonstrable results.

FTA has identified transit bus automation use cases, organized into five general categories, as outlined below:

- Transit Bus Advanced Driver
- Automated Shuttles
- Maintenance, Yard and Parking Operations
- Mobility-on-Demand Service
- Automated Bus Rapid Transit

#### Removing Barriers to Transit Bus Automation

The FTA is seeking comments regarding current or potential regulatory or other policy barriers to the development, demonstration, deployment, and evaluation of automated transit buses and related technologies. The information will help inform FTA's approach to automated transit buses, including

determining whether to pursue potential modifications of FTA regulations, guidance, and internal practices, and possibly any future legislation. The notice is a request for comments and information only.

Comments received will help FTA develop future Notices of Funding Opportunities for transit bus automation demonstrations and help inform the U.S. Department of Transportation's policy making on automation. Comments are due March 2, 2018.

Links:

[FTA Vehicle Automation Requests for Comment](#)  
[FTA Transit Automation Research](#)  
[USDOT Automated Vehicle Activities](#)

*Effect on RTD: The FTA will be releasing funding opportunities in the future for transit bus automation. RTD should be prepared to pursue these federal grant opportunities and determine which transit bus automation uses would be the most beneficial to the agency.*

### **The White House Announced the President's Intent to Nominate Former Representative Thelma Drake (R-VA) to be the FTA Administrator on February 12**

Drake served as a Virginia state legislator from 1995-2004 and then served two terms in the U.S. House from 2005-2008, during which she was appointed to the Transportation and Infrastructure Committee. After losing her seat in the Obama presidential election of 2008, she served in Virginia Governor Bob McDonnell's state Cabinet as the Director of the Virginia Department of Rail and Public Transportation for four years. Since 2015, she has worked for the City of Norfolk, most recently as the Assistant Director of Public Works for Transportation.

Once the Senate receives the paperwork from the White House, her nomination will be referred to the Banking, Housing, and Urban Affairs Committee.

In addition, the Senate broke a six-month logjam on February 13 and confirmed by voice vote Ronald Batory as Administrator of the Federal Railroad Administration and Adam Sullivan as Assistant Secretary of Transportation for Government Affairs. Both nominations had been held up by Senate Minority Leader Chuck Schumer (D-NY) and other New York and New Jersey Senators since early August 2017 as leverage in talks with the White House over the proper federal share of funding for the \$30 billion Gateway Program of rail projects in those states.

Three fatal Amtrak crashes in six weeks (including a train in which hundreds of Representatives and Senators were traveling), and an increased focus on the FRA's crucial role in overseeing railroad implementation of positive train control technology before the December 31, 2018 deadline put the spotlight on the fact that Democrats were holding up a well-qualified nominee to be the nation's chief railroad safety regulator. The recent departure of the Acting FRA Administrator due to an investigation into his unauthorized side job also served to draw attention to the leadership vacuum at the top of the agency.

There are still several vacant Senate-confirmable positions at the DOT for which the President has no pending nominees, including the Assistant Secretary for Transportation Policy, Federal Highway Administrator, and the Federal Aviation Administrator.

*Effect on RTD: The lack of confirmed nominees at the DOT creates a leadership vacuum at the federal agency, affecting many transit issues. This is helpful information for RTD when advocating at the federal level during the APTA Legislative Conference and the San Joaquin One Voice Trip this spring.*

**REPORT: FINANCIAL REPORT**

**LEAD STAFF: VIRGINIA ALCAYDE, DIRECTOR OF FINANCE**

**DISCUSSION:**

Finance staff will provide an update on the following:

- January Revenue and Expense Summary
- Graph (Total YTD Expenses vs. Annual Budget)
- Graph (YTD Expenses Composition)
- Cash Flow Projection

**San Joaquin RTD  
 FY2018 Revenue & Expense Summary  
 Year to Date Comparison to Annual Budget  
 For the Period Ending January 31, 2018  
 (58.3% of Fiscal Year )**

	Annual Budget	Year to Date Amount (Accrual Basis)	Annual Budget Balance	% of YTD Amount vs. Annual Budget	Year to Date Amount (Cash Basis)
<b>REVENUES</b>					
PASSENGER FARES & SPECIAL FARES	\$ 3,735,752	\$ 2,037,083	\$ 1,698,669	54.53%	\$ 2,037,083
NON-TRANSPORTATION REVENUES	134,515	117,575	16,940	87.41%	117,575
FEDERAL GRANTS (5307)	4,611,568	2,888,050	1,723,519	62.63%	-
OTHER FEDERAL GRANTS	357,706	-	357,706	0.00%	-
PROPERTY TAXES	866,185	541,438	324,747	62.51%	541,189
TDA - STA	1,832,443	1,068,926	763,517	58.33%	-
TDA - LTF	15,097,083	9,973,938	5,123,145	66.07%	7,902,000
LCTOP (State funding) low carbon	806,209	129,368	676,841	16.05%	397,733
MEASURE K	7,098,337	3,330,119	3,768,218	46.91%	4,279,388
<b>TOTAL REVENUES</b>	<b>\$ 34,539,797</b>	<b>\$ 20,086,495</b>	<b>\$ 14,453,302</b>	<b>58.15%</b>	<b>\$ 15,274,968</b>
<b>EXPENSES</b>					
WAGES AND FRINGE BENEFITS	19,496,629	11,559,403	7,937,226	59.29%	11,535,122
SERVICES	2,888,821	1,254,447	1,634,375	43.42%	1,178,203
MATERIALS & SUPPLIES	2,502,361	1,440,394	1,061,967	57.56%	1,214,319
UTILITIES	846,071	507,496	338,574	59.98%	471,480
INSURANCE	840,000	482,833	357,167	57.48%	706,974
TAXES	160,149	117,036	43,113	73.08%	117,036
PURCHASED TRANSPORTATION	6,373,606	4,025,414	2,348,192	63.16%	2,183,942
MISCELLANEOUS EXPENSES	1,432,161	855,733	576,428	59.75%	852,900
<b>TOTAL EXPENSES</b>	<b>\$ 34,539,797</b>	<b>\$ 20,242,755</b>	<b>\$ 14,297,042</b>	<b>58.61%</b>	<b>\$ 18,259,977</b>
 <b>Net Revenue (Deficit)</b>	 <b>(0)</b>	 <b>(156,260)</b>			 <b>(2,985,009)</b>

Funds used to bridge the cash shortfall:  
 LOC

5,750,000

San Joaquin RTD Twelve Months Cash Flow Projection												
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Beginning Cash Balance	291,925	1,285,170	0	0	0	354,555	0	0	0	547,374	51,045	0
Projected Cash Inflow	3,130,865	3,464,891	8,131,494	5,108,830	7,458,927	6,395,652	4,345,805	3,849,180	5,440,239	2,328,671	1,828,671	2,228,671
Cash Available	3,422,790	4,750,061	8,131,494	5,108,830	7,458,928	6,750,207	4,345,805	3,849,180	5,440,239	2,876,045	1,879,716	2,228,671
Projected Cash Outflow	5,237,621	4,750,061	8,131,494	5,108,830	7,104,372	8,489,075	4,345,805	3,945,919	4,892,865	2,825,000	2,828,545	2,891,019
Net Cash Available	(1,814,830)	0	0	0	354,555	(1,738,868)	0	(96,739)	547,374	51,045	(948,829)	(662,348)
Draw From Line of Credit	3,100,000	0	0	0	0	1,738,868	0	96,739	0	0	948,829	662,348
Balance	1,285,170	0	0	0	354,555	0	0	0	547,374	51,045	0	0
LOC Opening Balance	2,650,000	5,750,000	5,750,000	3,012,363	2,634,484	0	1,738,868	1,703,344	1,800,083	0	0	948,829
LOC advance	3,100,000	0	0	0	0	1,738,868	0	96,739	0	0	948,829	662,348
LOC Payoff	0	0	2,737,637	377,879	2,634,484	0	35,524	0	1,800,083	0	0	0
LOC Closing Balance	5,750,000	5,750,000	3,012,363	2,634,484	0	1,738,868	1,703,344	1,800,083	0	0	948,829	1,611,177
LOC Available	4,250,000	4,250,000	6,987,637	7,365,516	10,000,000	8,261,132	8,296,656	8,199,917	10,000,000	10,000,000	9,051,171	8,388,823
<b>CASH INFLOW</b>												
Fare Revenue	317,551	317,551	317,551	317,551	317,551	317,551	317,551	317,551	317,551	317,551	317,551	317,551
Advertising, Rental, Interest & Other Income	11,120	11,120	11,120	11,120	11,120	11,120	11,120	11,120	11,120	11,120	11,120	11,120
Federal 5307												
Federal 5311		359,782				359,782			4,611,568			
Property tax Revenue				356,185								
TDA-STA Operating			2,082,442									
TDA-STA Capital			713,053									
TDA-LTF	1,375,000	1,500,000	1,200,000	1,400,000	1,800,000	2,096,180	1,500,000	2,200,000	500,000	2,000,000	1,500,000	1,900,000
LCTOP												
Measure K Operating	1,427,194			1,425,000			1,425,000					
Federal 5312								228,375				
Federal CMAQ					2,392,008	3,321,019	1,092,134	1,092,134				
Measure K BRT		1,276,438	1,651,091	150,000	826,173	290,000						
State TIRCP				1,129,974	1,129,130							
State CARB			1,101,831									
SWAPCD			699,930									
TSSDRA			35,476									
FTMISEA					982,946							
Federal 5339												
Federal 5310			319,000	319,000								
<b>Projected Cash Inflow</b>	<b>3,130,865</b>	<b>3,464,891</b>	<b>8,131,494</b>	<b>5,108,830</b>	<b>7,458,927</b>	<b>6,395,652</b>	<b>4,345,805</b>	<b>3,849,180</b>	<b>5,440,239</b>	<b>2,328,671</b>	<b>1,828,671</b>	<b>2,228,671</b>
<b>PROJECTED DRAW FROM LINE OF CREDIT</b>	<b>3,100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,738,868</b>	<b>0</b>	<b>96,739</b>	<b>0</b>	<b>0</b>	<b>948,829</b>	<b>662,348</b>
<b>CASH OUTFLOW</b>												
Payroll and Payroll Related Expenses	1,150,000	1,150,000	1,725,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,210,000
Accounts Payable Check-runs	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000
Purchased Transportation Invoices	140,530	595,000	595,000	595,000	595,000	595,000	595,000	595,000	595,000	595,000	595,000	595,000
Qtrly Unemployment (EDD)		15,000			15,000							
Insurance Premiums - Prepaid	766,974											
Software Maintenance - Prepaid												
Capital Payments:												
Proterra Bus						4,034,187						
Proterra Charger				228,375								
Hopper Bus	268,877	537,754	537,754	537,754	537,754	537,754	386,783					
BRT IV & V	1,641,615	1,352,851	1,163,563	1,129,974	1,092,134	1,092,134	1,092,134	1,119,044				
DTC Roof Replacement	134,838											
Bus Maintenance Scaffolding	100,730											
Line of Credit Interest	14,056	19,456	11,264	9,848			6,364	1,875			3,545	6,019
Line of Credit Payoff			2,737,637	377,879	2,634,484		35,524		1,800,083			
Measure K Interest to SJCOG			281,276						267,782			
<b>Projected Cash Outflow</b>	<b>5,237,621</b>	<b>4,750,061</b>	<b>8,131,494</b>	<b>5,108,830</b>	<b>7,104,372</b>	<b>8,489,075</b>	<b>4,345,805</b>	<b>3,945,919</b>	<b>4,892,865</b>	<b>2,825,000</b>	<b>2,828,545</b>	<b>2,891,019</b>

2/15/2018

**REPORT: OPERATIONS PERFORMANCE REPORT**

**LEAD STAFF: JEAN FOLETTA-MORALES, CHIEF OPERATING OFFICER**

**DISCUSSION:**

Chief Operating Officer Jean Foletta-Morales will provide an update on the Operations Performance Indicators for the first and second quarter of Fiscal Year 2018.

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
FRIDAY, JANUARY 12, 2018

The Board of Directors of the San Joaquin Regional Transit District (RTD) held a Regular Meeting at 10:00 a.m. on Friday, January 12, 2018, in the Boardroom of RTD's Downtown Transit Center, 421 East Weber Avenue, Stockton, California.

1. CALL MEETING TO ORDER Vice-Chair Les Fong called the meeting to order at 10:03 a.m.
2. MOMENT OF SILENCE/REFLECTION
3. PLEDGE OF ALLEGIANCE TO THE FLAG Director Bauer led the pledge
4. SAFETY ANNOUNCEMENT Safety and Risk Senior Specialist Nancy Antonio
5. ROLL CALL Present: Gary Giovanetti  
Les Fong, Vice-Chair  
Joni Bauer  
Balwinder Singh  
  
Absent: Michael Restuccia, Chair

Staff Present

Donna DeMartino, Chief Executive Officer  
Gloria Salazar, Deputy Chief Executive Officer  
Jean Foletta-Morales, Chief Operating Officer  
Al Hoslett, RTD Legal Counsel  
Kent Bradbury, Legal Counsel  
George Lorente, Grants Manager  
Kelvin Cao, Customer Engagement Analyst  
Max Cao, Marketing Senior Specialist  
Moorea Warren, Customer Engagement Manager  
Nancy Braxton, Executive and Board Support Analyst  
Nate Knodt, Director of Planning and Scheduling  
Sharon Miller, Director of Procurement  
Terry Williams, Marketing Manager  
Toan Tran, Mobility and Contract Services Manager  
Virginia Alcayde, Director of Finance  
Brandon Vales, Contracts Analyst  
Adriana De Borba, Contracts Senior  
Pinky Acosta, Accountant I  
Stephennie Hayne, Senior Accountant  
Damaris Galvan, Planning and Scheduling Manager  
Nancy Antonio, Safety and Risk Senior Specialist  
Wendell Krell, Director of Facilities  
Elizabeth Fernandez, Planning and Scheduling Analyst  
Angela Chang, Marketing-Graphic Design Specialist  
Denoris Motley, Planning and Scheduling Specialist  
Dero In, Grants Senior Specialist  
Syed Bukhari, Finance Senior Specialist  
Darla Smith, Superintendent Facilities  
Deanna Din, Part time Administrative Assistant

Ravi Sharma, Finance Manager  
Nakia Foster, Operator  
Cathy Rivas, Operator

Members of the Public Who Indicated They Were Present

Jesse Lopez	John Vanderport
Larry Crawford	Janet Logan
Josephine Reingold	Barry Reingold
Alan Wagner	Cathy Rivas
Kenneth Huntley	Reno Navarette

6. ELECTION OF OFFICERS

Director Giovanetti made a motion nominating Les Fong as Chair of the Board. Director Singh seconded the motion.

ACTION:	MOTION: DIRECTOR GIOVANETTI	SECOND: DIRECTOR SINGH
Roll Call:		
AYES:	Bauer, Fong, Giovanetti, Singh	NAYES: ABSTAIN: ABSENT: Restuccia

Director Singh made a motion nominating Gary Giovanetti as Vice-Chair of the Board. Director Fong seconded the motion.

ACTION:	MOTION: DIRECTOR SINGH	SECOND: DIRECTOR FONG
Roll Call:		
AYES:	Bauer, Fong, Giovanetti, Singh	NAYES: ABSTAIN: ABSENT: Restuccia

CEO Donna DeMartino congratulated Directors Fong and Giovanetti on their election as Chair and Vice-Chair, respectively, of the Board of Directors for the coming year.

7. SPECIAL PRESENTATIONS

A. EMPLOYEES OF THE MONTH

Special recognition was given to Planning and Scheduling Analyst Elizabeth Fernandez for Employee of the month for November 2017.

B. EMPLOYEES OF THE YEAR

Special recognition was given to Operator Guillermo Perez, Transportation Employee of the Year; and Transportation Supervisor Keo Xanouvong, Administration Employee of the Year.

JOHN LOPEZ INSPIRATIONAL AWARD

CEO Donna DeMartino was presented with the John Lopez Inspirational Award.

C. YEARS OF SERVICE RECOGNITION

There were no Years of Service awards.

## 8. PUBLIC COMMENT

Chief Operating Officer Jean Foletta-Morales informed the Board of a new joint endeavor between RTD and the ATU Local 276 Union. RTD learned of a program that the Valley Transportation Authority (VTA) and its ATU Local Union set in place from Alan Wagner, President, ATU Local 276. This visionary program consists of management and the union working together to change the culture of our agency and our employees. Both groups believe this can be a helpful and positive approach to team building and will help create a positive work environment, and help to reduce absenteeism and accidents. Jean invited Alan Wagner to share his thoughts regarding the program. This program is recognized by the State as an apprenticeship program for Operators. Since VTA implemented this program, absenteeism has been cut, accidents are down, and pension plans are much better. The relationship between VTA and its union has improved in the last 10 years due to this program. Alan thanked Donna and RTD for allowing RTD to move forward with this type of program which will be good for the employees, RTD, and the public.

Jesse Lopez, Larry Crawford, John Vandervort, Janet Logan, Josephine Reingold, Barry Reingold, Nakia Foster, Cathy Rivas, and Kenneth Huntley expressed concerns with Route 63 and the new 2018 service improvements.

Alan Wagner, President, ATU Local 276, expressed concerns with item 13c; Contracted Transportation Services; Route 63 and the new 2018 service improvements, and the CEO contract. He would like to meet with the Board to discuss these concerns.

James Young would like to congratulate the Employees of the Month, Employees of the Year, and Donna DeMartino for winning the John Lopez award. He would also like to work or volunteer for RTD events.

## 9. PUBLIC HEARING

### A. FTA SECTION 5311 FUNDED ON-DEMAND SERVICE WILL NOT ADVERSELY IMPACT MINORITY OR LOW-INCOME COMMUNITIES

This public hearing is scheduled to provide an opportunity to gather input regarding FTA Section 5311 Funded On-Demand Service which will not adversely impact minority or low-income communities.

Chair Fong opened the Public Hearing for the FTA Section 5311 Funded On-Demand Service which will not adversely impact minority or low-income communities.

Grants Manager George Lorente presented a report on the 5311 Funded On-Demand Service.

There were no public comments, Chair Fong closed the Public Hearing.

## 10. REPORTS

### A. CHIEF EXECUTIVE OFFICER REPORT

- CEO Donna DeMartino reported that the County has recently agreed to release additional Local Transportation Funds (LTF) to RTD. This is a big victory for RTD and hopefully an opportunity to expand services in the future.
- The Martin Luther King, Jr. Corridor will not be opening in January as expected. RTD has experienced some construction delays that have postponed the launching of the corridor. As disappointing as this may be, it would be more

disappointing to launch the corridor and not have safe facilities for our employees and guests. RTD is moving the launch to March 11, 2018.

- DeMartino invited the Board and guests to tour the new Hopper buses after the Board meeting. RTD is proud of these new Hoppers because they have low floors with wider entry ways and will provide easier access for our guests with disabilities.
- Advancing Women in Transportation Sacramento Chapter (WTS) is an international organization that has awarded RTD with the Innovative Transportation Solutions Award this month for its First in the Nation All-Electric BRT Corridor. DeMartino informed the Board of the award ceremony and asked that they RSVP with Nancy Braxton if they would like to attend the event.
- DeMartino invited RTD Legal Counsel-Labor and Employee Relations Kent Bradbury to speak about the new partnership between RTD management and Union employees. This program is called The Joint Workforce Investment Program and has been organized and running for about 10 years by the ATU Local Union in San Jose that is a part of the Valley Transportation Authority. This program has already done many great things in terms of addressing absenteeism, accidents, and other issues that can affect how an agency can best serve the public. A group of RTD management staff and ATU leaders and representatives went to San Jose to meet with a variety of different groups within VTA who have been a part of this program over the past 10 years. The program oversees a variety of different initiatives and serves as a sounding board for many other related labor and management joint initiatives within VTA. This program would make a positive impact for RTD because it opens up that additional pipeline for discussion between labor and management to resolve a variety of different issues. While there, RTD management staff met with ATU leadership, management leadership, groups of operators that serve as mentors for the program, and a group of maintenance employees. We are looking forward to positive changes, and we appreciate the union bringing this project forward to improve their workplace and ours.

B. STATE/FEDERAL LEGISLATIVE REPORT UPDATE

The CEO provided a written report to the Directors in the Board package.

C. FINANCIAL REPORTS

Director of Finance Virginia Alcaide provided a written report to the Directors in the Board package.

11. INFORMATION ITEMS

These reports are being provided for information only.

A. QUARTERLY UPDATE OF CONTRACTS AWARDED OCTOBER–DECEMBER 2017

Director of Procurement Sharon Miller provided the updated quarterly report to the Board of Directors

B. BUS RAPID TRANSIT (BRT) IV AND V MARKETING UPDATE

Marketing Manager Terry Williams provided an update to the Board of Directors.

C. FVM PROJECT UPDATE

Chief Technology Officer Mike Thompson provided an update to the Board of Directors.

- D. UNMET TRANSIT NEEDS MARKETING OUTREACH UPDATE  
Marketing Manager Terry Williams provided an update to the Board of Directors.
- E. UPDATE ON FINDINGS OF THE FY 2017 UNMET TRANSIT NEEDS PUBLIC HEARINGS SUMMARY REPORT  
Director of Planning and Scheduling Nate Knodt provided an update to the Board of Directors.

12. CONSENT CALENDAR

- A. RESOLUTION NO. 5750  
RESOLUTION APPROVING MINUTES OF THE NOVEMBER 17, 2017, REGULAR BOARD OF DIRECTORS MEETING

ACTION: MOTION: DIRECTOR BAUER SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- B. RESOLUTION NO. 5751  
RESOLUTION APPROVING THE 2018 BOARD OF DIRECTORS REGULAR MEETING SCHEDULE

ACTION: MOTION: DIRECTOR BAUER SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- C. RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER (CEO) OR DESIGNEE TO EXECUTE AND FILE GRANT APPLICATIONS, EXECUTE GRANT AGREEMENTS, AND TO TAKE REQUIRED ACTION TO RECEIVE GRANT FUNDS

- 1. RESOLUTION NO. 5752  
RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION WITH THE U.S. DEPARTMENT OF TRANSPORTATION (DOT) FOR FY 2018 SECTION 5307 GRANT UNDER THE FEDERAL TRANSIT ACT

ACTION: MOTION: DIRECTOR BAUER SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- 2. RESOLUTION NO. 5753  
RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION WITH THE U.S. DEPARTMENT OF TRANSPORTATION (DOT) FOR FY 2018 SECTION 5339 GRANT UNDER THE FEDERAL TRANSIT ACT

ACTION: MOTION: DIRECTOR BAUER SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- 3. RESOLUTION NO. 5754

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION WITH THE U.S. DEPARTMENT OF TRANSPORTATION (DOT) FOR FY 2018 SECTION 5309 GRANT UNDER THE FEDERAL TRANSIT ACT

ACTION: MOTION: DIRECTOR BAUER SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

4. RESOLUTION NO. 5755  
RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION WITH THE DEPARTMENT OF TRANSPORTATION (DOT) FOR FY 2018 SECTION 5310 GRANT UNDER THE FEDERAL TRANSIT ACT

ACTION: MOTION: DIRECTOR BAUER SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

5. RESOLUTION NO. 5756  
RESOLUTION AUTHORIZING THE FILING OF APPLICATIONS WITH THE U.S. DEPARTMENT OF TRANSPORTATION (DOT) FOR FY 2018 SECTION 5311 AND 5311(f) GRANTS UNDER THE FEDERAL TRANSIT ACT

ACTION: MOTION: DIRECTOR BAUER SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

6. RESOLUTION NO. 5757  
RESOLUTION AUTHORIZING THE EXECUTION OF THE FY 2018 MASTER AGREEMENT AND PROGRAM SUPPLEMENTS FOR STATE-FUNDED TRANSIT PROJECTS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS)

ACTION: MOTION: DIRECTOR BAUER SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

7. RESOLUTION NO. 5758  
RESOLUTION AUTHORIZING THE FILING OF FY 2018 GRANT APPLICATIONS UNDER THE FEDERAL TRANSIT ACT

ACTION: MOTION: DIRECTOR BAUER SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

8. RESOLUTION NO. 5759  
RESOLUTION AUTHORIZING THE CEO OR DESIGNEE TO EXECUTE AND FILE GRANT APPLICATIONS AND GRANT AGREEMENTS UNDER THE FY 2018 TRANSPORTATION PLANNING GRANT PROGRAM

ACTION: MOTION: DIRECTOR BAUER SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- D. RESOLUTION NO. 5760  
RESOLUTION AUTHORIZING THE SUBMISSION OF THE RTD SOLAR ENERGY PROJECT AS A REGIONAL PRIORITY PROJECT FOR THE SAN JOAQUIN ONE VOICE 2018 FEDERAL LEGISLATIVE AGENDA

ACTION: MOTION: DIRECTOR BAUER SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- E. RESOLUTION NO. 5761  
RESOLUTION CERTIFYING THAT NO NONPROFITS ARE READILY AVAILABLE TO PROVIDE SPECIALIZED TRANSPORTATION SERVICES TO THE ELDERLY AND DISABLED THAT ARE COMPARABLE TO RTD'S EXISTING SERVICES IN SAN JOAQUIN COUNTY

ACTION: MOTION: DIRECTOR BAUER SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- F. RESOLUTION NO. 5762  
RESOLUTION CERTIFYING THAT FTA SECTION 5311 FUNDED ON-DEMAND SERVICES WILL NOT ADVERSELY IMPACT MINORITY OR LOW-INCOME COMMUNITIES

13. ACTION ITEMS

Chair Fong stated that the following resolution should be considered, adding an item to the Agenda:

RESOLUTION NO. 5763 FINDING THE NEED TO ADD ITEM ONTO  
AGENDA RE: AUTHORIZING AWARD OF HGACBUY CONTRACT PIGGY-BACK TO  
MOTOROLA SOLUTIONS FOR MOTOROLA RADIO EQUIPMENT PURCHASE FOR A TOTAL  
CONTRACT AMOUNT NOT TO EXCEED \$270,461.04

ACTION: MOTION: DIRECTOR GIOVANETTI SECOND: DIRECTOR BAUER  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- A. RESOLUTION NO. 5764  
RESOLUTION AUTHORIZING THE FILING OF THE FY 2018 STATE TRANSIT ASSISTANCE (STA) CLAIM

ACTION: MOTION: DIRECTOR SINGH SECOND: DIRECTOR GIOVANETTI  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- B. RESOLUTION NO. 5765  
RESOLUTION TO AWARD A CONTRACT TO FIRST ALARM SECURITY & PATROL, INC. DBA FIRST SECURITY SERVICES FOR SECURITY GUARD SERVICES, FOR THREE-YEAR BASE TERM PLUS TWO ONE-YEAR OPTIONS, FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$1,385,030.40

ACTION: MOTION: DIRECTOR SINGH SECOND: DIRECTOR GIOVANETTI  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- C. RESOLUTION NO. 5766  
RESOLUTION AUTHORIZING AWARD OF A FIVE-YEAR CONTRACT TO NATIONAL EXPRESS FOR CONTRACTED TRANSPORTATION SERVICES FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$31,838,046.00

ACTION: MOTION: DIRECTOR GIOVANETTI SECOND: DIRECTOR BAUER  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- D. RESOLUTION NO. 5767  
RESOLUTION ADOPTING THE SAFETY MANAGEMENT POLICY

ACTION: MOTION: DIRECTOR GIOVANETTI SECOND: DIRECTOR BAUER  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- E. RESOLUTION NO. 5768  
RESOLUTION APPROVING MARCH 2018 SERVICE CHANGES

ACTION: MOTION: DIRECTOR GIOVANETTI SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- F. RESOLUTION NO. 5769  
RESOLUTION APPROVING AMENDMENT NO. 1 TO AMENDED AND RESTATED EMPLOYMENT CONTRACT OF THE CHIEF EXECUTIVE OFFICER AND AUTHORIZING ITS EXECUTION

ACTION: MOTION: DIRECTOR SINGH SECOND: DIRECTOR BAUER  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- G. RESOLUTION NO. 5770  
RESOLUTION APPROVING DISPOSITION OF TRANSIT VEHICLES AND REMOVAL OF RTD-OWNED EQUIPMENT

ACTION: MOTION: DIRECTOR GIOVANETTI SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

- H. RESOLUTION NO. 5771  
RESOLUTION AUTHORIZING AWARD OF A HGACBUY CONTRACT PIGGY-BACK TO MOTOROLA SOLUTIONS FOR MOTOROLA RADIO EQUIPMENT PURCHASE FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$270,461.04

ACTION: MOTION: DIRECTOR BAUER SECOND: DIRECTOR SINGH  
Roll Call:  
AYES: Bauer, Fong, Giovanetti, Singh NAYES: ABSTAIN: ABSENT: Restuccia

12. QUESTIONS AND COMMENTS FROM DIRECTORS

The Directors congratulated the Employees of the Month, the Employees of the Year, Donna DeMartino for winning the John Lopez award, and Alan Wagner and Jean Foletta-Morales for

working together on the Joint Workforce Investment Program to create a better partnership and relationship between RTD management and Union employees creating a better work environment.

Chair Fong announced that there would be no closed session.

13. ADJOURNMENT

Chair Fong adjourned the meeting at 12:38 p.m.

RESOLUTION NO: \_\_\_\_\_  
DATED: February 23, 2018

RESOLUTION APPROVING THE BOARD MINUTES OF THE  
REGULAR MEETING OF JANUARY 12, 2018

RESOLVED AND ORDERED by the Board of Directors of the San Joaquin  
Regional Transit District that the minutes of the Regular Meeting of January 12, 2017, be approved.

**STAFF RECOMMENDATION:** **AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) OR DESIGNEE TO EXECUTE AND FILE THE FY 2018 LOCAL TRANSPORTATION FUND (LTF) CLAIM AMENDMENT NO. 1**

**LEAD STAFF:** **GEORGE LORENTE  
GRANTS MANAGER**

**FINANCIAL IMPACT:** **\$17,346,180 NET FUNDS AVAILABLE TO SAN JOAQUIN REGIONAL TRANSIT DISTRICT (RTD), AN INCREASE OF \$1,525,007, AS AMENDED**

**BACKGROUND:**

Each year, San Joaquin Regional Transit District (RTD) files a Transportation Development Act (TDA) claim with the San Joaquin Council of Governments (SJCOG). The claim is an application for Local Transportation Fund (LTF) and State Transit Assistance (STA) funding to support eligible operating and capital expenses and is based upon the allocation schedule provided to RTD by SJCOG. RTD prepares its TDA claim in accordance to the LTF and STA Allocation Schedules approved by the SJCOG Board of Directors.

Funds for LTF are allocated to eligible transit operators, by population, after off-the-top allocations are made for the purposes of county auditor costs, SJCOG TDA Administration, SJCOG planning, Bicycle and Pedestrian improvements, and the allocation for the San Joaquin Regional Rail Commission.

**DISCUSSION:**

The RTD board has approved the FY 2018 LTF Revenue Estimates and Apportionment Schedules at the August 18, 2017 board meeting. The SJCOG board has approved a revised FY18 LTF apportionment at their board meeting on January 25, 2018 that makes \$1,525,007 in additional funds available to RTD and a total of \$1,011,793 to other claimants. RTD has prepared the TDA Claim in accordance with the amounts contained within the SJCOG board approved allocation.

RTD is requesting authorization to submit the FY 2018 TDA Claim Amendment No. 1 to support operating expenditures for FY 2018.

RESOLUTION NO. \_\_\_\_\_  
DATED: FEBRUARY 23, 2018

RESOLUTION TO AUTHORIZE THE FILING OF  
THE FY 2018 LOCAL TRANSPORTATION FUND (LTF) CLAIM AMENDMENT NO. 1

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of San Joaquin Regional Transit District (RTD) as follows:

1. The Chief Executive Officer be, and hereby is, authorized to file the Local Transportation Fund (LTF) Claim within the Transportation Development Act (TDA) in the amount of \$17,868,465 and said claim to be filed with the San Joaquin Council of Governments (SJCOG) in the following amount for the indicated purpose:

<b><u>Amount</u></b>	<b><u>Purpose</u></b>
\$17,098,180	Public Transportation Article 4 (99260) - Operating
\$248,000	Previous Years' Unclaimed Apportionment Article 4 (99260) - Operating
\$0	Unexpended Carryover - Reclaim for Article 4 (99260)
\$522,285	TDA Planning & Administration
<b><u>\$17,868,465</u></b>	<b>Total LTF Claim</b>
	Less: Unexpended Carryover and TDA Planning and Administration
<b><u>\$(522,285)</u></b>	
<b><u>\$17,346,180</u></b>	<b>Net Funds Available to RTD</b>

2. SJCOG is directed to hold in reserve the full amount of RTD's remaining TDA Fund allocations, including any and all interest earned, for use by RTD to help meet its FY 2018 operating and capital budget;
3. The Chief Executive Officer be, and hereby is, authorized and directed to take action necessary to obtain the funds requested in said claim herein authorized to be filed with SJCOG.

**STAFF RECOMMENDATION:**                    **ADOPT REVISED RTD DRUG AND ALCOHOL-FREE  
WORKPLACE POLICY**

**LEAD STAFF:**                                    **NANCY ANTONIO  
SAFETY AND RISK SENIOR SPECIALIST**

**FINANCIAL IMPACT:**                        **NONE**

**BACKGROUND:**

On November 13, 2017, the U.S. Department of Transportation published a final rule that expands the Department's current drug testing panel to include certain semi-synthetic opioids (i.e., hydrocodone, oxycodone, hydromorphone, oxymorphone). This change became effective January 1, 2018. RTD has already notified all safety-sensitive employees of these changes by providing workplace postings on the changes. The training on the changes will be conducted at upcoming monthly safety training meetings for all safety-sensitive employees. An update to RTD's Drug and Alcohol-Free Workplace Policy is needed for compliance to the new rule.

Attached is RTD's new Drug and Alcohol-Free Workplace Policy, effective January 1, 2018, for the Board's consideration and approval of February 16, 2018.



## **DRUG AND ALCOHOL-FREE WORKPLACE POLICY**

**Update Effective January 1, 2018**

**BOARD APPROVED (*February 16, 2018*)**

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## DRUG AND ALCOHOL-FREE WORKPLACE POLICY SAN JOAQUIN REGIONAL TRANSIT DISTRICT

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San Joaquin Regional Transit District (RTD) is committed to providing a safe, reliable, and efficient transportation system for the region. One of RTD's core values is to create a safe and responsible environment for its employees, customers, and community. We recognize that our employees' use of illegal drugs and misuse of alcohol would pose a significant risk to public safety, reduce productivity in the workplace, and negatively affect the employees' health and wellness. In view of this, RTD has adopted the following Drug and Alcohol-Free Workplace Policy and program that is applicable to all employees and contractors and which is further supplemented by the Drug and Alcohol-Free Workplace Plan.

### **A. Policy Goal**

- Protect our employees, passengers, and the public from the safety and health risks posed by the misuse of alcohol and use of prohibited drugs
- Create a work environment free from the adverse effects of drug abuse and alcohol misuse
- Ensure employees' fitness for duty
- Deter and detect employees' use of illegal drugs and misuse of alcohol
- Prohibit the unlawful manufacture, distribution, dispensing, possession, or use of controlled substances
- Encourage employees to seek professional assistance anytime personal problems, including drug or alcohol dependency, adversely affect their ability to safely perform their assigned duties
- Discipline employees who violate the policy, up to and including termination of employment

### **B. Policy Compliance**

This policy is intended to comply with all applicable State and Federal regulations governing workplace anti-drug use and alcohol misuse programs in the transportation industry. They include DOT 49 CFR Part 40, as amended ("Procedures for Transportation Workplace Drug and Alcohol Testing Programs"); FTA 49 CFR Part 655 ("Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations"); DOT 49 CFR Part 29 ("Drug-Free Workplace Act of 1988"); and CA Govt. Code Section 8350, *et seq.* ("Drug-Free Workplace Act of 1990"). This policy incorporates the requirements of the above regulations for safety-sensitive employees and others when so noted.

### **C. Designated Employer Representative**

**NOTE:** Additional requirements and/or disciplinary actions established under RTD's authority are entered in ***bold and italics type***.

Any questions about this policy or any aspect of RTD's drug and alcohol-free workplace plan should be directed to the following designated employer representative:

Director of Human Resources  
PO Box 201010  
Stockton, CA 95201  
(209) 943-1111

### **D. Applicability**

Unless otherwise noted in specific provisions, this policy applies to ***all employees (including contract employees) regardless of their functions. The application of this policy to non-safety-sensitive employees comes under RTD's own authority.***

***Visitors, invitees, and vendors are prohibited from entering the premises and from conducting any work on behalf of RTD when illegal substances are present in their***

***system, or the odor of alcohol is present on their breath.*** This policy applies to off-site lunch periods or other authorized breaks when an employee is scheduled to return to work or is on-call.

Contractors who provide safety-sensitive work for RTD (e.g. paratransit service) are not covered by this policy; they are required to have a drug and alcohol-testing program that complies with the minimum requirements of Part 40 and Part 655 and RTD requirements for employees who perform work at RTD premises.

#### **E. Covered Employees**

As a condition of employment, ***all employees*** are required to submit to drug and alcohol tests administered in accordance with 49 CFR Parts 40 and 655. ***Non-safety-sensitive employees are covered under RTD's own authority.*** A refusal to submit to a test as directed will be considered a positive test result and the employee will be subject to all the attending consequences as stated in this policy.

As defined by the FTA, safety-sensitive employees include those who perform, or may be called upon to perform, any of the following safety-sensitive functions.

1. Operating a revenue service vehicle, even when it is not in revenue service
2. Operating a non-revenue service vehicle which is required to be operated by a Commercial Driver's License (CDL) holder
3. Controlling dispatch or movement of a revenue service vehicle
4. Maintaining (including repairs, overhaul, and rebuilding) a revenue service vehicle or equipment used in revenue service
5. Carrying a firearm for security purposes

Supervisors are considered safety-sensitive only if they perform, or may be called upon to perform, any of the above safety-sensitive functions.

RTD has analyzed actual job duties performed, or may be called upon to perform, by all of its employees and has determined that the job classifications listed below are considered safety-sensitive for the purposes of this policy:

- Training Supervisor
- Transportation Supervisor
- Maintenance Supervisor
- Dispatcher
- Superintendent of Operations
- **Chief Operating Officer**
- Bus Operator
- Mechanic
- Utility Worker
- Contracted maintenance personnel who maintain revenue service vehicles or equipment used in revenue service
- Contracted transit services personnel

#### **F. Prohibited Behavior and Conduct**

Any employee engaging in the manufacture, distribution, sale, dispensing, possession, or use of prohibited substances on RTD premises, in transit vehicles, in uniform on or off duty, or while on RTD business is in violation of this policy and will be subject to the disciplinary process, up to and including termination. Law enforcement shall be notified where criminal activity is suspected.

Employees also are required to notify RTD within five days of any criminal drug conviction which occurs as the result of an incident which happened in the workplace or while on duty. Failure to notify RTD as required shall subject the employee to disciplinary action, up to and including termination. *RTD is required to contact the FTA within ten days of notification of any criminal drug conviction.*

### 1. **Illegal Drugs**

Prohibited drugs are always illegal—Marijuana, Cocaine, **Opioids (codeine, heroin, morphine, oxycodone, oxymorphone, hydrocodone, hydromorphone), Amphetamines (amphetamine, methylenedioxy-methamphetamine (MDMA), methylenedioxyamphetamine (MDA),** Phencyclidine (PCP). Employees are prohibited from consuming any of them at all times, on or off duty. Employees may be tested for illegal drugs anytime they are on duty or subject to duty.

### 2. **Prescription or Over-The-Counter Medications**

The appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. However, safety-sensitive employees must notify their manager if their medication has a warning label stating that mental functioning, motor skills, or judgment may be adversely affected. In such instances, they may not perform any safety-sensitive function. If the medication is being used in accordance with the instructions of a physician who has provided a written determination that the substance will not adversely affect the employee's ability to safely perform safety-sensitive duties, they may perform their regular safety-sensitive functions. It is the employee's responsibility -- with help from their physician or practitioner -- to determine whether the substance may impair job performance. Failure to immediately report the use of impairing drugs or failure to provide valid evidence of medical authorization will result in disciplinary action, up to and including termination.

***A prescription is considered valid only if it is in writing and indicates the employee's name, date, the name of the substance, quantity, or amount to be taken, and the period of authorization. Controlled substances obtained illegally outside the United States are not considered valid medical prescriptions under this policy. It is a violation of this policy to use any controlled substance in a manner that is inconsistent with the prescription.***

### 3. **Alcohol**

Safety-sensitive employees are prohibited from consuming alcohol in any form under the following circumstances:

- While performing safety-sensitive functions
- Within four hours prior to performing safety-sensitive functions
- While they are on call
- Within eight hours following an accident requiring a post-accident alcohol test, unless the test was completed within 8 hours

If an employee on call discloses alcohol consumption when called for duty, RTD may require the employee to report to the collection site for alcohol testing to determine ability to perform a safety-sensitive function. If the employee tests below 0.02, they may be required to report to work.

In addition, RTD prohibits possession and/or use of alcoholic beverages by any employee while on RTD property or in RTD vehicles regardless of whether the employee is on or off duty. ***Under its own authority, RTD may perform an alcohol test anytime an employee is on duty.*** An alcohol test is considered positive if the employee's alcohol concentration rate, as measured by an evidential breath-testing device, is at 0.04 or greater.

## G. **Circumstances Leading to Testing**

### 1. **Pre-Employment Testing**

**All** candidates for employment or any employee transferring from a non-safety-sensitive to a safety-sensitive position will be required to undergo pre-employment (post-offer) drug and **alcohol tests** at a time and place designated by RTD.

If a pre-employment test is cancelled, the individual will be required to undergo another test and successfully pass the test with a verified negative result.

An employee who has not performed any safety-sensitive function for at least 90 consecutive calendar days (regardless of the reason), and has been out of the random testing pool during that period, must pass a pre-employment drug and **alcohol test** before they are allowed to return to safety-sensitive work.

## 2. **Reasonable Suspicion Testing**

It is the responsibility of any employee who observes or has knowledge of another employee or contractor in a condition which may impair their ability to safely and effectively perform their duties (or pose a safety hazard to self or others) to promptly report the incident to their supervisor (or any supervisor if the immediate supervisor is not available).

Whenever a supervisor (or other RTD official) has reason to believe that an employee has used a prohibited drug and/or engaged in alcohol misuse, reasonable testing will be conducted.

Suspicion is not considered reasonable (and thus not a basis for testing) if it is based solely on the observations and reports of third parties, a violation of a safety rule, or occurrence of an unsafe work incident. However, such suspicion may be a basis for further investigation or for action to protect the safety of patrons, such as ordering the employee to stop work.

FTA rule requires that a reasonable suspicion alcohol test be conducted only if the reasonable suspicion observation is made just before, during, or just after the employee's performance of safety-sensitive function. **However, under RTD's own authority, a reasonable suspicion alcohol test may be performed any time the employee is on duty.** If the alcohol test is not conducted within two hours, the reason for the delay must be documented and kept in the employee's reasonable suspicion test file. All attempts to complete the alcohol test must cease after eight hours.

## 3. **Post-Accident Testing**

**Any** employee operating a mass transit vehicle or **other RTD-owned vehicle** at the time of an accident shall be required to submit to drug and alcohol tests as soon as practicable after the accident. For purposes of this policy, "accident" is defined as an accident involving a mass transit vehicle **or other RTD-owned vehicle** in which the following occurs:

- An individual dies
- An individual suffers a bodily injury and immediately receives medical treatment away from the scene, **unless the safety-sensitive employee can be completely discounted as a contributing factor.**
- The vehicle (if bus, electric bus, van, or automobile) or any other vehicle(s) involved in the accident suffers disabling damage as a result of the accident and is transported away from the scene by a tow truck or other vehicle, **unless the safety-sensitive employee can be completely discounted as a contributing factor.**

**In addition, any other safety-sensitive employee whose performance could have contributed to the accident—as determined by RTD using the best information available at the time of**

the decision—will be tested.

If RTD is unable to perform post-accident tests within the required period of compliance, RTD will use the post-accident test results administered by state or local law enforcement personnel under their own authority, provided the test results are obtained by RTD.

#### 4. **Random Testing**

Random drug and alcohol tests for safety-sensitive employees are required to be unannounced and unpredictable, and the dates for administering random tests are spread reasonably throughout the calendar year. Random testing will be conducted at all times of the day when safety-sensitive functions are performed.

Testing rates will meet or exceed the minimum annual percentage rate set each year by the FTA administrator. The current year testing rates can be viewed online at [www.transportation.gov/odapc/random-testing-rates](http://www.transportation.gov/odapc/random-testing-rates).

~~Safety-sensitive employees are required to undergo random drug and alcohol tests to deter use of prohibited drugs and misuse of alcohol.~~ The random selection will be conducted using a scientifically valid method, such as a random number table or a computer-based random number generator, which gives each covered employee an equal chance of being selected every time a selection is made. As is the nature of the random method, it is possible that some employees will be selected several times in one year, and other employees not for several years. Management does not have any discretion on who will be selected.

FTA rule requires that a random alcohol test be conducted just before, during, or just after the employee's performance of safety-sensitive function. ***However, under RTD's own authority, a Non-DOT random alcohol test may be performed any time the employee is on duty.***

#### 5. **Return-To-Duty Testing**

As a part of the return-to-duty process, an employee will be tested and must obtain a verified negative return-to-duty drug and alcohol test.

#### 6. **Follow-Up Testing**

In addition to the Return-to Duty test described above, an employee who previously tested positive, or refused to take a required test, shall be subject to follow-up testing for drugs and/or alcohol, as prescribed by the SAP, for a minimum period of twelve months to a maximum of five years. As mandated by the FTA, the employee shall undergo at least six follow-up tests during the first twelve months of their return to work. Although they are both unannounced, follow-up testing is apart and separate from random testing. The SAP will designate the duration and frequency of testing, but employee's manager or supervisor will decide the actual follow-up testing dates. ***The employee is responsible for payment of all costs associated with follow-up testing.***

#### 7. **Commercial Driver's License (CDL) Testing**

***Under RTD's own authority, drug and alcohol tests will be conducted as part of the biennial medical recertification for employees who are required to have a commercial driver's license (CDL).***

#### H. **Drug and Alcohol Testing Procedures**

All DOT drug and alcohol tests required under this policy will be administered in accordance with the ~~"Procedures for Transportation Workplace Drug and Alcohol Testing Programs"~~ 49 CFR Part 40, as amended.

Throughout the testing process, the privacy of the employee will be protected and the integrity and validity of the process will be maintained. The drug testing procedure will include a split-specimen collection method and a federal Custody and Control Form with a unique identification number to ensure that the correct test result is attributed to the correct employee. An initial screening test using an immunoassay technique will be performed. If the specimen is positive for one or more of the drugs tested, then a confirmation test will be performed using the state-of-the-art gas chromatography/mass spectrometry (GC/MS) analysis. If the test is confirmed positive, the MRO will conduct a verification process, which includes giving the employee an opportunity to provide a valid medical explanation for the positive test result.

Additionally, the laboratory may conduct analyses to determine if a urine specimen has been adulterated, tampered with, or diluted. If the MRO reports a "negative-dilute" test result, the employee will be required to take a second test (not observed) with no advance notice.

If the laboratory reports to the MRO an "Invalid Result" or "Rejected for Testing" (because of a fatal or uncorrectable flaw), a recollection may be required by the MRO, and depending on the circumstances, the recollection may be directly observed.

Tests for alcohol concentration will be conducted using an alcohol screening device and an evidential breath testing (EBT) device if the screen test is at 0.02 BAC or greater. A DOT Alcohol Testing Form will be used and a unique sequential number will be assigned to each test.

Detailed drug and alcohol specimen collection procedures are available upon request from the contact person identified in Section C of this policy.

**Refusal to Test:** Includes circumstances or behaviors such as:

- Failure to appear for any test (except a pre-employment test for new hires) at the collection site in the time allotted.
- Failure to remain at the testing site until the testing process is completed, except in pre-employment testing for new hires where leaving the site before the testing process begins is not deemed to be a test refusal.
- Failure to provide a urine, breath, or saliva specimen as required by DOT Part 40.
- Failure to permit the observation or monitoring of specimen collection when it is required.
- Failure to provide a sufficient amount of urine or breath specimen without a valid medical explanation.
- Failure or refusal to take a second test when required.
- Failure to undergo a medical evaluation when required. In the case of a pre-employment test, the individual is deemed to have refused to test only if the pre-employment test is conducted following a contingent offer of employment.
- Failure to cooperate with the testing process. (Examples: refusal to empty pockets when requested, or behaving in a confrontational manner that disrupts the collection process, failure to wash hands after being directed to do so by the collector).
- Failure to follow the instructions given in an observed collection to raise clothing above the waist, lower clothing and underpants, and to turn around to permit the observer to determine if there is any type of prosthetic or other device that could be used to interfere with the collection process.
- Possess or wear a prosthetic or other device that could be used to interfere with the collection process.
- Admit to the collector or MRO that the specimen is adulterated or substituted.
  - As an employee, if the MRO reports that you have a verified adulterated or substituted test result, you have refused to take a drug test.

- As an employee, if you refuse to take a drug test, you incur the consequences specified under DOT agency regulations for a violation of those DOT agency regulations.
- In alcohol testing, refusal to sign Step 2 of the Alcohol Test Form.
- Leaving the scene of the accident without just cause prior to submitting to a test.

Note: A refusal to test is equivalent to a positive test result.

**I. Consequence/Discipline**

Any safety-sensitive employee who has a verified positive drug test result, an alcohol concentration of **0.02** or above, or refuses to submit to a drug or alcohol test (including adulteration or substitution) shall be:

- Immediately taken out of safety-sensitive duty
- Referred to a SAP for evaluation, education, or treatment and provided educational materials

***Under RTD's own authority, non-safety-sensitive employees also may be removed from duty, referred to a SAP, and be subject to discipline.***

FTA regulations allow individual employers to determine the discipline to be imposed on employees who violate the DOT/FTA regulations or company policy. ***RTD's discipline policy is as follows:***

- A. A first alcohol test at 0.02 to 0.039 will result in suspension and a final warning. A second violation at this alcohol concentration will result in termination.***
- B. A first positive drug test result, test refusal, or alcohol test result of 0.04 BAC or greater may result in immediate termination.***
- C. Other policy violations (e.g., failure to report the use of impairing medications, or failure to immediately report an accident) will subject the employee to disciplinary action, up to and including termination.***

Signed \_\_\_\_\_ Date: \_\_\_\_\_

RESOLUTION NO. \_\_\_\_\_  
DATED: FEBRUARY 23, 2018

RESOLUTION TO APPROVE AND ADOPT THE REVISED  
SAN JOAQUIN REGIONAL TRANSIT DISTRICT (RTD) DRUG AND ALCOHOL-FREE WORKPLACE POLICY

WHEREAS, the San Joaquin Regional Transit District (RTD) is the transit provider for the region;  
and

WHEREAS, RTD commits to provide a safe and responsible environment for our employees,  
customers and the community by having a workplace free of prohibited drug use and alcohol misuse; and

WHEREAS, RTD must ensure compliance with Federal Transit Administration (FTA) Regulations  
49 CFR Part 655 – Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations and  
Department of Transportation (DOT) Regulations 49 CFR Part 40 – Procedures for Transportation  
Workplace Drug and Alcohol Testing Programs.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the San Joaquin Regional Transit District  
Board of Directors that:

1. The revised RTD Drug and Alcohol-Free Workplace Policy is hereby adopted; and,
2. The CEO is hereby authorized and directed to ensure compliance with all FTA and DOT  
requirements for maintaining a drug and alcohol-free workplace.

**RECOMMENDATION:** **AWARD A CONTRACT TO VEHICLE WRAPS, INC. FOR BUS BRANDING FLEET UPGRADE, FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$491,288.00**

**LEAD STAFF:** **BRANDON VALES, CONTRACTS ANALYST**

**FINANCIAL IMPACT:** **\$491,288.00 (100% STATE SB1 FUNDS)**

**BACKGROUND:**

On October 31, 2017, RTD staff released the Request for Proposal (RFP) for Bus Branding Fleet Upgrade. RTD requested proposals for production/installation of bus graphics based on RTD's Marketing Department designs. The RFP was posted on RTD's eBid website and was advertised in The Record. Eight vendors downloaded the RFP document online. In order to receive more proposals, staff conducted outreach to fifty-six registered vendors within RTD's eBid procurement system and contacted an additional fifteen unregistered vendors.

**DISCUSSION:**

On December 4, 2017, San Joaquin Regional Transit District (RTD) received two proposals for the subject project from Vehicle Wraps Inc., and Harbor Signs. Errors, omissions, and late submittal resulted in Harbor Sign's proposal being deemed non-responsive.

The Evaluation Committee has deemed Vehicle Wraps Inc. to be the most qualified responsible and responsive bidder to provide services for this project. The total proposal amount submitted was less than the Independent Cost Estimate (ICE) for this project. Staff performed a cost/price analysis as a part of the pre-award evaluation and determined that the price provided by Vehicle Wraps, Inc. is fair and reasonable.

RESOLUTION NO.  
DATED: February 23, 2018

RESOLUTION AUTHORIZING AWARD OF A CONTRACT TO VEHICLE WRAPS, INC. FOR BUS BRANDING FLEET UPGRADE FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$491,288.00

WHEREAS on October 31, 2017, RTD staff released the Request for Proposal (RFP) for Bus Branding Fleet Upgrade; and

WHEREAS, staff conducted extensive outreach through eBid, mail, and The Record; and

WHEREAS, on December 4, 2017, RTD received two proposals; and

WHEREAS, staff performed a cost/price analysis as a part of the pre-award evaluation and determined Vehicle Wraps, Inc. to be the lowest responsive, responsible proposer.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of the San Joaquin RTD as follows:

1. That a contract be, and hereby is, awarded to Vehicle Wraps, Inc. for the Bus Branding Fleet Upgrade for a total contract amount not to exceed \$491,288.00.
2. That the Chair of the Board and the Chief Executive Officer be, and they hereby are, authorized and directed to finalize and execute the contract with Vehicle Wraps, Inc. for the Bus Branding Fleet Upgrade, in a total contract amount not to exceed \$491,288.00, in accordance with the Request for Proposal for Bus Branding Fleet Upgrade dated October 31, 2017, being Solicitation No. 2017-R110056-RFP-MSE.
3. That the Chair of the Board and the Chief Executive Officer, acting individually, are hereby authorized and directed to execute such other agreements and amendments to this agreement, and to take such other actions as may be necessary or appropriate to carry out in the intent and purpose of this resolution.

**STAFF RECOMMENDATION:**                   **AUTHORIZE THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES FOR THE FY 2018 CALIFORNIA STATE OF GOOD REPAIR (SGR) PROGRAM**

**LEAD STAFF:**                                   **GEORGE LORENTE, GRANTS MANAGER**

**FINANCIAL IMPACT:**                       **\$112,678.00**

**BACKGROUND:**

The SGR Program is funded from a portion of a new Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. A portion of this fee will be transferred to the State Controller's Office (SCO) for the SGR Program. In collaboration with the SCO, the California Department of Transportation is tasked with the management and administration of the SGR Program. These funds will be allocated under the State Transit Assistance Program formula to eligible agencies pursuant to Public Utilities Code section 99312.1. Half of the funds are allocated according to population and half according to transit operator revenues.

This program demonstrates California's commitment to clean, sustainable transportation, and the role that public transit plays in that vision. While Senate Bill 1 (SB 1) addresses a variety of transportation needs, this program has a specific goal of keeping transit systems in a state of good repair, including the purchase of new transit vehicles, and maintenance and rehabilitation of transit facilities and vehicles. These new investments will lead to cleaner transit vehicle fleets, increased reliability and safety, and reduced greenhouse gas emissions and other pollutants.

San Joaquin Regional Transit District (RTD) will use the FY 2018 SGR funds to resurface the maintenance bay floors at the Regional Transportation Center (RTC). As part of the design and construction of the RTC, RTD worked collaboratively with the contractor, McCarthy Building Companies, Inc., to minimize project costs through value engineering. One recommendation provided by McCarthy Building Companies, Inc. was to make adjustments to the specifications to the maintenance bay flooring to save approximately \$200,000 in construction costs on the project. This particular change ended up not meeting RTD's needs as the floors has begun to exhibit signs of wear. As a dedicated partner in this project, McCarthy Building Inc. has offered to install a more resilient flooring material, charging RTD its cost, to ensure the useful life of the RTC while maintaining cost efficiency.

**DISCUSSION:**

Staff recommends the approval of the FY 2018 Certifications and Assurances for the State of Good Repair Program. This action will authorize the CEO and Deputy CEO to execute the certifications and assurances as well as other documents required to receive SGR Program funds and begin construction of the maintenance bay floor resurfacing at the RTC. The available \$112,678 in FY 2018 SGR funds will be used to execute the project.

RESOLUTION NO. \_\_\_\_\_  
DATED: FEBRUARY 23, 2018

RESOLUTION AUTHORIZING THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES FOR THE CALIFORNIA STATE OF GOOD REPAIR (SGR) PROGRAM

WHEREAS, the San Joaquin Regional Transit District (RTD) is an eligible project sponsor and may receive State Transit Assistance funding from the SGR Account now or sometime in the future for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 1 (2017) named the Department of Transportation (Department) as the administrative agency for the SGR; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing SGR funds to eligible project sponsors (local agencies); and

WHEREAS, the San Joaquin Regional Transit District (RTD) wishes to delegate authorization to execute these documents and any amendments thereto to the Chief Executive Officer and Deputy Chief Executive Officer.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Joaquin Regional Transit District (RTD) as follows:

1. That the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances document and applicable statutes, regulations and guidelines for all SGR funded transit projects.
2. That the Chief Executive Officer, Donna DeMartino, be authorized to execute all required documents of the SGR program and any Amendments thereto with the California Department of Transportation.
3. That the Deputy Chief Executive Officer, Gloria Salazar, be authorized to execute all required documents of the SGR program and any Amendments thereto with the California Department of Transportation.