



MONTEREY-SALINAS TRANSIT DISTRICT BOARD OF DIRECTORS MEETING AGENDA AND NOTICE

Meeting Date: October 9, 2023
Meeting Time: 10:00 AM Pacific Time (US and Canada)
Location: In-Person and Zoom Conference

MST Board of Directors Participation:

The Regular Meeting of the Monterey-Salinas Transit District Board of Directors in-person meeting will be held on October 9, 2023, at 10:00 a.m. at 19 Upper Ragsdale Drive, Suite 100.

Mayor Mike LeBarre Participation:

Location: City Hall Council Chambers, 212 S Vanderhurst Ave, King City, CA 93930 via Zoom

<https://us06web.zoom.us/j/84500836234?pwd=aFQ0YUdjZ3Y0eW94WmtRZ1Myc0Vldz09>

Meeting ID: 845 0083 6234 and Passcode: 652252.

Public Participation:

Public participation for the Regular Board Meeting is available in-person at 19 Upper Ragsdale Drive, Suite 100, as well as virtually via Zoom, telephone, and email. To participate virtually, click

<https://us06web.zoom.us/j/84500836234?pwd=aFQ0YUdjZ3Y0eW94WmtRZ1Myc0Vldz09>

and enter the following:

Meeting ID: 845 0083 6234 and Passcode: 652252.

To attend by telephone, dial (669) 900-6833 same Meeting ID: 845 0083 6234 and Passcode: 652252.

Public comments may be made either in person, via Zoom, or via email. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment. Persons who wish to make public comment on an agenda item are encouraged to submit comments in writing by email to MST at clerk@mst.org by 3:00 pm on Friday, October 6, 2023; those comments will be distributed to the MST Board of Directors before the meeting. Written comments may be emailed to clerk@mst.com, and should include the subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)."

**Accessibility, Language Assistance, Public Comments – MST Board & Committee
Agendas, Public Hearings, Pre-bids, Other Public Meetings**

Agendas and materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available for public inspection at the Monterey-Salinas Transit Administration Building at 19 Upper Ragsdale Dr., Suite 200, Monterey, CA, 93940 during normal business hours. Agendas and other informational materials related to this meeting may be requested within 72 hours of the meeting date.

Upon request, Monterey-Salinas Transit will provide written materials in appropriate alternative formats, including disability-related modifications or accommodations, 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, description of the requested materials, and preferred alternative format or auxiliary aid or service at least three working days prior to the meeting at the address below.

Public comments may be submitted for any item on the agenda by contacting MST:

Mail: MST, Attn: Clerk to the Board, 19 Upper Ragsdale Dr., Suite 200, Monterey, CA 93940

Website: <https://mst.org/contact-us/> • **Email:** clerk@mst.org • **Phone:** (888) 678-2871

TTY/TDD: 831-393-8111 • 711 Relay



888-678-2871 / Free language assistance / Asistencia de Lenguaje Gratuito /
Libreng tulong para sa wika

Group: Monterey-Salinas Transit District Board of Directors

Directors:	Anna Velazquez (Chair)	City of Soledad
	Mary Ann Carbone (Vice Chair)	City of Sand City
	Jeff Baron	City of Carmel-by-the-Sea
	Kim Shirley	City of Del Rey Oaks
	Lorraine Worthy	City of Gonzales
	Ariana Rodriguez	City of Greenfield
	Mike LeBarre	City of King City
	Liesbeth Visscher	City of Marina
	Ed Smith	City of Monterey
	Joe Amelio	City of Pacific Grove
	Tony Barrera	City of Salinas
	Dave Pacheco	City of Seaside
	Luis Alejo	County of Monterey
Staff:	Carl Sedoryk	General Manager/CEO
	Lisa Rheinheimer	Assistant General Manager
	Kelly Halcon	Director of HR and Risk Management
	Norman Tuitavuki	Chief Operating Officer
	Michael Kohlman	Chief Information Officer
	Michelle Overmeyer	Director of Planning and Innovation
Counsel:	David C. Laredo	DeLay & Laredo
	Michael D. Laredo	DeLay & Laredo

1. CALL TO ORDER

1-1. Roll Call.

1-2. Pledge of Allegiance.

1-3. Review Highlights of the agenda. (Carl Sedoryk)

2. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

*Members of the public may address the Board on any matter related to the jurisdiction of MST District but not on the agenda. There is a time limit of not more than three minutes for each speaker. The Board will not take action or respond immediately to any public comments presented, but may choose to follow-up at a later time either individually, through staff, or on a subsequent agenda. **(Please refer to page 1 of the agenda for instructions)***

3. CONSENT AGENDA

These items will be approved by a single motion. Anyone may request that an item be discussed and considered separately.

- 3-1. Adopt Resolution 2024-06 Recognizing Vince Dang, Project Management Coordinator as Employee of the Month for October 2023. (Lisa Rheinheimer) (Page 9)
- 3-2. Approve Minutes of the MST Board Meeting on September 11, 2023. (Jeanette Alegar-Rocha) (Page 11)
- 3-3. Receive Draft Minutes of the MST Board Operations Performance Committee Meeting on September 11, 2023. (Jeanette Alegar-Rocha) (Page 19)
- 3-4. Receive Report on Lost and Found Items Left on MST Property for the Month of April 2023. (Beronica Carriedo) (Page 23)
- 3-5. Financial Reports – August 2023. (Lori Lee) (Page 25)
 - a) Accept Report of August 2023 Cash Flow Presented in Attachment #1
 - b) Approve August 2023 Disbursements Listed in Attachment #2
 - c) Accept Report of August 2023 Treasury Transactions Listed in Attachment #3
- 3-6. Reject Claim by the Claimant Reyna Vargas. (Lisa Cox) (Page 37)
- 3-7. Approve Resolution 2024-07 Approving MST Program of Projects and Authorizing the General Manager/CEO to Execute Grant Documents for State Transit Assistance/ State of Good Repair Funds and Authorizing the Execution of Program Certifications and Assurances. (Matthew Deal) (Page 39)
- 3-8. Authorize Disposition of Eleven (11) MST-Owned Vehicles that Have Reached or Exceeded their Useful Life. (Norman Tuitavuki) (Page 47)
- 3-9. Authorize the General Manager/CEO or Designee to Execute Lease Documents with US ARMY for the Joe Lloyd Way Facility (JLW) for Continued MST Fixed Route and MST RIDES Minibus Operations and Maintenance at a Rate of \$230,856 Per Year for a Term of Two Years. (Carl Sedoryk) (Page 49)
- 3-10. Receive Results of FY 2023 Federal Transit Administration (FTA) Triennial Review of MST. (Deanna Smith) (Page 51)

- 3-11. Authorize the General Manager/CEO to Enter Into a Three-Year Contract with Pacific Claims Management for Workers' Compensation Managed Care Services with the Option to Extend for Two (2) Individual One (1) Year Terms, for a Total Contract Amount Not to Exceed \$380,000 or \$76,000/Year. (Steven Bruno) (Page 83)
- 3-12. Reject Claim by the Claimant Anna Lopez. (Lisa Cox) (Page 85)
- 3-13. Reject Claim by the Claimant Silvia Mendoza Miranda. (Lisa Cox) (Page 87)
- 3-14. Reject Claim by Paul M. Davis and Associates Re: Jason Gamotan v. Monterey Salinas Transit. (Kelly Halcon) (Page 89)

End of Consent Agenda

4. RECOGNITIONS AND SPECIAL PRESENTATIONS

- 4-1. October 2023 Employee of the Month – Vince Dang, Project Management Coordinator. (Lisa Rheinheimer)
- 4-2. 25 Year Service Anniversary– Roberto Cruz, Coach Operator. (Norman Tuitavuki)
- 4-3. Receive MST 50th Golden Anniversary Recognition from the County of Monterey Board of Supervisors. (Luis Alejo)
- 4-4. Receive Congressional Record Honoring the 50th Anniversary of Monterey-Salinas Transit. (Carl Sedoryk) (Page 91)

5. PUBLIC HEARINGS

None

6. ACTION ITEMS

- 6-1. Receive Staff Recommendation for Transit Operations and Capital Projects Funding in the FY 2024 State Budget as Promulgated in Senate Bill 125, Senate Bill 101, and Assembly Bill 102, and Provide Direction. (Carl Sedoryk/Lisa Rheinheimer/Michelle Overmeyer) (Page 93)
- 6-2. Approve the Updated Version of the MST Employee Handbook. (Kelly Halcon) (Page 101)

- 6-3. Authorize the General Manager/CEO to Enter into a Contract with Mansfield Energy for the Purchase and Delivery of Fuel, Valid from November 1, 2023, through February 10, 2027, with the Option to Extend One Additional Year Thereafter, in an Amount Not to Exceed \$22,200,578. (Steven Bruno) (Page 187)
- 6-4. Approve MST 3.0% FY 2023 Incentive Pay Pool for Eligible Monterey-Salinas Transit Employee Association (MSTEAs) and Confidential Unit Employees (Excluding the General Manager/CEO). (Carl Sedoryk) (Page 189)

7. REPORTS & INFORMATION ITEMS

The Board will receive and file these reports, which do not require action by the Board.

- 7-1. General Manager/CEO Monthly Report – August 2023 (Page 191)
- 7-2. Federal Legislative Advocacy Report (Page 257)
- 7-3. State Legislative Advocacy Update (Page 259)
- 7-4. Staff Trip Reports – None
- 7-5. Correspondence – None

8. BOARD REPORTS, COMMENTS, AND REFERRALS

- 8-1. Reports on Meetings Attended by Board Members at MST Expense. (AB 1234)
- 8-2. Board Member Comments and Announcements.
- 8-3. Board Member Referrals for Future Agendas.

9. ATTACHMENTS

- 9-1. The Monthly Report for August 2023 can be viewed online at:
<http://mst.org/about-mst/board-of-directors/board-meetings/>

10. CLOSED SESSION

Members of the public may address the Board on any matter related to Closed Session. There is a time limit of not more than three minutes for each speaker. The Board will not take action or respond immediately to any public comments presented, but may

choose to follow-up at a later time individually, through staff, or on a subsequent agenda. (Please refer to page 1 of the agenda for instructions)

As permitted by Government Code §64956 et seq. of the State of California, the Board of Directors may adjourn to Closed Session to consider specific matters dealing with personnel and/or pending possible litigation and/or conferring with the Board's Meyers-Milias-Brown Act representative.

- 10-1. Review General Manager/CEO Performance Evaluation Gov. Code § 54957. (Anna Velazquez) Conference With Labor Negotiators (§54957.6) Agency Designated Representatives: (Michael Laredo) (No Enclosure)

11. ADJOURN

NEXT SCHEDULED MEETING DATE

November 13, 2023 at 10:00 a.m.

NEXT SCHEDULED AGENDA DEADLINE: October 31, 2023

Dates, times and **teleconference information are subject to change.*

*Please contact MST for accurate meeting date, times and **teleconference** information or check online at <http://mst.org/about-mst/board-of-directors/board-meetings/>*

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**VINCE DANG
OCTOBER 2023
EMPLOYEE OF THE MONTH**

WHEREAS, each month Monterey-Salinas Transit District recognizes an outstanding employee as Employee of the Month; and

WHEREAS, the Employee of the Month is recognized for their positive contribution to MST and to the entire community; and

WHEREAS, Vince Dang began his career with Monterey-Salinas Transit as a Coach Operator and was later promoted to the position of Communications Systems Specialist. For a short period of time, he left MST and moved out of the area. He was rehired as the Project Management Coordinator in September of 2022; and

WHEREAS, Vince Dang coordinates the timelines of major projects for MST. While working at MST he earned a Certified Associate of Project Management qualification; and

WHEREAS, Vince Dang has worked diligently on the South County Circulators and supporting the SURF! Busway and Bus Rapid Project. He has helped move these projects forward with an all-around great attitude.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit District recognizes Vince Dang as Employee of the Month for October 2023; and

BE IT FURTHER RESOLVED that Vince Dang is to be congratulated for his outstanding performance, dedication, and supreme effort toward the success of MST in fulfilling its mission.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT DISTRICT PASSED AND ADOPTED RESOLUTION 2024-06 this 9th day of October 2023.

Anna Velazquez
Board Chair

Carl G. Sedoryk
Board Secretary

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MEETING OF THE MST BOARD OF DIRECTORS

**MEETING MINUTES
September 11, 2023
10:00 am (Pacific)**

Present:	Mary Ann Carbone, Vice Chair	City of Sand City
	Jeff Baron	City of Carmel-by-the-Sea
	Kim Shirley	City of Del Rey Oaks
	Lorraine Worthy	City of Gonzales
	Ariana Rodriguez	City of Greenfield
	Carlos DeLeon	City of King
	Liesbeth Visscher	City of Marina
	Ed Smith	City of Monterey
	Joe Amelio	City of Pacific Grove
	Tony Barrera	City of Salinas
	Dave Pacheco	City of Seaside
	Luis Alejo	County of Monterey
Absent:	Anna Velazquez, Chair	City of Soledad
Counsel:	Michael D. Laredo	De Lay & Laredo
Staff:	Carl Sedoryk	General Manager/CEO
	Lisa Rheinheimer	Assistant General Manager
	Michael Kohlman	Chief Information Officer
	Norman Tuitavuki	Chief Operating Officer
	Kelly Halcon	Director of HR & Risk Management
	Michelle Overmeyer	Director of Planning and Innovation
	Jeanette Alegar-Rocha	Deputy Secretary/Clerk to the Board
	Andrea Williams	Finance Manager
	Claudia Valencia	Mobility Specialist
	Cristy Sugabo	Mobility Manager
	Daniel Bruno	Scheduling Assistant
	Dave Bielsker	Transit Scheduler
	Deanna Smith	Civil Rights Officer
	Elena Grigorichina	Operations Specialist
	Emma Patel	Planning Manager
	Ezequiel Rebollar	IT Technician
	Ikuyo Yoneda-Lopez	Marketing & Communications Manager
	Jacob Huggins	IT Specialist
	Jacqueline Munoz	C/S Representative

Kaleb Aquino-Lopez	Mobility Specialist
Kelly Soriano	Mobility Specialist
Kevin Allshouse	Contract Services Manager
Matthew Deal	Grants Analyst
Marzette Henderson	Transportation Manager
Natalie Flores	Assistant Planner
Pamela Aquino	C/S Representative
Paul Lopez	Facilities Manager
Ruben Gomez	Mobility Coordinator
Scott Taylor	IT Manager
Steven Bruno	Purchasing Agent
Ursulla Scardina	Marketing Assistant
Vince Dang	Project Management Coordinator
Yohana Reyes	Mobility Specialist

Public:	Jasmine Mejia-Cortez	Executive Assistant to Supervisor Luis Alejo
	Chris Duymich	AMBAG
	Christopher Wilmot	Member of the Public
	Tate Baugh	Member of the Public

1. CALL TO ORDER

1-1. Roll Call. (Jeanette Alegar-Rocha)

1-2. Pledge of Allegiance.

Vice Chair Carbone called the meeting to order at 10:07 a.m. Roll call was taken and a quorum was established. Director Pacheco led the pledge of allegiance.

1-3. Review Highlights of the agenda. (Carl Sedoryk)

Carl Sedoryk reviewed the highlights of the agenda.

2. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

There were no public comments.

3. CONSENT AGENDA

These items will be approved by a single motion. Anyone may request that an item be discussed and considered separately.

3-1. Adopt Resolution 2024-02 Recognizing Yohana Reyes, Mobility Specialist as Employee of the Month for August 2023. (Cristy Sugabo) (Page 9)

3-2. Adopt Resolution 2024-03 Recognizing Renaldo Hernandez as Employee of the Month for September 2023. (Marzette Henderson) (Page 11)

- 3-3. Approve Minutes of the MST Board Meeting on July 10, 2023. (Jeanette Alegar-Rocha) (Page 13)
- 3-4. Receive Draft Minutes of the MST Board Administrative Performance Committee Meeting on July 10, 2023. (Jeanette Alegar-Rocha) (Page 19)
- 3-5a&b. Financial Reports – June & July 2023. (Lori Lee) (Pages 23 -40)
 - a) Accept Report of June & July 2023 Cash Flow Presented in Attachment #1
 - b) Approve June & July 2023 Disbursements Listed in Attachment #2
 - c) Accept report of June & July 2023 Treasury Transactions Listed in Attachment #3
- 3-6. Receive Report on Lost and Found Items Left on MST Property for the Months of March 2023. (Beronica Carriedo) (Page 41)
- 3-7. Receive Minutes of the Mobility Advisory Committee Meeting on March 29, 2023. (Ruben Gomez) (Page 43)
- 3-8. Ratify a One-Year Contract Extension with Allied Universal for Security Foot and Mobile Patrol Services in an Amount Not to Exceed \$288,154. (Norman Tuitavuki) (Page 47)
- 3-9. Authorize the General Manager/CEO to Enter into a Five-Year Contract with Cintas for Uniform and Linen Services for a Total Contract Amount Not to Exceed \$1,082,500. (Steven Bruno) (Page 49)
- 3-10. Receive Minutes of the Measure Q Oversight Committee on April 17, 2023. (Jeanette Alegar-Rocha) (Page 51)
- 3-11. Receive Draft Minutes of the Measure Q Oversight Committee on August 21, 2023. (Jeanette-Rocha) (Page 55)
- 3-12. Approve Resolution 2024-04 Authorizing the General Manager/CEO to Execute Certifications and Assurances, Authorized Agent Forms and Implementation of Volkswagen (VW) Environmental Mitigation Trust Fund Projects. (Matthew Deal) (Page 59)
- 3-13. Approve Resolution 2024-05 Authorizing the General Manager/CEO to Execute a Master Agreement and Program Supplement for the Transit and Intercity Rail Capital Program (TIRCP). (Matthew Deal) (Page 63)
- 3-14. Receive Draft Minutes of the Mobility Advisory Committee Meeting on July 26, 2023. (Ruben Gomez) (Page 67)

End of Consent Agenda

There were no public comments on the Consent Agenda.

On a motion by Director Barrera, seconded by Director Amelio, and carried by the following vote, the Board approved the consent agenda:

AYES:	12	Alejo, Amelio, Baron, Barrera, Carbone, DeLeon, Pacheco, Rodriguez, Shirley, Smith, Worthy, and Visscher
NOES:	0	
ABSENT:	1	Velazquez
ABSTAIN:	0	
RECUSE:	0	

4. RECOGNITIONS AND SPECIAL PRESENTATIONS

4-1. August 2023 Employee of the Month – Yohana Reyes, Mobility Specialist.
(Cristy Sugabo)

The MST Board recognized Yohana Reyes, Mobility Specialist, as the August 2023 Employee of the Month for her outstanding contribution to MST and to the entire community.

4-2. September 2023 Employee of the Month – Renaldo Hernandez, Coach Operator. (Marzette Henderson)

The MST Board recognized Renaldo Hernandez, Coach Operator, as the September 2023 Employee of the Month for his outstanding contribution to MST and to the entire community.

5. PUBLIC HEARINGS

None

Luis Alejo joined the meeting at 10:40 a.m.

6. ACTION ITEMS

6-1. Receive Presentation on Results of the MST Rider and Non-Rider Survey.
(Ikuyo-Yoneda Lopez) (Page 71)

Ikuyo-Yoneda Lopez presented results of the MST Rider and Non-Rider Survey.

There were no public comments on Action Item 6-1.

6-2. Receive Report of the Status of Litigation Against MST on the SURF!
Busway and Bus Rapid Transit Project (Monterey County Superior Court)

Mr. Sedoryk reported to the Board that all legal action against MST on the SURF! project is now closed.

There were no public comments on Action Item 6-2.

Mike LeBarre joined the meeting at 11:15 a.m.

- 6-3. Authorize the General Manager/CEO to Execute a Memorandum of Understanding (MOU) with Santa Clara Valley Transportation Authority (VTA) for Line 59 Salinas-Gilroy for a Two-year Partnership in the Amount of \$128,750. (Michelle Overmeyer) (Page 113)

Christopher Wilmot, member of the public and Monterey Peninsula College student, commented on fixed routes from the Monterey Peninsula to catch the new Line 59. MST staff made note of Mr. Wilmot's comments.

On a motion by Director Barrera, seconded by Director Pacheco, and carried by the following vote, the Board approved Action Item 6-3:

AYES:	12	Alejo, Amelio, Baron, Barrera, Carbone, LeBarre, Pacheco, Rodriguez, Shirley, Smith, Worthy, and Visscher
NOES:	0	
ABSENT:	1	Velazquez
ABSTAIN:	0	
RECUSE:	0	

7. REPORTS & INFORMATION ITEMS

The Board will receive and file these reports, which do not require action by the Board.

- 7-1. General Manager/CEO Monthly Report – June 2023 and New MST Monthly Report – July 2023 (Page 115)
- TAMC Funding Award for MST Bus Stops
- 7-2. Federal Legislative Advocacy Report (Page 249)
- 7-3. State Legislative Advocacy Updates (Page 251 & 255)
- 7-4. Staff Trip Reports – (Pages 259-273)
- 7-5. Correspondence – (Pages 275 & 277)

8. BOARD REPORTS, COMMENTS, AND REFERRALS

- 8-1. Reports on Meetings Attended by Board Members at MST Expense. (AB 1234)
- 8-2. Board Member Comments and Announcements.
- 8-3. Board Member Referrals for Future Agendas.
- 8-4. Receive Highlights of the Monterey Regional Taxi Authority (RTA) Board Meeting on June 26, 2023. (Jeanette Alegar-Rocha) (Page 279)

9. ATTACHMENTS

- 9-1. The Detailed Monthly Performance Statistics and Disbursement Journal for June and July 2023 can be viewed online within the GM Report at <http://mst.org/about-mst/board-of-directors/board-meetings/>

10. CLOSED SESSION

There were no public comments on closed session items 10-1 through 10-3.

- 10-1. Conference with real property negotiator pursuant to Government Code Section 54956.8 (No Enclosure)

Property: Parcel L.2.4.3.1 and Parcel L.2.4.3.2, Southwest Corner 7th and Colonel Durham former Fort Ord, City of Seaside

Negotiating parties: Monterey-Salinas Transit (MST) District (Carl G. Sedoryk)

Property owner: Monterey-Salinas Transit

Interested party: City of Seaside

Under negotiation: Transfer of property to Seaside, Terms and Price

Michael Laredo, MST General Counsel, reported that the Board met and provided direction to MST staff to continue its fact-finding mission and to bring the item back to Closed Session for further discussion.

- 10-2. Review Incentive Pool for MSTE A and Confidential Unit and Provide Direction. (Carl Sedoryk) (Enclosure)

Michael Laredo, MST General Counsel, reported that the Board met and provided general direction; this item will return in open session for action at its next meeting.

10-3. Review General Manager/CEO Performance Evaluation Gov. Code § 54957. (Anna Velazquez) Conference With Labor Negotiators (§54957.6) Agency Designated Representatives: (Michael Laredo) (No Enclosure)

Item 10-3 was postponed to the October 9, 2023 closed session agenda.

11. ADJOURN

With no further business to discuss, Vice Chair Carbone adjourned the meeting with a moment of silence in memory of the late Monterey County Supervisor, Lou Calcagno at 12:24 p.m. (Pacific).

Prepared by:



Jeanette Alegar-Rocha
Deputy Secretary/Clerk to the Board

Reviewed by:



Carl G. Sedoryk
General Manager/CEO

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Board Operations Performance Committee (BOPC)
Draft Meeting Minutes
September 11, 2023
9:00 a.m.

Present:	Mary Ann Carbone (Chair)	City of Sand City
	Joe Amelio (Vice Chair)	City of Pacific Grove
	Jeff Baron	City of Carmel-by the Sea
	Liesbeth Visscher	City of Marina
	Tony Barrera	City of Salinas
Absent:	Mike LeBarre	City of King
Counsel:	Michael D. Laredo	General Counsel, De Lay & Laredo
Staff:	Carl Sedoryk	General Manager/CEO
	Lisa Rheinheimer	Assistant General Manager
	Norman Tuitavuki	Chief Operating Officer
	Kelly Halcon	Director of HR and Risk Management
	Michael Kohlman	Chief Information Officer
	Michelle Overmeyer	Director of Planning and Innovation
	Jeanette Alegar-Rocha	Clerk to the Board
	Andrea Williams	Finance Manager
	Cristy Sugabo	Mobility Manager
	David Bielsker	Transit Scheduler
	Elena Grigorichina	Operations Specialist
	Emma Patel	Planning Manager
	Deanna Smith	Civil Rights Officer
	Ezequiel Rebollar	IT Technician
	Jacob Huggins	IT Specialist
	Jacqueline Munoz	Customer Service Representative
	Ikuyo Yoneda-Lopez	Marketing & Communications Manager
	Marzette Henderson	Transportation Manager
	Matthew Deal	Grants Analyst
	Natalie Flores	Assistant Planner
	Pamela Aquino	C/S Representative
	Paul Lopez	Facilities Manager
	Scott Taylor	IT Manager
	Steven Bruno	Purchasing Agent
	Ursulla Scardina	Marketing Assistant
Public:	None	

1. CALL TO ORDER

Board Operations Performance Committee Chair, Mary Ann Carbone called the meeting of the Committee to order at 9:02 a.m. Roll was taken and a quorum was established.

2. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

There were no public comments.

Board member Barrera arrived at 9:04 a.m.

3. CONSENT AGENDA

- 3-1. Approve Minutes of the Board Operations Performance / BOPC Committee on June 12, 2023. (Jeanette Alegar-Rocha) (Page 5)

There were no public comments on the consent agenda.

On a motion by Director Amelio, seconded by Director Visscher and carried by the following vote, which was conducted by roll call, the Committee approved the Minutes of the Board Operations Performance Committee of June 12, 2023:

AYES:	5	Amelio, Baron, Barrera, Carbone, and Visscher
NOES:	0	
ABSENT:	1	LeBarre
ABSTAIN:	0	

4. ACTION ITEMS

- 4-1. Review of Operations Performance. (Refer to MST Board Agenda Item 7-1) (Carl Sedoryk)

A review of the Operations Performance was provided to the Committee by Carl Sedoryk, General Manager/CEO.

There were no public comments.

- 4-2. Receive Updates on SURF! Project. (Lisa Rheinheimer)

Assistant General Manager, Lisa Rheinheimer provided an update on the SURF! project with a recap of the successful outcome of the SURF! Transit Fair and Family Fun Day event, the SURF! Slido survey and overall project status to date.

Director Amelio asked if Ms. Rheinheimer would present the SURF! Project to the Pacific Grove City Council.

There were no public comments.

4-3. Receive Measure Q Programs Update. (Cristy Sugabo)

Mobility Manager, Cristy Sugabo provided an update on the Measure Q Programs informing the committee of the eligibility, participants, training, volunteer opportunities, and outreach.

There were no public comments.

4-5. Receive Update on Coach Operator Recruitment. (Kelly Halcon)

Director of Human Resources and Risk Management, Kelly Halcon provided an update on Coach Operator Recruitment and referenced the Open Positions chart on page 239 of the new MST Monthly Report for July 2023.

5. CLOSED SESSION

None.

6. ADJOURN

There being no further business, Chair Carbone adjourned the meeting at 10:01 a.m.

Prepared by:



Jeanette Alegar-Rocha
Deputy Secretary/Clerk to the Board

Reviewed by:



Carl G. Sedoryk
General Manager/CEO

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To: Board of Directors
From: Beronica Carriedo, Customer Service & Community Relations Supervisor
Subject: Disposal of Unclaimed Items Left on MST Property

RECOMMENDATION:

Receive Report on Lost and Found Items Left on MST Property for the Month of April 2023.

FISCAL IMPACT:

There are no fiscal impacts to receiving this report.

POLICY IMPLICATIONS:



Your Board adopted MST's Disposal of Lost and Found Property Policy.

DISCUSSION:

Per MST's revised Disposal of Lost and Found Property policy during shelter in place adopted on April 6, 2020, MST shall suspend collection and storage of lost personal items with an estimated value of less than \$100. Unless prohibited by law, lost, and found personal items with an estimated value of less than \$100 shall be treated as potentially hazardous and disposed of immediately. These items include but are not limited to umbrellas, articles of clothing, pill containers, glasses, etc.

Items reasonably estimated with a value of greater than \$100 shall only be handled by employees wearing personal protective equipment (such as gloves, masks, etc.), and stored in a secure area to limit possible exposure of COVID-19 to MST employees. All wallets/purses with identifying information and Driver's License or Identification Cards will continue to be retained for 90 days before being disposed. MST makes an attempt to contact the owners of Lost and Found items with identifying information.

April 2023: Item(s) with an estimated fair market value of \$100 or more: None

Prepared by:  Reviewed by: 
Beronica Carriedo Carl G. Sedoryk
C/S and Community Outreach Supervisor General Manager/CEO

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To: Board of Directors
From: Lori Lee, Accountant
Subject: **FINANCIAL REPORTS – AUGUST 2023**

RECOMMENDATION:

1. Accept report of August 2023 cash flow presented in Attachment #1
2. Approve August 2023 disbursements listed in Attachment #2
3. Accept report of August 2023 treasury transactions listed in Attachment #3

FISCAL IMPACT:

The cash flow for August is summarized below and is detailed in Attachment #1.

Beginning balance August 1, 2023	\$55,129,688
Revenues	4,058,838
Disbursements	<u><4,657,983></u>
Ending balance August 31, 2023	<u>\$54,530,543</u>

POLICY IMPLICATIONS:

Disbursements are approved by your Board each month and are shown in Attachment #2. Treasury transactions are reported to your Board each month and are shown in Attachment #3.

DISCUSSION:

By the end of August 2023, using the Board approved FY 2024 Budget, MST had a \$1,218,348 year-to-date surplus to budget on the fixed-route operations and a \$191,631 surplus to budget on the MST RIDES operations, resulting in an overall year-to-date surplus of \$1,409,979.

Fixed-Route: Revenue & Expense and RIDES: Revenue & Expense reports can be viewed within the new Monthly Report for August 2023.

ATTACHMENT(S):

1. August 2023 Cash Flow
2. August 2023 Disbursements
3. August 2023 Treasury Transactions
4. August 2023 Detail of Disbursements

Prepared by:  Reviewed by: 
Lori Lee
Accountant
Carl G. Sedoryk
General Manager/CEO

REVENUES & DISBURSEMENTS

CASH FLOW

Beginning balance 08/01/2023		55,129,688.08
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Revenues

Passenger Revenue	560,300.32	
DOD Revenue	3,620.00	
LTF / STA / SGR	2,255,298.49	
Sales Tax	1,012,040.79	
Grants	117,745.35	
Interest Income	81,454.10	
Non Transit Revenue	28,379.12	
Total Revenues	4,058,838.17	4,058,838.17

Disbursements

Operations (See Attachment #2)	3,994,729.57	
Capital	663,253.47	
Total Disbursements		(4,657,983.04)

Ending balance 08/31/2023		54,530,543.21
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COMPOSITION OF ENDING BALANCE

Checking - Mechanics Bank	1,368,306.97
Local Agency Investment Fund (LAIF)	27,908,112.62
Money Market - Mechanics Bank MM	21,037,238.38
Money Market - Mechanics Bank	23,135.45
Money Market - LCTOP	2,100,471.70
Money Market - State of Good Repair	2,019,959.64
Money Market - FOR A/Other	54,156.02
Bank of America - Escrow	8,989.93
Petty cash fund, STC Coin Machine, and 2 change funds	10,172.50
Total	54,530,543.21

PAYROLL ACCOUNT

August 11 Payroll & Related Expenses	661,513.50	
August 22 Payroll & Related Expenses	2,533.55	
August 25 Payroll & Related Expenses	645,379.81	
PERS & 457	373,788.24	
Garnishments	4,798.30	
PERS Health Insurance	<u>418,832.93</u>	
	2,106,846.33	2,106,846.33

GENERAL ACCOUNT

Disbursements on Attached Summary	2,460,544.42	
Paydown Loans	47,134.84	
Workers Comp. Disbursements	39,364.71	
Interest Expense	2,217.80	
Bank Service Charge	<u>1,874.94</u>	
	2,551,136.71	2,551,136.71
Total Disbursements		<u>4,657,983.04</u>
Less Capital Disbursements & Transfers		(663,253.47)
Operating Disbursements		<u><u>3,994,729.57</u></u>

DISBURSEMENTS SUMMARY:
GENERAL ACCOUNT DISBURSEMENTS
For August 01, 2023 - August 31, 2023

CHECK PRINT DATE	CHECKS	TOTAL
Accounts Payable 08/04/2023	68154 - 68202	227,971.30
Accounts Payable 08/11/2023	68203 - 68256	871,570.67
Accounts Payable 08/16/2023	68257 - 68317	729,425.51
Accounts Payable 08/21/2023	68318 - 68318	53,038.87
Accounts Payable 08/25/2023	68319 - 68397	533,597.87
Accounts Payable 08/28/2023	68398 - 68460	44,940.20
TOTAL		<u>2,460,544.42</u>

CHECKS \$100,000 AND OVER

VENDOR	BOARD AWARD DATE	CHECK CHECK DATE	AMOUNT
MV	Contract Transportation	68234 8/11/23	697,291.28
TRANSPORTATION	Board Award 2/14/22		
CREATIVE BUS	4 Starcraft Class C Ford	68276 8/16/23	458,285.10
SALES INC	E450		
SC FUELS	Fuel Delivery and Purchase	Multiple Multiple	371,614.95
	Board Award 11/5/18		

PURCHASES BETWEEN \$50,000 AND \$99,999

VENDOR	GENERAL MANAGER APPROVED	CHECK CHECK DATE	AMOUNT
GRANITEROCK-	SURF Pre-Construction	68223 8/11/23	96,840.00
MYERS JV	Board Award 12/12/22		
TRITON	Test Ungerground Tanks	68392 8/25/23	400.00
CONSTRUCTION	Recurring		
TRITON	Replace Gasoline Dispenser	68392 8/25/23	50,780.00
CONSTRUCTION	Emergency Repair		

**TREASURY TRANSACTIONS
FOR AUGUST 2023**

LAIF ACCOUNT

<u>Date</u>	<u>Account</u>	<u>Description</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Balance</u>
Balance Forward at 08/01/2023					27,908,112.62
Quarterly interest earned 3.15%					27,908,112.62
Local Agency Investment Fund:					
LAIF Treasury Balance at 08/31/2023					27,908,112.62

MECHANICS BANK MM ACCOUNT

<u>Date</u>	<u>Account</u>	<u>Description</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Balance</u>
Balance Forward at 08/01/2023					22,715,055.51
08/04/23	687	AP/Payroll	-	1,150,000.00	21,565,055.51
08/10/23	687	LTF	2,255,298.49	-	23,820,354.00
08/10/23	687	AP/Payroll	-	1,100,000.00	22,720,354.00
08/17/23	687	AP/Payroll	-	750,000.00	21,970,354.00
08/24/23	687	AP/Payroll	-	1,000,000.00	20,970,354.00
08/31/23		Interest	66,884.38		21,037,238.38
MECHANICS MM Balance at 08/31/2023					21,037,238.38

Board Report
MONTEREY-SALINAS TRANSIT DISTRICT

Vendor ledger Entry: Posting Date 08/01/23..08/31/23

Check Date	Check No.	No.	Name	Description	Sum of Amount
8/4/2023	68154	AGI10	AGILE OCCUPATIONAL MEDICINE PC	DOT Physical Exams (Kelly)	520.00
8/4/2023	68155	ATT15	AT&T MOBILITY	COMPUTER MAINTENANCE	9,510.63
8/4/2023	68156	BEN10	BENEFIT COORDINATORS CORPORATION (BCC)	EE HEALTH/LIFE INS. DEDCTN	21,401.70
8/4/2023	68157	CAL20	CALIFORNIA AMERICAN WATER	WATER & FIRE PROTECTION	1,862.09
8/4/2023	68158	CAR40	WASTE MANAGEMENT CORPORATE	DISPOSAL & SEWER	659.62
8/4/2023	68159	CIT27	CITY OF MONTEREY	INET Internet charge 4/1/23-6/23	697.75
8/4/2023	68160	CIT27	CITY OF MONTEREY	new garbage can for Monterey Plaza	6,913.95
8/4/2023	68161	COA50	SC FUELS	DIESEL SALES TAX	5,167.38
8/4/2023	68161	COA50	SC FUELS	FY24 DIESEL CJWS, TDAS, SCOS	99,700.49
8/4/2023	68162	COA51	SC FUELS	FUEL PURCHASES - MV	30,159.59
8/4/2023	68163	COM10	COMMERCIAL TRUCK CO.	REVENUE PARTS	114.89
8/4/2023	68164	CON50	CONSOLIDATED ELECTRICAL	ELECTRICAL, PLUMBING , ROOFING	271.73
8/4/2023	68165	CYP05	CYPRESS COAST FORD-L/M	REVENUE PARTS	143.13
8/4/2023	68165	CYP05	CYPRESS COAST FORD-L/M	SUPPORT VEHICLES REPAIR	-
8/4/2023	68166	DALROJ	DALIA ROJAS	EE OTHER DEDUCTION	230.77
8/4/2023	68167	DIR10	DIRECT TV	ANTENNA/ SATELLITE RENTAL	85.54
8/4/2023	68168	FAS20	FASTENAL COMPANY	SHOP SUPPLIES	243.99
8/4/2023	68169	FER40	FERGUSON ENTERPRISES INC #686	BUILDING AND EQUIPMENT MAINT	44.08
8/4/2023	68170	FRA70	FRANCHISE TAX BOARD	EE OTHER DEDUCTION	125.00
8/4/2023	68171	GRA30	GRAINGER	BUILDING AND EQUIPMENT MAINT	1,331.50
8/4/2023	68172	GRE30	GREEN RUBBER-KENNEDY AG	BUS WASHER SUPPLIES	19.95
8/4/2023	68173	GRE50	GREEN VALLEY INDUSTRIAL SUPPLY INC.	SHELTER & BUS STOP SUPPLIES	72.11
8/4/2023	68174	HAR30	THE HARTFORD	EE HEALTH/LIFE INS. DEDCTN	3,268.47
8/4/2023	68175	HDSUP	WHITE CAP L.P	SHELTER & BUS STOP SUPPLIES	219.44
8/4/2023	68176	HYD20	HYDRO TURF INC.	BUS WASHER SUPPLIES	8.52
8/4/2023	68176	HYD20	HYDRO TURF INC.	GROUPS MAINTENANCE	100.66
8/4/2023	68177	ICM10	MISSION SQUARE	EE DEFERRED COMPENSATION	1,290.38
8/4/2023	68178	KIN13	KING CITY ACE HARDWARE	BUILDING AND EQUIPMENT MAINT	37.37
8/4/2023	68179	KON10	U.S.BANK EQUIPMENT FINANCE	EQUIPMENT RENTALS	321.48
8/4/2023	68180	KON10	U.S.BANK EQUIPMENT FINANCE	EQUIPMENT RENTALS	3,203.62
8/4/2023	68181	MCM10	McMASTER-CARR SUPPLY COMPANY	FAREBOX PARTS	57.20
8/4/2023	68182	MUN15	MUNCIE TRANSIT SUPPLY	REVENUE PARTS	1,426.32
8/4/2023	68183	NAV10	NAVIA BENEFIT SOLUTIONS CLIENT PAY	EE FLEXIBLE SPENDING	2,027.49
8/4/2023	68184	NAV10	NAVIA BENEFIT SOLUTIONS CLIENT PAY	Sec. 125 Participant Fee	148.80
8/4/2023	68185	NOL11	NOLAND HAMERLY ETIENNE & HOSS	OTHER MISC. EXPENSE	652.50
8/4/2023	68186	ORE10	O'REILLY AUTO ENTERPRISES LLC	REVENUE PARTS	70.41
8/4/2023	68187	PAC05	PACIFIC CLAIMS MANAGEMENT	Third Party Administrator Contract	114.00
8/4/2023	68187	PAC05	PACIFIC CLAIMS MANAGEMENT	TPA Services (Admin, Bill Review, MPN)	5,708.33
8/4/2023	68188	PAC20	PACIFIC GAS AND ELECTRIC CO	PG&E	8,075.22
8/4/2023	68189	PAC60	PACIFIC TRUCK PARTS INC	REVENUE PARTS	250.00
8/4/2023	68190	PAP30	PAPE KENWORTH	REVENUE PARTS	378.18
8/4/2023	68191	RED20	BECK'S SHOE STORE INC.	SAFETY BOOTS (Facilities)	213.58
8/4/2023	68192	SAF15	SAFETY-KLEEN CORP	HAZARDOUS WASTE DISPOSAL	772.37
8/4/2023	68193	SAF20	SAFETQUIP INC.	SHELTER & BUS STOP SUPPLIES	157.32
8/4/2023	68194	SPO10	SPORTSWORKS	100352 DL2 cutaway bike racks Qty 4 w taxes	3,203.21
8/4/2023	68194	SPO10	SPORTSWORKS	100567 DL3 bike rack 2112 qty 1	2,252.74
8/4/2023	68194	SPO10	SPORTSWORKS	freight charge	654.55
8/4/2023	68195	TAR10	TARGET PEST CONTROL INC.	PEST CONTROL	350.00
8/4/2023	68196	TEC20	TEC EQUIPMENT	REVENUE PARTS	1,839.74
8/4/2023	68197	TEL25	TELEPHONETICS INC	MARKETING SERVICES	87.50
8/4/2023	68198	TRI20	TRITON CONSTRUCTION	TEST UNDERGROUND TANKS	700.00
8/4/2023	68199	VAL70	VALLEY SAW & GARDEN SUPPLY	EQUIPMENT	4,957.76
8/4/2023	68200	VER40	VERIZON WIRELESS	CELLULAR PHONES/PAGERS	1,462.54
8/4/2023	68201	WAL25	THOMAS WALTERS AND ASSOC INC	CONSULTING - Federal Advocate	4,500.00
8/4/2023	68202	WORS5	WORK WORLD WHISTLE WORKWEAR	SAFETY BOOTS FACILITIES \$250 limit	185.71
8/4/2023 Total					227,971.30
8/11/2023	68203	ADV13	ADVANCED BLIND & SHADE	BUILDING AND EQUIPMENT MAINT	2,401.48
8/11/2023	68204	AGI10	AGILE OCCUPATIONAL MEDICINE PC	DRUG TESTING (Deanna)	27.00
8/11/2023	68205	AIR10	AIRTEC SERVICE	AC/ HEATING EQUIPMENT MAINT	5,164.83
8/11/2023	68206	ALV30	ALVAREZ PLUMBING	plumbing 201 pearl clogged drain	505.00
8/11/2023	68207	AME50	AMERICAN SUPPLY COMPANY	BUILDING CLEANING SUPPLIES	421.40
8/11/2023	68207	AME50	AMERICAN SUPPLY COMPANY	SHELTER & BUS STOP SUPPLIES	277.72
8/11/2023	68208	APF10	ASAP SIGNS & PRINTING	PRINTING	577.66
8/11/2023	68209	ATT10	AT&T	TELEPHONE LINE SERVICE	1,031.73
8/11/2023	68210	ATT16	AT&T CALNET	TELEPHONE LINE SERVICE	3,288.55
8/11/2023	68211	BRI15	BRINK'S INC.	ARMORED CAR SERVICE	11,985.72
8/11/2023	68211	BRI15	BRINK'S INC.	CREDIT FOR LATE FEES 07/23	(175.40)
8/11/2023	68211	BRI15	BRINK'S INC.	CREDIT FOR MISSED SERVICE	(1,562.06)
8/11/2023	68212	BRO60	REPUBLIC SERVICES	DISPOSAL & SEWER	2,218.27
8/11/2023	68213	CAL92	CALIFORNIA WATER SERV CO	WATER & FIRE PROTECTION	39.10
8/11/2023	68214	CHI20	CHIDLAW MARKETING	MARKETING SERVICES	2,627.00
8/11/2023	68216	COM10	COMMERCIAL TRUCK CO.	REVENUE PARTS	2,201.48
8/11/2023	68217	CSC10	C S C OF SALINAS	BUILDING AND EQUIPMENT MAINT	1,712.86
8/11/2023	68218	CYP05	CYPRESS COAST FORD-L/M	SUPPORT VEHICLES REPAIR	56.59
8/11/2023	68219	DAS25	JOHN A DASH AND ASSOC	CO Monthly Report 12 month subscription	325.00
8/11/2023	68220	DUN10	DUNN-EDWARDS CORPORATION	SHELTER & BUS STOP SUPPLIES	1,225.31
8/11/2023	68221	ELEDIS	EDGES ELECTRICAL GROUP	ELECTRICAL, PLUMBING , ROOFING	188.81

Board Report
MONTEREY-SALINAS TRANSIT DISTRICT

Vendor ledger Entry: Posting Date 08/01/23..08/31/23

Check Date	Check No.	No.	Name	Description	Sum of Amount
8/11/2023	68222	GFI10	GENFARE LLC.	FAREBOX PARTS	1,110.76
8/11/2023	68223	GRA12	GRANITEROCK-MYERS JV	BUS RAPID TRANSIT	96,840.00
8/11/2023	68224	GRE30	GREEN RUBBER-KENNEDY AG	BUILDING AND EQUIPMENT MAINT	23.30
8/11/2023	68225	GRE60	GREENWASTE RECOVERY INC.	DISPOSAL & SEWER	214.65
8/11/2023	68226	GRE60	GREENWASTE RECOVERY INC.	DISPOSAL & SEWER	994.40
8/11/2023	68227	KIN13	KING CITY ACE HARDWARE	BUILDING AND EQUIPMENT MAINT	223.88
8/11/2023	68228	LIF10	LIFT-U	REVENUE PARTS	74.90
8/11/2023	68229	MON11	MONTEREY CITY DISPOSAL	DISPOSAL & SEWER	1,111.85
8/11/2023	68230	MON39	MONTEREY COUNTY TAX COLLECTOR	810-013-361-2023/24	418.43
8/11/2023	68231	MON51	MONTEREY ONE WATER	DISPOSAL & SEWER	1,261.06
8/11/2023	68232	MSB10	M & S BUILDING SUPPLY INC.	SHELTER & BUS STOP SUPPLIES	162.21
8/11/2023	68233	MUN15	MUNCIE TRANSIT SUPPLY	REVENUE PARTS	1,831.44
8/11/2023	68234	MVT11	MV TRANSPORTATION INC.	ADA TAXI TRIPS	76,569.18
8/11/2023	68234	MVT11	MV TRANSPORTATION INC.	FIXED ROUTE	297,155.80
8/11/2023	68234	MVT11	MV TRANSPORTATION INC.	MST RIDES	280,200.22
8/11/2023	68234	MVT11	MV TRANSPORTATION INC.	MV RIDES REVENUE	(4,784.59)
8/11/2023	68234	MVT11	MV TRANSPORTATION INC.	MV TAXI FARE REVENUE	(1,013.50)
8/11/2023	68234	MVT11	MV TRANSPORTATION INC.	ON CALL	49,164.17
8/11/2023	68235	NAP12	NAPA AUTO PARTS OF SALINAS	SHOP SUPPLIES	207.56
8/11/2023	68236	NAV10	NAVIA BENEFIT SOLUTIONS CLIENT PAY	EE FLEXIBLE SPENDING	2,027.49
8/11/2023	68237	NOV10	BILL'S WINDSHIELD REPAIR	OTHER OUTSIDE LABOR	180.00
8/11/2023	68238	PAC20	PACIFIC GAS AND ELECTRIC CO	PG&E	356.99
8/11/2023	68239	PAC20	PACIFIC GAS AND ELECTRIC CO	PG&E	3,533.87
8/11/2023	68240	PAC60	PACIFIC TRUCK PARTS INC	REVENUE PARTS	500.00
8/11/2023	68241	PAP30	PAPE KENWORTH	REVENUE PARTS	2,415.66
8/11/2023	68242	POT31	POTTER'S ELECTRONICS INC.	COMPUTER SUPPLIES	56.15
8/11/2023	68243	PRO60	SAN LORENZO LUMBER	BUILDING AND EQUIPMENT MAINT	49.53
8/11/2023	68243	PRO60	SAN LORENZO LUMBER	SHELTER & BUS STOP SUPPLIES	305.22
8/11/2023	68244	SAF20	SAFETEQUIP INC.	SAFETY & PROTECTIVE SUPPLIES	260.32
8/11/2023	68245	SAL12	SALINAS VALLEY SOLID WASTE AUTHORITY	DISPOSAL & SEWER	30.00
8/11/2023	68246	SCR10	SCRTTC	ANNUAL TRANSIT AGENCY DUES JULY 1, 2023 - JUNE 30, 2024	1,200.00
8/11/2023	68247	SED50	CARL SEDORYK	1 night, Aug 24-25, 2023, Sacramento, CA, CTA Executive Committee	69.00
8/11/2023	68248	SHA12	SHAW YODER ANTWHI	CONSULTING - FY24 State Legislative Advocacy	6,000.00
8/11/2023	68249	SHE10	SHERWIN-WILLIAMS CO	BUILDING AND EQUIPMENT MAINT	148.16
8/11/2023	68249	SHE10	SHERWIN-WILLIAMS CO	SHELTER & BUS STOP SUPPLIES	205.88
8/11/2023	68250	STE11	STERICYCLE INC.	FY24 Shredding Services	136.42
8/11/2023	68251	SUD10	SUDDEN IMPACT MOBILE WINDSHIELD REPAIR	OTHER OUTSIDE LABOR	50.00
8/11/2023	68252	TAR10	TARGET PEST CONTROL INC.	PEST CONTROL	365.00
8/11/2023	68253	UNI22	UPS FREIGHT	POSTAGE & EXPRESS SERVICE	378.82
8/11/2023	68254	UNI70	UNITED SITE SERVICES	EQUIPMENT RENTALS	580.84
8/11/2023	68255	VAL70	VALLEY SAW & GARDEN SUPPLY	GROUPS MAINTENANCE	1,670.41
8/11/2023	68256	ZON10	ZONAR SYSTEMS INC.	PREPAID EXPENSES - QUARTERLY SUBSCRIPTION FEES	14,747.14
8/11/2023 Total					871,570.67
8/16/2023	68257	ACS10	A & C SIGNS	OTHER OUTSIDE LABOR	16.39
8/16/2023	68258	ALV11	ALVAREZ TECHNOLOGY GROUP INC	Agreement Cloudfinder Backup (office365)	225.00
8/16/2023	68258	ALV11	ALVAREZ TECHNOLOGY GROUP INC	Agreement CyberProtect Managed Services	8,000.00
8/16/2023	68258	ALV11	ALVAREZ TECHNOLOGY GROUP INC	ConnectWise Manage, Auvik and IT Glue Tools and Support	1,058.14
8/16/2023	68258	ALV11	ALVAREZ TECHNOLOGY GROUP INC	Threatlocker	756.00
8/16/2023	68259	AMA10	AMALGAMATED TRANSIT UNION	EE OTHER DEDUCTION	12,353.27
8/16/2023	68260	AME50	AMERICAN SUPPLY COMPANY	SHOP & UTILITY SUPPLIES	226.43
8/16/2023	68261	AME72	AMERICAN FAMILY CONNECT PROPERTY &	PUBLIC LIABILITY	1,379.46
8/16/2023	68262	ARC11	ARCpointlabs OF MONTEREY BAY	DRUG TESTING	100.00
8/16/2023	68263	ATT16	AT&T CALNET	TELEPHONE LINE SERVICE	643.62
8/16/2023	68264	CAL82	CALIFORNIA TOWING & TRANSPORT LLC	TOWING	567.00
8/16/2023	68265	CAL84	CALIF TRANSIT INS POOL	PUBLIC LIABILITY	39,852.36
8/16/2023	68266	CHIT1	CHICAGO TITLE CO.	Condition of Title Report	500.00
8/16/2023	68269	CIN20	CINTAS CORPORATION	LAUNDRY FACILITIES	3,823.66
8/16/2023	68269	CIN20	CINTAS CORPORATION	LAUNDRY MAINTENANCE	13,249.87
8/16/2023	68270	CLE21	CLEAR BLU ENVIORMENTAL	BUILDING AND EQUIPMENT PREVENTIVE MAINT-	247.78
8/16/2023	68271	COA50	SC FUELS	DIESEL CIJW, TDA, KC	29,723.78
8/16/2023	68271	COA50	SC FUELS	DIESEL SALES TAX	1,579.09
8/16/2023	68274	COA60	COAST COUNTIES TRUCK & EQUIPT	OTHER OUTSIDE LABOR	4,665.66
8/16/2023	68275	COM10	COMMERCIAL TRUCK CO.	REVENUE PARTS	1,384.52
8/16/2023	68276	CRE08	CREATIVE BUS SALES INC	4 EACH STARCRAFT BUS CLASS C FORD E450	458,771.37
8/16/2023	68276	CRE08	CREATIVE BUS SALES INC	REVENUE PARTS	(486.27)
8/16/2023	68277	CSC10	C S C OF SALINAS	SHOP SUPPLIES / VEHICLE PARTS	1,559.00
8/16/2023	68278	DALROJ	DALIA ROJAS	EE OTHER DEDUCTION	230.77
8/16/2023	68279	DEL1M	DE LAY AND LAREDO	CONTRACT NEGOTIATION 17619	100.20
8/16/2023	68279	DEL1M	DE LAY AND LAREDO	LEGAL SERVICES 17617	3,040.00
8/16/2023	68279	DEL1M	DE LAY AND LAREDO	LEGAL SERVICES 17618	668.00
8/16/2023	68279	DEL1M	DE LAY AND LAREDO	LEGAL SERVICES 17620	2,705.40
8/16/2023	68279	DEL1M	DE LAY AND LAREDO	LEGAL SERVICES 17621	2,404.80
8/16/2023	68279	DEL1M	DE LAY AND LAREDO	LEGAL SERVICES 17622	968.60
8/16/2023	68280	DIR10	DIRECT TV	ANTENNA/ SATELLITE RENTAL	308.47
8/16/2023	68281	ELM10	ELMERS AUTO PARTS	SUPPORT VEHICLE PARTS	37.27
8/16/2023	68282	EXE10	EXECUTIVE SERVICES	BUILDING CLEANING SUPPLIES	6,375.05
8/16/2023	68282	EXE10	EXECUTIVE SERVICES	JANITORIAL SERVICES	18,621.12

Board Report
MONTEREY-SALINAS TRANSIT DISTRICT

Vendor ledger Entry: Posting Date 08/01/23..08/31/23

Check Date	Check No.	No.	Name	Description	Sum of Amount
8/16/2023	68284	FAS20	FASTENAL COMPANY	SAFETY & PROTECTIVE SUPPLIES	62.72
8/16/2023	68284	FAS20	FASTENAL COMPANY	SHOP SUPPLIES	2,971.43
8/16/2023	68285	FRA70	FRANCHISE TAX BOARD	EE OTHER DEDUCTION	797.20
8/16/2023	68287	GRA30	GRAINGER	NON STOCK SHOP SUPPLIES ALL FACILITIES	1,330.29
8/16/2023	68288	HUS20	HUSER INTEGRATED	Velocity - Server Maintenance License	602.16
8/16/2023	68289	IAN10	IAN FERGUSON	web hosting and marketing	737.49
8/16/2023	68290	ICM10	MISSION SQUARE	EE DEFERRED COMPENSATION	1,290.38
8/16/2023	68291	IMP10	IMPERIAL SUPPLIES LLC	SHOP SUPPLIES	376.59
8/16/2023	68292	INT80	INTERSTATE BATTERY SYSTEM	SHELTER & BUS STOP SUPPLIES	104.40
8/16/2023	68293	MAR11	MARINA TAXI COMPANY	PURCH TRANS-RIDES-CERT. TAXI	266.00
8/16/2023	68293	MAR11	MARINA TAXI COMPANY	TAXI VOUCHERS FOR SENIORS, DISABLED, VETERANS	938.00
8/16/2023	68294	MARHEN	MARZETTE HENDERSON	TUITION REIMBURSEMENT	1,284.45
8/16/2023	68295	MON45	MONTEREY PENINSULA POWDER	SHELTER & BUS STOP SUPPLIES	1,235.00
8/16/2023	68296	MON75	MONTEREY COUNTY HOSP ASSN	Recognition Lunch Sponsorship	5,000.00
8/16/2023	68297	ORA10	ORANGE CAB II	PURCH TRANS-RIDES-CERT. TAXI	2,338.00
8/16/2023	68297	ORA10	ORANGE CAB II	TAXI VOUCHER FOR SENIORS, DISABLED, VETERANS	2,828.00
8/16/2023	68298	PAC20	PACIFIC GAS AND ELECTRIC CO	SURF BRT PGE New Service Application/Permitting	2,000.00
8/16/2023	68299	PAC20	PACIFIC GAS AND ELECTRIC CO	PG&E	25.01
8/16/2023	68300	PAC55	PACIFIC MATERIAL HANDLING SOLUTIONS INC.	SHOP EQUIPMENT REPAIR \ FORK LIFT	1,647.76
8/16/2023	68301	PRE30	PREMIUM AUTO PARTS INC.	NON STOCK RU USE	569.33
8/16/2023	68301	PRE30	PREMIUM AUTO PARTS INC.	REVENUE VEHICLE PARTS	29.98
8/16/2023	68301	PRE30	PREMIUM AUTO PARTS INC.	SHOP SUPPLIES \ NON STOCK SHOP USE	300.03
8/16/2023	68302	RED20	BECK'S SHOE STORE INC.	SAFETY BOOTS \$250 limit	413.21
8/16/2023	68303	SAF15	SAFETY-KLEEN CORP	HAZARDOUS WASTE DISPOSAL	338.55
8/16/2023	68304	SAL05	SALINAS VALLEY CHAMBER	CHAMBER AND OTHER DUES	450.00
8/16/2023	68305	SAL16	SAL'S TAXI	PURCH TRANS-RIDES-CERT. TAXI	2,170.00
8/16/2023	68305	SAL16	SAL'S TAXI	PURCH TRANS-SENIOR TAXI VOUCHER	4,494.00
8/16/2023	68306	SALTOY	SALINAS TOYOTA SCION HYUNDAI	SUPPORT VEHICLES REPAIR	94.16
8/16/2023	68307	SAN10	ADTAXI BAY AREA NEWS GROUP	RFP #24-02 (SURF1 CM Services) Advertising	1,128.60
8/16/2023	68308	STA12	STANTEC ARCHITECTURE INC	BUILDINGS - Salinas O&M Facility	23,900.07
8/16/2023	68309	TEN15	TENNANT SALES AND SERVICE	SHOP EQUIPMENT REPAIR	705.96
8/16/2023	68310	THE70	THERMO KING OF SALINAS IN	OTHER OUTSIDE LABOR	174.84
8/16/2023	68310	THE70	THERMO KING OF SALINAS IN	REVENUE VEHICLE PARTS	2,981.84
8/16/2023	68311	THY10	TK ELEVATOR	Elevator INSPECTION TDA	769.65
8/16/2023	68312	TRA33	TRAPEZE SOFTWARE GROUP INC.	COMPUTER SUPPLIES	1,576.00
8/16/2023	68312	TRA33	TRAPEZE SOFTWARE GROUP INC.	Labor and Repairs	275.00
8/16/2023	68313	TUR11	TURTFENDERS LANDSCAPE INC.	GROUND MAINTENANCE - FY24 Landscape Maintenance	4,556.34
8/16/2023	68314	USB11	U.S. BANK NATIONAL ASSOCIATION	TIFIA Admin Fee 7/1/22-6/30/23	1,645.00
8/16/2023	68315	USB15	U.S. BANK CORP PAYMENT SYSTEM	CAL CARD 07/23	38,099.81
8/16/2023	68316	WIL40	WILLIAMSON BODY AND PAINT	BUS PAINTING	3,065.81
8/16/2023	68317	WOR55	WORK WORLD WHISTLE WORKWEAR	SAFETY BOOTS PER PAIR \$250	196.64
8/16/2023 Total					729,425.51
8/21/2023	68318	DR10	ALLIANT INSURANCE SERVICES INC.	PUBLIC LIABILITY	53,038.87
8/21/2023 Total					53,038.87
8/25/2023	68319	ACE10	ACE HIGH DESIGNS INC.	50th Anniversary of Service Polo Shirts	1,338.31
8/25/2023	68320	ACEPOR	ACE PORTABLE SERVICES	EQUIPMENT RENTALS	155.13
8/25/2023	68321	ACS10	A & C SIGNS	OTHER OUTSIDE LABOR	71.01
8/25/2023	68322	AFLAC	AFLAC	EE HEALTH/LIFE INS. DEDCTN	5,735.14
8/25/2023	68323	AME11	AMERICAN AED INC.	AED replacement electrode pads	525.00
8/25/2023	68324	AME50	AMERICAN SUPPLY COMPANY	BUILDING CLEANING SUPPLIES	37.71
8/25/2023	68324	AME50	AMERICAN SUPPLY COMPANY	SHOP & UTILITY SUPPLIES	89.15
8/25/2023	68325	AMS15	AMSTERDAM PRINTING & LITHO	MARKETING SUPPLIES	165.38
8/25/2023	68325	AMS15	AMSTERDAM PRINTING & LITHO	MARKETING SUPPLIES- 50 YR CELEBRATION TUMBLERS	4,757.55
8/25/2023	68326	ATO10	A TOOL SHED INC.	EQUIPMENT RENTALS	257.94
8/25/2023	68327	ATT16	AT&T CALNET	TELEPHONE LINE SERVICE	5,187.50
8/25/2023	68328	BAR11	BARRY MIRKIN	RENT-15 LINCOLN AVENUE	7,251.81
8/25/2023	68329	BEN10	BENEFIT COORDINATORS CORPORATION (BCC)	EE HEALTH/LIFE INS. DEDCTN	21,665.60
8/25/2023	68330	BLA11	BLACK OAK CLEANING SERVICES	CUSTODIAL SERVICES	4,800.00
8/25/2023	68331	CAL92	CALIFORNIA WATER SERV CO	WATER & FIRE PROTECTION	2,488.04
8/25/2023	68332	CALFIR	CALIFORNIA FIRE PROTECTION INC	WATER & FIRE PROTECTION	1,000.00
8/25/2023	68333	CHR11	CHRIS WILSON PLUMBING & HEATING INC	PLUMBING	110.00
8/25/2023	68334	CIN20	CINTAS CORPORATION	LAUNDRY FACILITIES	1,370.43
8/25/2023	68334	CIN20	CINTAS CORPORATION	LAUNDRY MAINTENANCE	5,445.18
8/25/2023	68335	COA50	SC FUELS	DIESEL CJW, TDA, KC	56,638.22
8/25/2023	68335	COA50	SC FUELS	DIESEL SALES TAX	3,008.92
8/25/2023	68336	COA51	SC FUELS	FUEL PURCHASES - MV	145,637.48
8/25/2023	68337	COA60	COAST COUNTIES TRUCK & EQUIPT	B400Rwell transmission core w/ taxes	6,182.08
8/25/2023	68337	COA60	COAST COUNTIES TRUCK & EQUIPT	B400Rwell Transmission w/taxes	6,089.63
8/25/2023	68337	COA60	COAST COUNTIES TRUCK & EQUIPT	OTHER OUTSIDE LABOR	4,208.73
8/25/2023	68338	COM10	COMMERCIAL TRUCK CO.	REVENUE PARTS	321.06
8/25/2023	68339	CSC10	C S C OF SALINAS	BUILDING AND EQUIPMENT MAINT	292.79
8/25/2023	68339	CSC10	C S C OF SALINAS	SHOP SUPPLIES / VEHICLE PARTS	37.15
8/25/2023	68340	CYP05	CYPRESS COAST FORD-L/M	SUPPORT VEHICLES REPAIR	466.30
8/25/2023	68341	DOC20	DOCTORS ON DUTY MEDICAL GROUP	DOT DMV Physical	450.00
8/25/2023	68342	ENV10	ENVIRONMENTAL LOGISTICS INC.	HAZARDOUS WASTE DISPOSAL	945.00
8/25/2023	68343	EXE10	EXECUTIVE SERVICES	Janitorial Cleaning Supplies	2,029.53
8/25/2023	68344	FAO10	FAO-USAED	Rent-Real Estate OMC-DACA#05-1-17-504	8,305.00

Board Report
MONTEREY-SALINAS TRANSIT DISTRICT

Vendor ledger Entry: Posting Date 08/01/23..08/31/23

Check Date	Check No.	No.	Name	Description	Sum of Amount
8/25/2023	68345	FAS20	FASTENAL COMPANY	SHOP SUPPLIES	737.78
8/25/2023	68346	FER40	FERGUSON ENTERPRISES INC #686	BUILDING AND EQUIPMENT MAINT	11.54
8/25/2023	68347	GF10	GENFARE LLC.	FAREBOX PARTS	27,549.70
8/25/2023	68348	GOO15	GOODYEAR TIRE - RUBBER CO	TIRES & TUBES	16,024.85
8/25/2023	68350	GRA30	GRAINGER	BUILDING AND EQUIPMENT MAINT	917.08
8/25/2023	68350	GRA30	GRAINGER	NON STOCK SHOP SUPPLIES ALL FACILITIES	309.59
8/25/2023	68350	GRA30	GRAINGER	SHOP SUPPLIES	(84.90)
8/25/2023	68351	GRE30	GREEN RUBBER-KENNEDY AG	SHELTER & BUS STOP SUPPLIES	1,499.81
8/25/2023	68352	GRE50	GREEN VALLEY INDUSTRIAL SUPPLY INC.	SHELTER & BUS STOP SUPPLIES	256.64
8/25/2023	68353	HAR12	HARRIS & ASSOCIATES INC	BUILDINGS	10,280.00
8/25/2023	68354	HAW15	TAPCO SAFE TRAVELS	SHELTER & BUS STOP SUPPLIES	2,139.71
8/25/2023	68355	HDSUP	WHITE CAP L.P	SAFETY & PROTECTIVE SUPPLIES	157.86
8/25/2023	68356	HOM10	HOMETOWN MANUFACTURNING INC	REVENUE PARTS	400.05
8/25/2023	68357	IMP10	IMPERIAL SUPPLIES LLC	SHOP SUPPLIES	146.41
8/25/2023	68358	INT80	INTERSTATE BATTERY SYSTEM	REVENUE PARTS	855.56
8/25/2023	68359	IVE11	IVES TRAINING & COMPLIANCE GROUP INC.	Forklift trainer certification	3,090.00
8/25/2023	68360	JOH20	JOHNSON ASSOCIATES	SUPPORT VEHICLE PARTS	77.62
8/25/2023	68361	KIN13	KING CITY ACE HARDWARE	BUILDING AND EQUIPMENT MAINT	358.76
8/25/2023	68362	KON10	U.S.BANK EQUIPMENT FINANCE	EQUIPMENT RENTALS	6,679.50
8/25/2023	68363	KON10	U.S.BANK EQUIPMENT FINANCE	EQUIPMENT RENTALS	668.76
8/25/2023	68364	LEH10	Lehman James Pinckney Jr. Trustee	19 UPPER RAGS#100-LT NOTE	6,640.82
8/25/2023	68365	LIF10	LIFT-U	REVENUE PARTS	621.22
8/25/2023	68366	LOC11	CIRCA	FY 24 CONSULTING EEO 7/13/23-7/12/24	5,675.50
8/25/2023	68367	MAR27	MARINA COAST WATER DIST	WATER & FIRE PROTECTION	447.67
8/25/2023	68368	MAR45	MARY H. NINO *** USE AGD10 *****	RENT- 201 PEARL ST MONTEREY	(4,329.00)
8/25/2023	68368	MAR45	MARY H. NINO *** USE AGD10 *****	Unapply - RENT- 201 PEARL ST MONTEREY	4,329.00
8/25/2023	68369	MCM10	McMASTER-CARR SUPPLY COMPANY	FAREBOX PARTS	61.78
8/25/2023	68370	MON45	MONTEREY PENINSULA POWDER	BUSES	500.00
8/25/2023	68371	MON50	MONTEREY REGIONAL WASTE	DISPOSAL & SEWER	109.35
8/25/2023	68372	MPPM1	PROFESSIONAL OFFICE CONDO ASSOC AT RYAN COURT	ASSOC DUES-19 UPPER RAGSDALE #110	680.59
8/25/2023	68372	MPPM1	PROFESSIONAL OFFICE CONDO ASSOC AT RYAN COURT	ASSOC DUES-19 UPPER RAGSDALE #200	8,099.57
8/25/2023	68373	MSB10	M & S BUILDING SUPPLY INC.	SHELTER & BUS STOP SUPPLIES	470.65
8/25/2023	68374	MUN15	MUNCIE TRANSIT SUPPLY	REVENUE PARTS	1,938.58
8/25/2023	68375	NAP12	NAPA AUTO PARTS OF SALINAS	SHOP SUPPLIES	257.75
8/25/2023	68376	NAV10	NAVIA BENEFIT SOLUTIONS CLIENT PAY	EE FLEXIBLE SPENDING	2,027.49
8/25/2023	68377	NOV10	BILL'S WINDSHIELD REPAIR	OTHER OUTSIDE LABOR	180.00
8/25/2023	68378	OVER10	OVERHEAD DOOR CO. OF SALINAS	BUILDING AND EQUIPMENT MAINT	8,078.36
8/25/2023	68379	PAC20	PACIFIC GAS AND ELECTRIC CO	PG&E	17,752.99
8/25/2023	68380	PAC20	PACIFIC GAS AND ELECTRIC CO	PG&E	24.32
8/25/2023	68381	PAC60	PACIFIC TRUCK PARTS INC	REVENUE PARTS	283.90
8/25/2023	68382	PIT30	PITNEY BOWES	POSTAGE ACCT 11226164	500.00
8/25/2023	68383	POT31	POTTER'S ELECTRONICS INC.	COMPUTER SUPPLIES	35.51
8/25/2023	68384	RED20	BECK'S SHOE STORE INC.	SAFETY BOOTS \$250 limit	408.60
8/25/2023	68385	SAF10	SAF KEEP STORAGE-DEL REY OAKS	STORAGE RENT UNIT #1003	642.00
8/25/2023	68385	SAF10	SAF KEEP STORAGE-DEL REY OAKS	STORAGE RENT UNIT #4004	371.00
8/25/2023	68386	SAF20	SAFETEQUIP INC.	SAFETY & PROTECTIVE SUPPLIES	820.34
8/25/2023	68387	SAL45	SALINAS VALLEY MEMORIAL HEALTHCARE	CPR/AED	150.00
8/25/2023	68388	SCL10	SC LUBRICANTS LLC	GASOLINE ALL LOCATIONS	7,421.83
8/25/2023	68388	SCL10	SC LUBRICANTS LLC	GASOLINE TAX	318.88
8/25/2023	68388	SCL10	SC LUBRICANTS LLC	LUBRICANTS DEF and LUBRICATION	4,841.76
8/25/2023	68389	SPO10	SPORTSWORKS	REVENUE PARTS	126.70
8/25/2023	68390	TEC20	TEC EQUIPMENT	REVENUE PARTS	4,586.24
8/25/2023	68391	THE70	THERMO KING OF SALINAS IN	REVENUE VEHICLE PARTS	53.56
8/25/2023	68392	TRI20	TRITON CONSTRUCTION	EQUIPMENT	50,780.00
8/25/2023	68392	TRI20	TRITON CONSTRUCTION	TEST UNDERGROUND TANKS	400.00
8/25/2023	68393	UNI70	UNITED SITE SERVICES	EQUIPMENT RENTALS JLW RESTROOMS	4,423.75
8/25/2023	68394	VAL20	VALLEY PACIFIC PETROLEUM	LUBRICANTS	13,506.06
8/25/2023	68395	VAL70	VALLEY SAW & GARDEN SUPPLY	GROUPS MAINTENANCE	1,641.21
8/25/2023	68396	COSFAV	COSIMO FAVALORO	PUBLIC LIABILITY	1,000.00
8/25/2023	68397	NET10	NETWORK DESIGN ASSOCIATES INC.	Barracuda Backup Server 790 - 1 Year EU	3,840.00
8/25/2023	68397	NET10	NETWORK DESIGN ASSOCIATES INC.	Barracuda Backup Server 790 - 1 Year IR	4,680.00
8/25/2023	68397	NET10	NETWORK DESIGN ASSOCIATES INC.	Barracuda Backup Server 790 - 1 Year Unlimited Cloud Storage	10,440.00
8/25/2023	68397	NET10	NETWORK DESIGN ASSOCIATES INC.	Discount	(379.20)
8/25/2023 Total					533,597.87
8/28/2023	68398	DRI10	ALLIANT INSURANCE SERVICES INC.	OTHER INSURANCE PREMIUMS	6,698.45
8/28/2023	68399	010	DORA YIP	PURCH TRANS-RIDES-CERT. TAXI	119.38
8/28/2023	68400	016	PAUL WILLIAM FRISBIE	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68401	018	ROSEMARY SOARES	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68402	020	RICHARD WILSON RIST	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68403	021	SOCORRO REYES	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68404	022	THEODORE CLOSTER III	PURCH TRANS-RIDES-CERT. TAXI	131.56
8/28/2023	68405	024	MARLENE THOMASON	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68406	025	CHARLES ATWOOD ROWLEY	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68407	027	SALLY YBARRA	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68408	029	CLAUDIA MARIE WOLLESEN	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68409	030	ROBERT SHICK	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68410	031	BRUCE GORDON ELLIOTT	PURCH TRANS-RIDES-CERT. TAXI	150.00

Board Report
MONTEREY-SALINAS TRANSIT DISTRICT

Vendor ledger Entry: Posting Date 08/01/23..08/31/23

Check Date	Check No.	No.	Name	Description	Sum of Amount
8/28/2023	68411	032	ANNE MARIE RIANDA	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68412	033	JUANITA CASTILLO ELDEGE	PURCH TRANS-RIDES-CERT. TAXI	300.00
8/28/2023	68413	036	ANNA FORMAN-MACFARLANE	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68414	037	VICTOR SHURTLEFF	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68415	038	CHARLES WALKER	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68416	039	MARY LOUISE SHURTLEFF	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68417	040	JANET M. RIANDA	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68418	045	GLORIA IACI	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68419	046	GLORIA SANDOVAL AVILA	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68420	047	LOU ROBIN SHICK	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68421	048	GLORIA GUTIERREZ	PURCH TRANS-RIDES-CERT. TAXI	88.69
8/28/2023	68422	049	RITA GERTUDE WALKER	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68423	050	AGNES CHARLES	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68424	051	IRMA COLLINS	PURCH TRANS-RIDES-CERT. TAXI	88.31
8/28/2023	68425	052	WILLIAM ELDEREDGE	PURCH TRANS-RIDES-CERT. TAXI	300.00
8/28/2023	68426	053	MAILYN A. HALVERSON	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68427	054	PAULINE SALINAS	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68428	055	MARTHA HOPKINS	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68429	056	JANIE WENZ	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68430	057	DARLENE NELSON	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68431	058	GLORIA JEAN SANTOS	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68432	059	SHARON K. HURLHEY	PURCH TRANS-RIDES-CERT. TAXI	25.25
8/28/2023	68433	062	KAREN GAY BALLEW	PURCH TRANS-RIDES-CERT. TAXI	134.63
8/28/2023	68434	064	JOHN W. McELMOYL	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68435	065	LISA MARIE VON SALTZA	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68436	067	WILLIE CHAN	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68437	068	MARIA BALADAD	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68438	069	HAROLD RICHARD KINNAMAN	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68439	070	CHARLES MELL	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68440	072	STEVE EVERETT CRAIG	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68441	073	MYONG BUTTGERIT	PURCH TRANS-RIDES-CERT. TAXI	127.50
8/28/2023	68442	075	MARY M. DEZELLE	PURCH TRANS-RIDES-CERT. TAXI	100.63
8/28/2023	68443	077	ANNA MARY McNETT	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68444	078	PATRICIA UNDERWOOD	PURCH TRANS-RIDES-CERT. TAXI	126.56
8/28/2023	68445	081	WILLIAM TAYLOR	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68446	084	LINDA DAMES	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68447	089	ENRIQUE GONZALEZ	PURCH TRANS-RIDES-CERT. TAXI	143.13
8/28/2023	68448	090	YACOB M KHADER	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68449	091	CAROLE CASTILLO MEZA	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68450	093	ELOISA ROSALES MERCADO	PURCH TRANS-RIDES-CERT. TAXI	86.50
8/28/2023	68451	094	LUCY S KHADER	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68452	095	MARY JANE GANSBERGER	PURCH TRANS-RIDES-CERT. TAXI	150.00
8/28/2023	68460	GIL10	GILLIG LLC	REVENUE PARTS	30,619.61
8/28/2023 Total					45,240.20
8/30/2023	68103	090	YACOB M KHADER	PURCH TRANS-RIDES-CERT. TAXI	(150.00)
8/30/2023	68107	094	LUCY S KHADER	PURCH TRANS-RIDES-CERT. TAXI	(150.00)
8/30/2023 Total					(300.00)
Grand Total					2,460,544.42

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To: Board of Directors
From: Lisa Cox, Risk and Security Manager
Subject: Notice of Rejection

RECOMMENDATION:

Reject claim by the claimant Reyna Vargas.

FISCAL IMPACT:

The claimant failed to provide the exact amount desired to resolve the claim.

POLICY IMPLICATIONS:

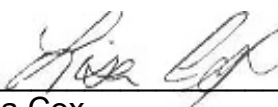
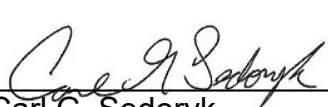
None.

DISCUSSION:

On September 21, 2023, MST received a claim related to an incident that occurred on July 20, 2023. The claimant states the coach operator slammed on the brakes to avoid a collision. She alleges the hard braking caused her to be thrown forward in her seat and then whipped back, causing whiplash.

It was determined the coach operator was not at fault for the incident. In addition, the claimant has failed to comply with the California Tort Claims Act and is insufficient as the estimated amount of future loss is "Unknown". The claimant also failed to provide the documentation needed to evaluate the value of their claim. The claimant's failure to provide a specific claim amount and the determination of non-preventability of the MST coach operator has prompted the recommendation to have this claim rejected in its entirety.

The above claim is still under investigation. If any Board member desires further information on this claim, they may request it be discussed in closed session.

Prepared by:  Approved by: 
Lisa Cox
Risk Manager
Carl G. Sedoryk
General Manager/CEO

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To: Board of Directors

From: Matthew Deal, Grants Analyst

Subject: Senate Bill 1 State Transit Assistance / State of Good Repair Grant
Authorizing Resolution

RECOMMENDATION:

Approve Resolution 2024-07 approving MST Program of Projects and authorizing the General Manager/CEO to execute grant documents for State Transit Assistance/ State of Good Repair funds and authorizing the execution of Program Certifications and Assurances.

FISCAL IMPACT:

Up to \$910,697 in Senate Bill (SB) 1 State Transit Assistance/ State of Good Repair funds would be used as matching funds for the following projects: Replacing vehicles in the non-revenue and revenue fleets, purchasing IT infrastructure upgrades, purchasing a scissor lift, and purchasing zero-emissions bus charging infrastructure. This SB 1 funding matches \$16,217,752 in other State/Federal dollars.

POLICY IMPLICATIONS:

The terms of the California Department of Transportation (Caltrans) State of Good Repair Program require that your Board authorize the General Manager/CEO, or designee, to enter into contract with Caltrans. These funds are already programmed in MST's FY 24-28 Capital Improvement Program.

DISCUSSION:

On April 28, 2017, Governor Brown signed SB 1 (Chapter 5, Statutes of 2017), known as the Road Repair and Accountability Act of 2017. SB1 will provide over \$50 billion in new transportation funding over the next decade to repair highways, bridges, and local roads, to make strategic investments in congested commute and freight corridors, and to improve transit service. MST is eligible to receive a substantial amount of funding through the SB1 funded programs.

The State of Good Repair (SGR) Program is funded under SB1 and provides approximately \$105 million annually to transit operators in California for eligible maintenance, rehabilitation, and capital projects. The SGR Program is funded under a portion of the Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. The SGR Program investments will lead to cleaner transit vehicle

fleets, increased reliability and safety, and reduced greenhouse gas emissions and other pollutants.

MST is scheduled to receive \$910,697 in FY 2023/24 SGR Program funds. Staff recommends programming these funds to support the MST Capital Improvement Program:

- Replacing Vehicles in the Non-Revenue and Revenue Fleets
- Purchasing IT Infrastructure Upgrades
- Purchasing a Scissor Lift
- Purchasing Zero-Emissions Bus Charging Infrastructure

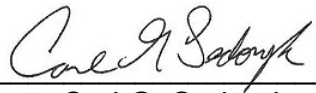
To receive these grant funds your Board must approve the attached resolution, which approves the project and authorizes the execution of program certifications and assurances.

ATTACHMENT(S):

Attachment 1: Resolution 2024-07 – State of Good Repair Program

Attachment 2: State of Good Repair Certifications and Assurances

Prepared by: 
Matthew Deal
Grants Analyst

Reviewed by: 
Carl G. Sedoryk
General Manager/CEO

RESOLUTION 2024-07
**RESOLUTION AUTHORIZING THE GENERAL MANAGER/
CHIEF EXECUTIVE OFFICER TO EXECUTE AGREEMENTS WITH
THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR
THE STATE TRANSIT ASSISTANCE STATE OF GOOD REPAIR
PROGRAM FOR MST CAPITAL IMPROVEMENTS PROJECTS**

WHEREAS, Monterey- Salinas Transit District (MST) is an eligible project sponsor and may receive State Transit Assistance funding from the State of Good Repair Account (SGR) now or sometime in the future for transit projects; and

WHEREAS, MST would use the Fiscal Year 2023/24 State Transit Assistant State of Good Repair grant to help fund the following projects: Replacing Vehicles in the Non-Revenue and Revenue Fleets, Purchasing IT Infrastructure Upgrades, Purchasing a Scissor Lift, and Purchasing Zero Emission Bus Charging Infrastructure; and

WHEREAS, MST wishes to delegate authorization to execute the grant agreement and any amendments thereto.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of MST, authorizes the General Manager/CEO, or designee, to execute all grant documents and any amendments thereto with the California Department of Transportation; and

BE IT FURTHER RESOLVED, by the Board of Directors of MST that the fund recipient agrees to comply with all conditions and requirements set forth in the Certifications and Assurances document and applicable statutes, regulations, and guidelines for all SGR funded transit capital projects; and

BE IT FURTHER RESOLVED that the General Manager/CEO is hereby authorized to submit a request for Scheduled Allocation of the SB1 State of Good Repair funds and to execute the related grant applications, forms, and agreements.

THE BOARD OF DIRECTORS OF MST PASSED AND ADOPTED
RESOLUTION 2024-07 this 9th day of October 2023.

Anna Velazquez
Chairperson

Carl G. Sedoryk
Secretary

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ATTACHMENT 2

State Transit Assistance State of Good Repair Program

Certifications and Assurances

Eligible Recipient: *Monterey-Salinas Transit District*.

Effective Date of this Document: October 9, 2023.

The California Department of Transportation (Department) has adopted the following certifications and assurances for the State of Good Repair (SGR) Program. As a condition of the receipt of State of Good Repair funds, recipients must comply with the following terms and conditions:

A. General

- (1) The recipient agrees to abide by the current State of Good Repair Guidelines.
- (2) The potential recipient must submit to the Department a State of Good Repair Program Project List annually, listing all projects to be funded with SGR funding, including the amount for each project.
- (3) The recipient must submit to the Department a signed Authorized Agent form designating the representative who can submit documents on behalf of the recipient and a copy of the board resolution appointing the Authorized Agent.

B. Project Administration

- (1) The recipient certifies that required environmental documentation will be completed prior to expending SGR funds. The recipient assures that projects approved for SGR funding complies with Public Resources Code § 21100 and § 21150.
- (2) The recipient certifies that SGR funds will be used for transit purposes and SGR funded projects will be completed and remain in operation for the useful life.
- (3) The recipient certifies that it has the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of that project.
- (4) The recipient certifies that they will notify the Department of pending litigation, dispute, or negative audit findings related to the project, before expending SGR funds on the project in question.

- (5) The recipient must maintain satisfactory continuing control over the use of project equipment and facilities and will adequately maintain project equipment and facilities for the useful life of the project.
- (6) Any interest the recipient earns on SGR funds must be used on approved SGR projects.
- (7) The recipient must notify the Department of any changes to an approved project with an amended project list.
- (8) Funds are expected to be expended in a timely manner.

C. Reporting

- (1) Per Public Utilities Code § 99312.1 (e) and (f), the recipient must submit the following SGR reports:
 - a. Annual Expenditure Reports by December 31st of each year.
 - b. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of SGR funds. A copy of the audit report must be submitted to the Department within six months of the close of the year (December 31) each year in which SGR funds have been received or expended.

D. Cost Principles

- (1) The recipient agrees to comply with Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (2) The recipient agrees, and will assure that its contractors and subcontractors will be obligated to agree, that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual project cost items and (b) those parties shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (3) Any project cost for which the recipient has received payment that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, are subject to repayment by the recipient to the State of California (State). Should the recipient fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the recipient from the State

or any third-party source, including but not limited to, the State Treasurer and the State Controller.

E. Record Retention

- (1) The recipient agrees and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the recipient, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of the recipient, its contractors and subcontractors connected with SGR funding shall be maintained for a minimum of three (3) years from the date of final payment and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the recipient, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the recipient pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the recipient's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.
- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the recipient's contracts with third parties pursuant to Government Code § 8546.7, the recipient, its contractors and subcontractors and the Department shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the recipient shall furnish copies thereof if requested.
- (3) The recipient, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

F. Special Situations

- (1) If a project list is not submitted annually then the recipient forfeits their apportionment for that fiscal year.
- (2) Recipients with delinquent expenditure reports may result in risking future funding of SGR.
- (3) The Department may perform an audit and/or request detailed project information of the recipient's SGR funded projects at the Department's discretion at any time prior to the completion of the SGR Program.

I certify all of these conditions will be met.

Monterey-Salinas Transit District

BY: _____
Carl Sedoryk, General Manager / CEO

To: Board of Directors
From: Norman K. Tuitavuki, Chief Operating Officer
Subject: Disposal of Eleven (11) Vehicles

RECOMMENDATIONS:

Authorize disposition of eleven (11) MST-owned vehicles that have reached or exceeded their useful life.

FISCAL IMPACT:

Pending potential sales proceeds.

POLICY IMPLICATIONS:

Your Board approves the disposition (retirement, sale, donation, or disposal) of MST-owned vehicles per MST's Disposal of Surplus Property Policy adopted July 12, 2010, and revised March 2, 2018.

DISCUSSION:

MST has several revenue and non-revenue vehicles in its fleet that have reached or exceeded the Federal Transit Administration (FTA) recommended minimum useful life criteria as defined by FTA Circular 5010.1.E. MST's Maintenance Department has removed these vehicles from service and changed their status to inactive.

If the Board approves the disposition of these vehicles, staff will remove any MST-owned equipment of value such as fareboxes and radio equipment. Any salvaged equipment will be installed and reused in other MST vehicles. Finally, staff will dispose of these vehicles appropriately.

Staff will first attempt to donate vehicles deemed safe and road-worthy to local non-profit organizations before sending these vehicles to auction. All other vehicles will be disposed of accordingly. The following vehicles are available for donation, disposal or sale:

Model Year	Last 4 VIN	Manufacturer	Equipment Description
2003	2087	Gillig	40' Phantom Heavy-Duty Bus
2003	2091	Gillig	40' Phantom Heavy-Duty Bus
2003	3308	Gillig	40' Low Floor Heavy-Duty Bus
2003	3311	Gillig	40' Low Floor Heavy-Duty Bus
2003	6284	Optima	Medium-Duty Trolley Bus
2003	6285	Optima	Medium-Duty Trolley Bus
2014	5083	Ford	El Dorado 26' Medium-Duty Bus
2014	5084	Ford	El Dorado 26' Medium-Duty Bus
2014	5085	Ford	El Dorado 26' Medium-Duty Bus
2014	5086	Ford	El Dorado 26' Medium-Duty Bus
2015	2900	Ford	El Dorado 26' Medium-Duty Bus

Approval of this item authorizes staff to sell, donate, or dispose of the eleven (11) vehicles listed above.

ATTACHMENT(S):

None

Prepared by: Norman K. Tuitavuki
Norman K. Tuitavuki
Chief Operating Officer

Reviewed by: Carl G. Sedoryk
Carl G. Sedoryk
General Manager/CEO

To: MST Board of Directors

From: Carl Sedoryk, General Manager, CEO

Subject: Facility Lease with US ARMY for Joe Lloyd Way Facility for Ongoing Minibus Operations and Maintenance Activities.

RECOMMENDATION:

Authorize the General Manager/CEO or designee to execute lease documents with US ARMY for the Joe Lloyd Way Facility (JLW) for continued MST fixed route and MST RIDES minibus operations and maintenance at a rate of \$230,856 per year for a term of two years.

FISCAL IMPACT:

\$98,442 net increase to the FY 2023/2024 budget. This line-item increase was not assumed in the approved FY 2023/2024 – FY2024/2025 two-year budget and MST staff predicts that there will be sufficient operating reserves by the fiscal year end to fund the increased expense.

Staff estimates that since moving minibus operations from Salinas to the JLW facility on the former Fort Ord in 2020, MST has realized operational savings of \$941,460. Approximately \$288,000 of that amount may be attributed to the below market lease rate for the past four years.

POLICY IMPLICATIONS:

Your Board approves contracts over \$100,000.

DISCUSSION:

In December 2016, MST began utilizing the property located at Joe Lloyd Way in the former Fort Ord when construction of the Monterey Bay Operations and Maintenance Facility at 1 Ryan Ranch Road made it necessary to temporarily move out. During construction, your Board authorized MST to lease facilities on JLW on the former Fort Ord to maintain vehicles and deploy service.

Upon completion of the Monterey Bay Operations and Maintenance Facility, MST fixed route operations and maintenance activities were relocated from the JLW Facility. In December 2019, your Board authorized the General Manager/CEO to execute a contract with MV Transportation, Inc to provide minibus operations and maintenance activities at the JLW facility due to significant reductions in operating expenses resulting from the relocation of MV operations and maintenance functions from a Salinas-based facility. Redeploying all MV operated services from the Salinas basin to the Monterey Peninsula reduced operating costs through savings in vehicle miles travelled, fuel consumption, and reduced greenhouse gas emissions from operations.

At the time, the annual lease rate of \$99,600 offered by the US ARMY was half that being paid by MV, Inc to its landlord in Salinas. Staff estimates that since moving minibus operations from Salinas to the JLW facility on the former Fort Ord, MST has realized operational savings of \$941,460. Approximately \$288,000 of that amount may be attributed to the below market rate of rent that MST has received over the past four years.

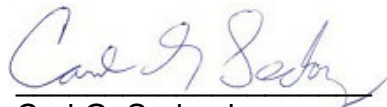
ARMY informed MST that a fair market rate valuation for the facility would be required before any contract extensions would be offered beyond the contract term of October 31, 2022. On September 14, 2023, the ARMY completed its fair market lease valuation for the JLW property and will increase its annual rent to \$230,856 effective October 1, 2023 through July 1, 2025.

Approval of this item by your Board will authorize MST's General Manager/CEO and staff to execute lease documents with the US ARMY for the continued use of property located on Joe Lloyd Way on the former Fort Ord.

ATTACHMENT(S):

None

Prepared by:


Carl G. Sedoryk
General Manager, CEO

To: Board of Directors
From: Deanna Smith, Civil Rights Officer
Subject: Results of Federal Transit Administration FY 2023 Triennial Review

RECOMMENDATION:

Receive results of FY 2023 Federal Transit Administration (FTA) Triennial Review of MST.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

Your Board is responsible for conducting financial and programmatic oversight and compliance regarding MST's federal programs, including FTA's grant awards.

DISCUSSION:

The Triennial Review (Review) is one of FTA's management tools for examining grantee performance and adherence to current FTA requirements and policies. Mandated by Congress in 1982, the Review examines how recipients of Urbanized Area 5307 Formula Program funds meet statutory and administrative requirements. MST receives approximately \$13.2M annually from this funding source, and the Triennial Review is one of the most important and comprehensive evaluations performed on our District.

Due to COVID-19 shutdowns, this Review covered four fiscal years instead of the usual three, and FTA conducted its review remotely rather than in person. Many of our newer managers participated in document gathering and interviews, which provided a solid learning opportunity for the review process.

The table below provides a summary of MST's deficiencies and corrective actions. Staff is currently gathering all requested records and submitting to FTA on or before the response date.

Table 1: MST Triennial Review Deficiencies

Review Area	Deficiency	Corrective Action	Response Date
Satisfactory Continuing Control	SCC10-1: Excessive fixed-route bus spare ratio	MST must submit a request for a short-term spare ratio deviation to the FTA regional office.	9/18/2023 <i>Completed</i>
		MST must submit to the FTA regional office a plan for reducing the spare ratio to 20 percent for fleets of 50 or more buses. The plan should include a spreadsheet listing for each bus type, the number of buses, and, for each year until the spare ratio reaches 20 percent, the number of buses to be disposed of, the number of buses to be added, the projected peak requirement, and the projected spare ratio. The plan should include detailed justifications for years in which spare ratios exceed 20 percent.	12/1/2023
Procurement	P4-1: Responsibility determination deficiencies	For any open contracts, MST must verify that the contractor was responsible and advise the regional office of results.	12/1/2023
		The recipient must submit to the FTA regional office documentation of an implemented process to make adequate responsibility determinations prior to award of MST's next contract.	12/1/2023
	P5-1: Incomplete written documentation of procurement history	MST must submit to the FTA regional office evidence that procurement staff have been trained on documenting procurement history per MST policies and procedures.	1/18/2024
	P8-5: Lacking required justification(s) and documentation for sole source award(s)	MST must ensure that future sole source procurements are properly conducted and documented: 1. Where sole source contracts are ongoing, MST must document FTA's direction as to whether MST may or may not exercise any options.	1/18/2024
		2. For the next sole source procurement, submit to the FTA regional office documentation that the required process was implemented.	3/1/2024

	P10-1: Lacking independent cost estimate	MST must train staff in the ICE procedures to include development of independent cost estimates prior to receipt of bids or proposals and submit to the FTA regional office evidence of such training.	12/1/2023
		For the next procurement, submit to the FTA regional office documentation that the required process was implemented.	5/28/2024
	P10-2: Lacking required cost or price analysis	MST must train staff in required cost or price analyses procedures prior to receipt of bids or proposals and submit to the FTA regional office evidence of such training.	12/1/2023
		For the next procurement, submit to the FTA regional office documentation that the required process was implemented.	5/28/2024
	P11-1: Missing FTA clauses	MST must revise its procedures to check annually to ensure that all FTA-required clauses referred to in the current Comprehensive Review Contractor's Manual are included within contracts.	1/18/2024
		For the next procurement, submit to the FTA regional office documentation that the required process was implemented.	5/23/2024
	P12-2: Lobbying certifications not included in procurement solicitations or signed by bidders	MST must submit to the FTA regional office a copy of the signed lobbying certification with the next applicable procurement.	5/23/2024
	P12-4: Contract files lacking signed Buy America certifications	MST must obtain signed certifications from vendors when procuring steel, iron, or manufactured products not subject to a general waiver: For the next procurement, submit to the FTA regional office documentation that the required process was implemented.	10/4/2024
		For procurements for which a Buy America certification was not obtained, the recipient must submit to the FTA regional office information documenting that the procurement complies with the Buy America provisions.	5/23/2024
		MST must submit to the FTA regional office a copy of the signed Buy America certification before awarding the contract for the next	5/23/2024

		procurement subject to Buy America requirements.	
	P20-2: Pre-award and/or post-delivery audits not performed	For the vehicles that are in the process of being delivered or have been delivered, MST must conduct a Buy America post-delivery audit within 30 days, which complies with their post-delivery procedures.	10/17/2023
		For the next procurement, MST must submit to the FTA regional office documentation that the required process was implemented.	5/23/2024
Disadvantaged Business Enterprise (DBE)	DBE11-1: Unreported transit vehicle purchases	<p>MST must submit to the FTA Office of Civil Rights Support email, FTACivilRightsSupport@dot.gov, an implemented process to ensure that future awards of FTA funded transit vehicle purchases are reported timely.</p> <p>Additionally, MST must report any unreported awards to transit vehicle manufacturers during the review period to the FTA Office of Civil Rights Support email, FTACivilRightsSupport@dot.gov.</p>	<p>12/1/2023 Completed</p>

ATTACHMENT(S):

Triennial Review Final Report

Prepared by:


 Deanna Smith
 Civil Rights Officer/DBELO

Reviewed by:


 Carl G. Sedoryk
 General Manager/CEO



U.S. Department
of Transportation
**Federal Transit
Administration**

REGION IX
Arizona, California,
Hawaii, Nevada, Guam,
American Samoa,
Northern Mariana Islands

90 7th Street
Suite 15-300
San Francisco, CA 94103-6701
415-734-9490

**Agenda Item #3-10
Attachment**

888 South Figueroa Street
Suite 440
Los Angeles, CA 90017-5467
213-202-3950

August 25, 2023

Anna Velazquez
Mayor, City of Soledad
Chair, Board of Directors
Monterey-Salinas Transit District
19 Upper Ragsdale Dr Ste 200
Monterey, CA 93940

Attn: Carl Sedoryk, General Manager / CEO

Re: FY 2023 Triennial Review Final Report

Dear Mayor Velazquez:

I am pleased to provide you with a copy of this Federal Transit Administration (FTA) report as required by 49 U.S.C. Chapter 53 and other federal requirements. The attached final report documents the FTA's Fiscal Year (FY) 2023 Triennial Review of the Monterey-Salinas Transit District (MST) in Monterey, California. Although not an audit, the [Triennial Review](#) is the FTA's assessment of MST's compliance with federal requirements, determined by examining a sample of award management and program implementation practices. As such, the Triennial Review is not intended as, nor does it constitute, a comprehensive and final review of compliance with award requirements.

Due to the Coronavirus 2019 (COVID-19) Public Health Emergency, the FTA conducted a virtual site visit for this Triennial Review. In addition, FTA expanded the review to address MST's compliance with the administrative relief and flexibilities FTA granted and the requirements of the [COVID-19 relief](#) funds received through the Coronavirus Aid, Relief, and Economic Security Act of 2020; Coronavirus Response and Relief Supplemental Appropriations Act of 2021; and the American Rescue Plan Act of 2021.

The Triennial Review focused on MST's compliance in 23 areas, four of which are not applicable to MST. Of the remaining 19 areas, no deficiencies were found in 16 areas. Deficiencies were found in three areas. MST had no repeat deficiencies from the FY 2019 Triennial Review. Please see the table in the Executive Summary of the attached report.

Thank you for your cooperation and assistance during this Triennial Review. If you have any questions, please contact your Review Coordinator, Philoki Barros, Transportation Program Specialist, at 415-734-9452 or philoki.barros@dot.gov.

Sincerely,

DARIN J
ALLAN

Digitally signed by DARIN
J ALLAN
Date: 2023.08.25
16:04:01 -07'00'

For Ray Tellis
Regional Administrator

Attachment

FINAL REPORT

**FISCAL YEAR 2023
TRIENNIAL REVIEW**

of the

**Monterey-Salinas Transit District
(MST)
Monterey, CA
Recipient ID: 1688**

Performed for:

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
REGION 9**

Prepared By:

Interactive Elements Inc.

**Desk Review/Scoping Meeting Date: February 27, 2023
Virtual Site Visit Entrance Conference Date: June 26, 2023
Virtual Site Visit Exit Conference Date: June 29, 2023
Draft Report Date: July 27, 2023
Final Report Date: August 25, 2023**

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I. Executive Summary

This report documents the Federal Transit Administration's (FTA) Triennial Review of the Monterey-Salinas Transit District (MST) of Monterey, California. The FTA wants to ensure that awards are administered in accordance with the requirements of federal public transportation law in 49 U.S.C. Chapter 53. The review was performed by Interactive Elements Inc. During the virtual site visit, the reviewer discussed the administrative and statutory requirements and reviewed Recipient documents.

Due to the Coronavirus 2019 (COVID-19) Public Health Emergency, the FTA conducted a virtual site visit for this Triennial Review. In addition, the FTA expanded the review to address MST's compliance with the administrative relief and flexibilities that the FTA granted, and the requirements of the [COVID-19 relief](#) funds received through the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES); Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA); and the American Rescue Plan Act of 2021 (ARP). The FTA also requested MST share if and/or how it suspended, deviated from, or significantly updated or altered its transit program due to the public health emergency.

The FY 2023 Triennial Review focused on MST's compliance in 23 areas. Deficiencies related to the COVID-19 Relief funds have been clearly identified as part of the deficiency description in the respective review area. There were no repeat deficiencies from the FY 2019 Triennial Review.

Eleven deficiencies were found in the three areas listed below.

Review Area	Deficiencies	
	Code	Description
7. Satisfactory Continuing Control	SCC10-1	Excessive fixed-route bus spare ratio
9. Procurement	P4-1	Responsibility determination deficiencies
	P5-1	Incomplete written documentation of procurement history
	P8-5	Lacking required justification(s) and documentation for sole source award(s)
	P10-1	Lacking independent cost estimate
	P10-2	Lacking required cost or price analysis
	P11-1	Missing FTA clauses
	P12-2	Lobbying certifications not included in procurement solicitations or signed by bidders
	P12-4	Contract files lacking signed Buy America certifications
	P20-2	Pre-award and/or post-delivery audits not performed
10. Disadvantaged Business Enterprise	DBE11-1	Unreported transit vehicle purchases

II. Review Background and Process

1. Background

The United States Code, Chapter 53 of Title 49 (49 U.S.C. 5307(f)(2)) requires that “At least once every 3 years, the Secretary shall review and evaluate completely the performance of a recipient in carrying out the recipient’s program, specifically referring to compliance with statutory and administrative requirements...” The FTA performs this Triennial Review in accordance with its procedures (published in FTA Order 9010.1B, April 5, 1993).

The [Triennial Review](#) includes a review of the recipient’s compliance in 23 areas. The basic requirements for each of these areas are summarized in Section IV. The FTA contracts with experienced reviewers to lead and conduct the Triennial Reviews, in partnership with the staff of the regional office.

This report presents the findings from the Triennial Review of the recipient. The review concentrated on procedures and practices employed since the recipient’s previous Triennial Review in 2019; however, coverage was extended to earlier periods as needed to assess the policies in place and the management of award funds. The specific documents reviewed and referenced in this report are available at the FTA’s Region 9 office or the recipient’s office.

2. Process

The Triennial Review includes a pre-review assessment, a desk review and scoping meeting with the FTA regional office, and a site visit to the recipient’s location. Due to Coronavirus 2019 (COVID-19) Public Health Emergency, the FTA conducted a virtual site visit for this Triennial Review. In addition, the FTA expanded the review to address MST’s compliance with the administrative relief and flexibilities that the FTA granted, and the requirements of the [COVID-19 relief](#) funds received through the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES); Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA); and American Rescue Plan Act of 2021 (ARP). The FTA also requested that the recipient share if and/or how it suspended, deviated from, or significantly updated or altered its transit program due to the public health emergency.

The Fiscal Year (FY) 2023 process began with the regional office transmitting, a notification of the review and a Recipient Information Request (RIR) to the recipient on November 22, 2022, indicating a review would be conducted. While the recipient prepared its response to the RIR, the regional office and reviewer held a scoping meeting on February 27, 2023. Regional office staff provided electronic files as necessary to the reviewer who also accessed recipient information in the FTA electronic award management (TrAMS) and oversight tracking (OTrak) systems. Following the scoping meeting, the reviewer and the recipient corresponded and exchanged information and documentation in preparation for the virtual site visit. Prior to the virtual site visit, the reviewer sent to the recipient on June 9, 2023, an agenda package indicating the issues that would be discussed, records to be reviewed, and interviews to be conducted. The virtual site visit to MST occurred from June 26 to June 29, 2023.

The virtual site visit portion of the review began with an entrance conference, at which the reviewer and regional staff discussed the purpose of the Triennial Review and the review process. The reviewer conducted additional interviews and reviewed documentation to confirm the recipient's compliance with FTA requirements.

Upon completion of the virtual site visit, the reviewer and the FTA regional office staff provided a summary of preliminary findings to the recipient at the exit conference on June 29, 2023. Section VI of this report lists the individuals participating in the site visit.

3. Metrics

The metrics used to evaluate whether a recipient is meeting the requirements for each of the areas reviewed are:

- Not Deficient (ND): An area is considered not deficient if, during the review, nothing came to light that would indicate the requirements within the area reviewed were not met.
- Deficient (D): An area is considered deficient if any of the requirements within the area reviewed were not met.
- Not Applicable (NA): An area can be deemed not applicable if, after an initial assessment, the recipient does not conduct activities for which the requirements of the respective area would be applicable.

III. Recipient Description

1. Organization

MST provides bus service to the greater Monterey and Salinas areas, as far south as Paso Robles and as far north as Watsonville. Service originates from two primary locations: the Monterey Transit Plaza, in downtown Monterey, and the Salinas Transit Center, in downtown Salinas. From these locations, the bus lines branch out and follow a hub and spoke system. Some service also originates from the Sand City Station and the Marina Transit Exchange.

MST was created by state law AB644 and formed July 1, 2010. The district succeeds Monterey-Salinas Transit Joint Powers Agency formed in 1981 when the City of Salinas joined the Monterey Peninsula Transit Joint Powers Agency, which was formed in 1972. Current members of the district are the cities of Carmel, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad, and the County of Monterey. A board of directors with a representative from each member jurisdiction governs the agency and appoints the general manager. MST has 35 fixed routes and one commuter bus route. MST directly operates part of the fixed-route service and commuter bus service and contracts with MV Transportation, Inc. for the remainder of service and complementary paratransit. The service covers an area of approximately 295 square miles and serves a population of 439,035. MV Transportation offices are located in the same building as MST offices.

Service is provided weekdays from 4:27 a.m. to 12:02 a.m., Saturdays from 6:05 a.m. to 12:02 a.m., and Sundays from 6:05 a.m. to 10:28 p.m. The recipient's complementary paratransit service, known as MST RIDES, operates during the same days and hours of service as the fixed routes. MST has a fleet of 88 vehicles (35- and 40-foot Gilligs, 45-foot MCIs, and 30-foot BYD electrics) for fixed-route and commuter service, of which 66 are federally funded; and 47 cutaways (42 federally funded) for MST RIDES.

As of December 20, 2022, basic fare includes rides for up to two hours systemwide for \$2.00. The discount fare is \$1.00 for up to two hours systemwide. MST RIDES fares range from \$1.50 to \$3.50 depending on distance traveled.

2. Award and Project Activity

Below is a list of MST's open awards at the time of the review.

Federal Award Identification Number	Award Amount	Year Executed	Award Name
CA-2021-105	\$6,790,606	2021	FY 21 Operating Assistance
CA-2021-123	\$3,295,027	2021	Bus Procurement: 9 Medium Duty & 7 Heavy Duty
CA-2021-188	\$2,521,984	2021	Bus Procurement: 4 Medium Duty & 4 Heavy Duty
CA-2022-114	\$12,074,210	2022	FY 22 Operating Assistance
CA-2022-090	\$405,000	2022	SURF! Corridor TOD Planning Grant
CA-2022-199	\$122,752	2022	FY 19 5339 Formula - Monterey County Passenger Facilities
CA-2022-201	\$1,000,000	2022	FY 22 5307 - Capital Projects Funding

MST also received Supplemental Funds for operating assistance under award numbers CA-2020-112 (CARES), and CA-2021-033 (CRRSAA), and CA-2021-165 (ARP). These three awards were closed prior to the review but ECHO drawdowns from each of the three awards were examined. This is not MST's first time receiving operating assistance from the FTA.

Projects Completed

In the past few years, MST completed the following noteworthy projects:

- Construction of the South County Operations and Maintenance Facility
- SURF! Busway and BRT Preliminary Design
- Gillig Zero Emission Bus (2) and Charger Purchases (4)
- Comprehensive Operational Analysis and "Better Bus Network" System Update

Ongoing Projects

MST is currently implementing the following noteworthy projects:

- Contactless Fare Payment System
- SURF! Busway and BRT Final Design, Engineering, and Environmental Clearance
- FTA TOD Planning for SURF! Busway and BRT

Future Projects

MST plans to pursue the following noteworthy projects in the next three to five years:

- Construction of the SURF! Busway and Bus Rapid Transit Project
- Salinas Operations and Maintenance Facility Design Build
- Zero Emission Fleet Transition

IV. Results of the Review

1. Legal

Basic Requirement: The recipient must promptly notify the FTA of legal matters and additionally notify the USDOT Office of Inspector General (OIG) of any instances relating to false claims under the False Claims Act or fraud. Recipients must comply with restrictions on lobbying requirements.

Finding: No deficiencies.

2. Financial Management and Capacity

Basic Requirement: The recipient must have financial policies and procedures; an organizational structure that defines, assigns, and delegates fiduciary authority; and financial management systems in place to manage, match, and charge only allowable costs to the award. The recipient must conduct required Single Audits, as required by 2 CFR part 200, and provide financial oversight of subrecipients.

Finding: No deficiencies.

3. Technical Capacity – Award Management

Basic Requirement: The recipient must report progress of projects in awards to the Federal Transit Administration (FTA) and close awards timely.

Finding: No deficiencies.

4. Technical Capacity – Program Management & Subrecipient Oversight

Basic Requirement: Designated recipients of Sections 5310, 5311, and 5339 funds must develop and submit a State/Program Management Plan to the FTA for approval. Recipients must enter into an agreement with each subrecipient, obtain required certifications from subrecipients, report in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) on subawards, and ensure subrecipients comply with the terms of the award.

This section only applies to recipients of 5310, 5311, and 5339 funds and recipients with subrecipients.

Finding: No deficiencies.

5. Technical Capacity – Project Management

Basic Requirement: The recipient must implement the FTA-funded projects in accordance with the award application, the FTA Master Agreement, and applicable laws and regulations using sound management practices.

Finding: No deficiencies.

6. Transit Asset Management

Basic Requirement: Recipients must comply with 49 CFR part 625 to ensure public transportation providers develop and implement transit asset management (TAM) plans.

Finding: No deficiencies.

7. Satisfactory Continuing Control

Basic Requirement: The recipient must ensure that FTA-funded property will remain available and used for its originally authorized purpose throughout its useful life until disposition.

Finding: One (1) deficiency.

Deficiency: **SCC10-1: Excessive fixed-route bus spare ratio**

MST currently has 88 revenue vehicles in its fixed-route fleet, with 56 vehicles required for maximum service, leaving 32 spare vehicles. This results in MST having a 57 percent spare ratio, above the 20 percent FTA guideline established in FTA Circular 5010.1E, Ch. IV, Sec. 4.

Corrective Actions and Schedule: MST must:

1. By September 18, 2023, submit a request for a short-term spare ratio deviation to the FTA regional office.
2. By December 1, 2023, submit to the FTA regional office a plan for reducing the spare ratio to 20 percent. The plan should include a spreadsheet listing for each bus type, the number of buses, and, for each year until the spare ratio reaches 20 percent, the number of buses to be disposed of, the number of buses to be added, the projected peak requirement, and the projected spare ratio. The plan should include detailed justifications for years in which spare ratios exceed 20 percent.

8. Maintenance

Basic Requirement: Recipients must keep federally-funded vehicles, equipment, and facilities in good operating condition. Recipients must keep Americans with Disabilities Act (ADA) accessibility features on all vehicles, equipment, and facilities in good operating order.

Finding: No deficiencies.

9. Procurement

Basic Requirement: The non-federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws, and regulations, and conform to applicable federal law and the standards identified in 2 CFR Part 200. When applied to federal procurements, those policies and procedures must still be compliant with all federal requirements as applied to non-state recipients.

Finding: Nine (9) deficiencies.

Deficiency: **P4-1: Responsibility determination deficiencies**

Recipients are required to ensure before entering into a contract that the potential contractor and its principals are not suspended, debarred, ineligible, or voluntarily excluded from participation in federally assisted transactions or procurements. For each third-party contract expected to equal or exceed \$25,000, recipients must verify that the bidder is not excluded or disqualified by: checking the [System for Award Management](#) (SAM) for Exclusions, or collecting a certification, or adding a clause or condition to the covered transaction. One or more procurement files submitted by MST did not include documentation that the recipient made written responsibility determinations prior to award.

Corrective Actions and Schedule: By December 1, 2023, MST must:

1. for any open contracts, verify that the contractor was responsible and advise the regional office of results.
2. submit to the FTA regional office documentation of an implemented process to make adequate responsibility determinations prior to award of MST's next contract.

Deficiency: **P5-1: Incomplete written documentation of procurement history**

According to 2 CFR 200.318(i), recipients must maintain records sufficient to detail the history of the procurement. These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. MST was unable to provide written documentation of procurement history for one or more procurements selected for review.

Corrective Action and Schedule:

By January 18, 2024, MST must submit to the FTA regional office evidence that procurement staff have been trained on documenting procurement history per MST policies and procedures.

Deficiency: **P8-5: Lacking required justification(s) and documentation for sole source award(s)**

The recipient is deficient if, for any procurements reviewed, it made sole source procurements but does not have a sole-source justification in its procurement files, and/or if its justification does not include at least one of the conditions permitting the use of a sole source procurement. Allowable conditions for sole source procurements are listed on page 9-37 of the current [FY23 Comprehensive Review Contractor's Manual](#). However, for one or more sole source procurements examined during the review, MST did not include documentation of justification.

Corrective Actions and Schedule:

MST must ensure that future sole source procurements are properly conducted and documented:

1. By January 18, 2024, where sole source contracts are ongoing, MST must document FTA's direction as to whether MST may or may not exercise any options.
2. By March 1, 2024, for the next sole source procurement, MST must submit to the FTA regional office documentation that the required process was implemented.

Deficiency: **P10-1: Lacking independent cost estimate**

An independent cost estimate (ICE) is the starting point for conducting a cost or price analysis. An ICE is required for all procurements exceeding the Federal Simplified Acquisition Threshold of \$250,000 and must be completed prior to receipt of bids or proposals. For procurements reviewed, MST did not include independent cost estimates within documentation for one or more procurements reviewed.

Corrective Actions and Schedule: MST must:

1. By December 1, 2023, train staff in the ICE procedures to include development of independent cost estimates prior to receipt of bids or proposals and submit to the FTA regional office evidence of such training.
2. By May 28, 2024, for the next procurement, submit to the FTA regional office documentation that the required process was implemented.

Deficiency: **P10-2: Lacking required cost or price analysis**

Recipients must perform cost or price analyses in connection with every procurement exceeding the Federal Simplified Acquisition Threshold, including contract modifications, after receiving bids, but before awarding a contract. For several procurements reviewed, MST was unable to provide documentation of cost or price analyses performed for one or more procurements reviewed.

Corrective Actions and Schedule: MST must:

1. By December 1, 2023, train staff in required cost or price analyses procedures prior to receipt of bids or proposals and submit to the FTA regional office evidence of such training.
2. By May 28, 2024, for the next procurement, submit to the FTA regional office documentation that the required process was implemented.

Deficiency: **P11-1: Missing FTA clauses**

Recipients are required to include specific required clauses in FTA-funded procurements, intergovernmental agreements (e.g., those involving states and other public entities), and subrecipient agreements. The [FTA Master Agreement](#) identifies certain clauses that apply to third party contracts. 2 CFR 200.324 and Appendix II to 2 CFR Part 200 identify contract provisions for non-federal contracts under a federal award. [FTA Circular 4220.1F](#) discusses federal requirements that affect a recipient's acquisitions. Through the National Rural Transportation Assistance Program (RTAP), FTA developed [ProcurementPRO](#), an on-line procurement tool that assists recipients in developing procurement packages. Using ProcurementPRO can assist a recipient in developing a procurement package that includes federally required clauses. Page 9-49 of the [FY 23 Comprehensive Review Contractor's Manual](#) includes a table of the current year's clauses. For one or more procurements reviewed, MST did not include the required clauses.

Corrective Actions and Schedule: MST must:

1. By January 18, 2024, revise its procedures to check annually to ensure that all FTA-required clauses referred to in the current Comprehensive Review Contractor's Manual are included within contracts.
2. For the next procurement, by May 23, 2024, submit to the FTA regional office documentation that the required process was implemented.

Deficiency: **P12-2: Lobbying certifications not included in procurement solicitations or signed by bidders**

Recipients are required to include a lobbying certification in agreements, contracts, and subcontracts exceeding \$100,000. Signed certifications regarding lobbying must be obtained by the recipient from potential contractors with the contractors' bids. This requirement flows down. The recipient must require its prime contractors to obtain certifications from bidders for subcontracts in excess of \$100,000, and so on for all contracting tiers. For one or more procurements reviewed, MST did not provide the required signed lobbying certifications.

Corrective Action and Schedule:

By May 23, 2024, MST must submit to the FTA regional office a copy of the signed lobbying certification with the next applicable procurement.

Deficiency: **P12-4: Contract files lacking signed Buy America certifications**

Buy America regulations require that procurements over \$150,000 that include steel, iron, and manufactured products used in the project are produced in the United States. Solicitations for steel, iron, and manufactured products must contain a Buy America certification, unless the procurement is subject to a general waiver or the small purchase waiver. Buy America requirements also apply to capital leases for rolling stock and related equipment. For one or more procurements reviewed, MST did not provide required signed Buy America certifications.

Corrective Actions and Schedule:

MST must obtain signed certifications from vendors when procuring steel, iron, or manufactured products not subject to a general waiver:

1. By October 4, 2024, for the next procurement, MST must submit to the FTA regional office documentation that the required process was implemented.
2. By May 23, 2024, for procurements for which a Buy America certification was not obtained, the recipient must submit to the FTA regional office information documenting that the procurement complies with the Buy America provisions.
3. By May 23, 2024, MST must submit to the FTA regional office a copy of the signed Buy America certification before awarding the contract for the next procurement subject to Buy America requirements.

Deficiency: P20-2: Pre-award and/or post-delivery audits not performed

Post-delivery audits must include the following: 1) Compliance with purchaser's specifications: the recipient must complete a post-delivery purchaser's requirements certification verifying that the buses delivered meet the contract specifications. 2) Compliance with Buy America: required post-delivery certification includes disclosure by the manufacturer of the final assembly location; a listing of the component and subcomponent parts, the cost (actual or percent of total) of such components and subcomponents and the country of origin; a description of final assembly activities; and the cost of final assembly. 3) Compliance with FMVSS: the recipient must complete, at the post-delivery stage, a certification that the recipient has received from the vehicle manufacturer at both the pre-award and post-delivery stages a copy of the manufacturer's self-certification information that the vehicle complies with the FMVSS issued by the National Highway Traffic Safety Administration (49 CFR Part 571). For the Gillig bus procurement examined as part of this review, MST did not submit documentation of post-delivery audit.

Corrective Actions and Schedule:

1. By October 17, 2023, for the vehicles that are in the process of being delivered or have been delivered, MST must conduct a Buy America post-delivery audit within 30 days, which complies with their post-delivery procedures.
2. By May 23, 2024, for the next procurement, MST must submit to the FTA regional office documentation that the required process was implemented.

10. Disadvantaged Business Enterprise (DBE)

Basic Requirement: Recipients must comply with 49 CFR Part 26 to ensure nondiscrimination in the award and administration of USDOT-assisted contracts. Recipients also must create a level playing field on which DBEs can compete fairly for USDOT-assisted contracts.

Finding: One (1) deficiency.

Deficiency: **DBE11-1: Unreported transit vehicle purchases**

For transit vehicle awards made November 3, 2014 and after, FTA recipients are required to submit, within 30 days of making an award, the name of the successful bidder for transit vehicles and the total dollar value of the contract. This notification should be submitted by using the online Transit Vehicle Award Reporting Form located on [FTA's Civil Rights DBE Webpage](#). The online reporting form was initiated in June 2016. For a transit vehicle purchase during the review period, MST did not submit a TVA report to the FTA.

Corrective Actions and Schedule:

Corrective Action #1: By December 1, 2023, MST must submit to the FTA Office of Civil Rights Support at FTACivilRightsSupport@dot.gov:

1. an implemented process to ensure that future awards of FTA funded transit vehicle purchases are reported timely.
2. a report of any unreported awards to transit vehicle manufacturers during the review period.

11. Title VI

Basic Requirement: The recipient must ensure that no person shall, on the grounds of race, color, or national origin, be excluded from participating in, or be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance without regard to whether specific projects or services are federally funded. The recipient must ensure that all transit services and related benefits are distributed in an equitable manner.

Finding: No deficiencies.

12. Americans with Disabilities Act (ADA) – General

Basic Requirement: Titles II and III of the Americans with Disabilities Act of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service.

Finding: No deficiencies.

13. ADA – Complementary Paratransit

Basic Requirement: Under 49 CFR 37.121(a), each public entity operating a fixed-route system shall provide paratransit or other special service to individuals with disabilities that is comparable to the level of service provided to individuals without disabilities who use the fixed-route system. “Comparability” is determined by 49 CFR 37.123-37.133. Requirements for complementary paratransit do not apply to commuter bus, commuter rail, or intercity rail systems.

Finding: No deficiencies.

14. Equal Employment Opportunity

Basic Requirement: The recipient must ensure that no person in the United States shall on the grounds of race, color, religion, national origin, sex, age, or disability be excluded from participating in, or denied the benefits of, or be subject to discrimination in employment under any project, program or activity receiving federal financial assistance under the federal transit laws.

Finding: No deficiencies.

15. School Bus

Basic Requirement: Recipients are prohibited from providing school bus service in competition with private school bus operators unless the service qualifies and is approved by the FTA Administrator under an allowable exemption. Federally-funded equipment or facilities cannot be used to provide exclusive school bus service.

Finding: No deficiencies.

16. Charter Bus

Basic Requirement: Recipients are prohibited from using the FTA-funded equipment and facilities to provide charter service that unfairly competes with private charter operators. Recipients may operate charter only when the service meets a specified exception defined in rule.

Finding: No deficiencies.

17. Drug Free Workplace Act

Basic Requirement: Recipients are required to maintain a drug free workplace for all award-related employees; report any convictions occurring in the workplace timely; and have an ongoing drug free awareness program.

Finding: No deficiencies.

18. Drug and Alcohol Program

Basic Requirement: Recipients receiving Section 5307, 5309, 5311, or 5339 funds that have safety-sensitive employees must have a drug and alcohol testing program in place for such employees.

Finding: No deficiencies.

19. Section 5307 Program Requirements

Basic Requirement: Recipients must participate in the transportation planning process in accordance with FTA requirements and the metropolitan and statewide planning regulations.

Recipients shall develop, publish, afford an opportunity for a public hearing on, and submit for approval, a program of projects (POP).

Recipients are expected to have a written, locally developed process for soliciting and considering public comment before raising a fare or carrying out a major transportation service reduction.

For fixed-route service supported with Section 5307 assistance, fares charged to seniors, persons with disabilities or an individual presenting a Medicare card during off peak hours will not be more than one half the peak hour fares.

Finding: No deficiencies.

20. Section 5310 Program Requirements

Basic Requirement: Recipients must expend Section 5310 funds on eligible projects that meet the specific needs of seniors and individuals with disabilities. Projects selected for funding must be included in a locally developed, coordinated public transit-human services transportation plan. Recipients must approve all subrecipient leases of Section 5310-funded vehicles. Leases of Section 5310-funded vehicles must include required terms and conditions. Either the recipient or subrecipient must hold the title to the leased vehicles.

This section only applies to recipients that receive Section 5310 funds directly from the FTA.

Finding: Not applicable.

21. Section 5311 Program Requirements

Basic Requirement: States must expend Section 5311 funds on eligible projects to support rural public transportation services and intercity bus transportation.

This section only applies to recipients that receive Section 5311 funds directly from FTA.

Finding: Not applicable.

22. Public Transportation Agency Safety Plan (PTASP)

Basic Requirement: Recipients must comply with the Public Transportation Agency Safety Plan (PTASP) regulation (49 CFR Part 673) to ensure public transportation providers develop and implement an Agency Safety Plan (ASP).

Finding: No deficiencies.

23. Cybersecurity

Basic Requirement: Recipients that operate rail fixed guideway public transportation systems must certify compliance with the requirements for establishing a cybersecurity process under 49 U.S.C. § 5323(v), a new subsection added by the National Defense Authorization Act for Fiscal Year 2020, Pub. L. 116-92, § 7613 (Dec. 20, 2019).

This section only applies to recipients that operate rail fixed guideway public transportation systems.

Finding: Not applicable.

V. Summary of Findings

Review Area	Finding	Deficiency	Corrective Action	Response Due Date	Date Closed
1. Legal	ND				
2. Financial Management and Capacity	ND				
3. Technical Capacity – Award Management	ND				
4. Technical Capacity – Program Management and Subrecipient Oversight	ND				
5. Technical Capacity – Project Management	ND				
6. Transit Asset Management	ND				
7. Satisfactory Continuing Control	D	SCC10-1: Excessive fixed-route bus spare ratio	<p>MST must submit:</p> <ol style="list-style-type: none"> 1. a request for a short-term spare ratio deviation to the FTA regional office. 2. a plan for reducing the spare ratio to 20 percent for fleets of 50 or more buses. The plan should include a spreadsheet listing for each bus type, the number of buses, and, for each year until the spare ratio reaches 20 percent, the number of buses to be disposed of, the number of buses to be added, the projected peak requirement, and the projected spare ratio. The plan should include detailed justifications for years in which spare ratios exceed 20 percent. 	<p>9/18/2023</p> <p>12/1/2023</p>	
8. Maintenance	ND				

Review Area	Finding	Deficiency	Corrective Action	Response Due Date	Date Closed
9. Procurement	D	P4-1: Responsibility determination deficiencies	MST must: 1. For any open contracts, verify that the contractor was responsible and advise the regional office of results. 2. submit to the FTA regional office documentation of an implemented process to make adequate responsibility determinations prior to award of MST's next contract.	12/1/2023 12/1/2023	
	D	P5-1: Incomplete written documentation of procurement history	MST must submit to the FTA regional office evidence that procurement staff have been trained on documenting procurement history per MST policies and procedures.	1/18/2024	
	D	P8-5: Lacking required justification(s) and documentation for sole source award(s)	MST must ensure that future sole source procurements are properly conducted and documented: 1. Where sole source contracts are ongoing, MST must document FTA's direction as to whether MST may or may not exercise any options. 2. For the next sole source procurement, submit to the FTA regional office documentation that the required process was implemented.	1/18/2024 3/1/2024	
	D	P10-1: Lacking independent cost estimate	MST must 1. train staff in the ICE procedures to include development of independent cost estimates prior to receipt of bids or proposals and submit to the FTA regional office evidence of such training. 2. For the next procurement, submit to the FTA regional office documentation that the required process was implemented.	12/1/2023 5/28/2024	

Review Area	Finding	Deficiency	Corrective Action	Response Due Date	Date Closed
	D	P10-2: Lacking required cost or price analysis	<p>MST must:</p> <ol style="list-style-type: none"> 1. train staff in required cost or price analyses procedures prior to receipt of bids or proposals and submit to the FTA regional office evidence of such training. 2. For the next procurement, submit to the FTA regional office documentation that the required process was implemented. 	<p>12/1/2023</p> <p>5/28/2024</p>	
	D	P11-1: Missing FTA clauses	<p>MST must:</p> <ol style="list-style-type: none"> 1. revise its procedures to check annually to ensure that all FTA-required clauses referred to in the current Comprehensive Review Contractor's Manual are included within contracts. 2. For the next procurement, submit to the FTA regional office documentation that the required process was implemented. 	<p>1/18/2024</p> <p>5/23/2024</p>	
	D	P12-2: Lobbying certifications not included in procurement solicitations or signed by bidders	MST must submit to the FTA regional office a copy of the signed lobbying certification with the next applicable procurement.	5/23/2024	

Review Area	Finding	Deficiency	Corrective Action	Response Due Date	Date Closed
	D	P12-4: Contract files lacking signed Buy America certifications	<p>MST must obtain signed certifications from vendors when procuring steel, iron, or manufactured products not subject to a general waiver:</p> <p>For the next procurement, submit to the FTA regional office documentation that the required process was implemented.</p> <p>For procurements for which a Buy America certification was not obtained, the recipient must submit to the FTA regional office information documenting that the procurement complies with the Buy America provisions.</p> <p>MST must submit to the FTA regional office a copy of the signed Buy America certification before awarding the contract for the next procurement subject to Buy America requirements.</p>	<p>10/4/2024</p> <p>5/23/2024</p> <p>5/23/2024</p>	
	D	P20-2: Pre-award and/or post-delivery audits not performed	<p>MST must:</p> <ol style="list-style-type: none"> 1. For the vehicles that are in the process of being delivered or have been delivered, conduct a Buy America post-delivery audit within 30 days, which complies with their post-delivery procedures. 2. For the next procurement, submit to the FTA regional office documentation that the required process was implemented. 	<p>10/17/2023</p> <p>5/23/2024</p>	
10. Disadvantaged Business Enterprise	D	DBE11-1: Unreported transit vehicle purchases	<p>MST must submit to the FTA Office of Civil Rights Support at FTACivilRightsSupport@dot.gov:</p> <ol style="list-style-type: none"> 1. an implemented process to ensure that future awards of FTA funded transit vehicle purchases are reported timely. 2. a report of any unreported awards to transit vehicle manufacturers during the review period. 	<p>12/1/2023</p> <p>12/1/2023</p>	
11. Title VI	ND				

Review Area	Finding	Deficiency	Corrective Action	Response Due Date	Date Closed
12. Americans with Disabilities Act (ADA) – General	ND				
13. ADA – Complementary Paratransit	ND				
14. Equal Employment Opportunity	ND				
15. School Bus	ND				
16. Charter Bus	ND				
17. Drug-Free Workplace	ND				
18. Drug and Alcohol Program	ND				
19. Section 5307 Program Requirements	ND				
20. Section 5310 Program Requirements	NA				
21. Section 5311 Program Requirements	NA				
22. Public Transportation Agency Safety Plan	ND				
23. Cybersecurity	NA				

The metrics used to evaluate whether a recipient is meeting the requirements for each of the areas reviewed are: Deficient (D) / Not Deficient (ND) / Not Applicable (NA).

VI. Participants

Name	Title	Phone Number	E-mail Address
Monterey-Salinas Transit District			
Carl Sedoryk	GM and CEO	831-264-5874	csedoryk@mst.org
Lisa Rheinheimer	Assistant GM	831-264-5874	lrheinheimer@mst.org
Deanna Smith	Civil Rights Officer and DBELO	831-264-5878	dsmith@mst.org
Michelle Overmeyer	Director of Planning and Innovation	831-264-5877	movermeyer@mst.org
Matt Deal	Grants Analyst	831-264-9287	mdeal@mst.org
Norman Tuitavuki	Assistant GM and COO	831-264-5874	ntuitavuki@mst.org
Vince Dang	Project Management Coordinator	831-264-9808	vdang@mst.org
Andrea Williams	Finance Manager	831-264-5890	awilliams@mst.org
Lori Lee	Accountant	831-264-5968	llee@mst.org
Frank Marcos	Maintenance Manager	831-247-6607	fmarcos@mst.org
Sonjé Dayries	Compliance Analyst	831-264-5917	sdaryries@mst.org
Kevin Allshouse	Contract Services Manager	831-241-9027	kallshouse@mst.org
Cristy Sugabo	Mobility Manager	831-296-8820	csugabo@mst.org
Jason Anderson	Drug and Alcohol Program Contact	831-264-5878	janderson@mst.org
FTA Region 9 Office			
Amy Changchien	Deputy Regional Administrator	415-734-9455	amy.changchien@dot.gov
Darin Allan	Director, Office of Financial Management and Program Oversight (OFM)	415-734-9470	darin.allan@dot.gov
Philoki Barros	Review Coordinator & Transportation Program Specialist, OFM	415-734-9452	philoki.barros@dot.gov
Roxana Hernandez	Interim Director (former) & Senior Transportation Program Specialist, Office of Program Management and Project Oversight (OPM)	415-734-9461	roxana.hernandez@dot.gov

Anthony (Tony) Belleau	Transportation Program Specialist, OPM	202-366-6250	anthony.belleau@dot.gov
Lucinda Eagle	Community Planner (former)		
Interactive Elements Inc.			
Jay Van Esley	Lead Reviewer	224-935-0362	jmv@ieitransit.com

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To: Board of Directors

From: Steven Bruno, Purchasing Agent

Subject: Workers' Compensation Managed Care Services

RECOMMENDATION:

Authorize the General Manager/CEO to enter into a three-year contract with Pacific Claims Management for workers' compensation managed care services, with the option to extend for two (2) individual one (1) year terms, for a total contract amount not to exceed \$380,000, or \$76,000/year.

FISCAL IMPACT:

Workers' compensation managed care services are included in the FY2023/24 and FY2024/25 Budget. All services will be covered by the Board-adopted Budgets in future years. These services will be paid for using MST's operating funds.

POLICY IMPLICATIONS:

Your Board approves purchases over \$100,000. MST's Procurement Policy allows for decisions to be made on a basis of best value over lowest cost. A review committee evaluated the proposals received in response to a Request for Proposals and determined that recommending a contract award to Pacific Claims Management is of best value to MST.

DISCUSSION:

As a self-insured employer, MST is required to have a Third-Party Administrator to adjust its Workers' Compensation claims. On June 30, 2023, MST issued a Request for Proposals (RFP) for workers' compensation managed care services. By the August 11 deadline, MST received four (4) proposals from qualified firms. A review committee of one (1) MST executive team member and one (1) supervisor read, evaluated, and ranked the proposals. Evaluation categories included 1) qualifications of the firm, 2) staffing and project organization, 3) demonstrated project understanding, and 4) cost.

A summary of the evaluation is noted in the table below. Please note that Networks by Design only bid on the administration of MST's Medical Provider Network (MPN). Pacific Claims Management already contracts with them to manage our MPN.

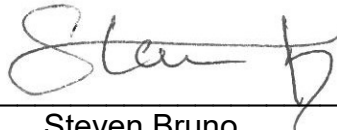
FIRM	EVALUATION SCORE	COST PROPOSAL
Innovative Claim Solutions	52.5	\$360,094
Networks by Design	30.0	\$19,000
Pacific Claims Management	89.5	\$380,000
Pegasus Risk Management	77.5	\$292,854

Staff recommends that the Board authorize the General Manager/CEO to enter into a three-year contract with Pacific Claims Management for workers' compensation managed care services, with the option to extend for two (2) individual one (1) year terms, for a total contract amount not to exceed \$380,000, or \$76,000/year.

ATTACHMENT(S):

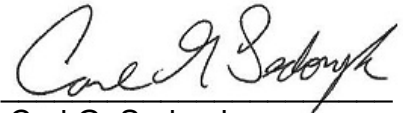
None.

Prepared by:



Steven Bruno
Purchasing Agent

Reviewed by:



Carl G. Sedoryk
General Manager/CEO

To: Board of Directors
From: Lisa Cox, Risk and Security Manager
Subject: Notice of Rejection

RECOMMENDATION:

Reject claim by the claimant Anna Lopez.

FISCAL IMPACT:

The claimant failed to provide any documentation supporting the amount desired to resolve the claim and MST has no record of this incident taking place.

POLICY IMPLICATIONS:

None.

DISCUSSION:

On August 31, 2023, MST received a claim alleging an incident occurred on July 25, 2023. The claimant states she was climbing the stairs into the bus and fell forward causing her to hurt her neck.

It has been determined the claim submitted has failed to comply with the California Tort Claims Act and is insufficient as there is no documentation of this incident occurring. The claimant also failed to provide documentation to substantiate the amount claimed to evaluate the value of the claims. Both factors have prompted the recommendation to reject this claim in its entirety.

The above claim is currently under investigation. If any Board member desires further information on this claim, they may request it be discussed in closed session.

Prepared By:  Approved by: 
Lisa Cox
Risk Manager
Carl G. Sedoryk
General Manager/CEO

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To: Board of Directors
From: Lisa Cox, Risk and Security Manager
Subject: Notice of Rejection

RECOMMENDATION:

Reject claim by the claimant Silvia Mendoza Miranda.

FISCAL IMPACT:

The claimant failed to provide any documentation supporting the amount desired to resolve the claim and MST has no record of this incident.

POLICY IMPLICATIONS:

None.

DISCUSSION:

On September 19, 2023, MST received a claim alleging an incident occurred on September 8, 2023. The claimant states she stood up because she thought it was time to leave and was using the steps at the back of the bus to depart. The coach operator moved the bus forward causing her to fall back. The claimant is stating she has "lower back pain and her hips need a chiropractor."

It has been determined the claim submitted has failed to comply with the California Tort Claims Act and is insufficient as there is no record of this incident and the claimant failed to provide the documentation needed to evaluate the value of their claim. These determining factors have prompted the recommendation to have this claim rejected in its entirety.

The above claim is still under investigation. If any Board member desires further information on this claim, they may request it be discussed in closed session.

Prepared by: 

Lisa Cox
Risk Manager

Approved by : 

Carl G. Sedoryk
General Manager/CEO

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To: Board of Directors
From: Kelly Halcon, Director of Human Resources/Risk Management
Subject: Notice of Rejection

RECOMMENDATION:

Reject claim by Paul M. Davis and Associates Re: Jason Gamotan v. Monterey-Salinas Transit.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

None.

DISCUSSION:

A notice dated August 23, 2023, was received from Paul M. Davis and Associates re: Jason Gamotan v. Monterey-Salinas Transit.

Mr. Gamotan, a coach operator at MST, claims MST improperly denied his request for religious exemption from MST's COVID Vaccination policy. In addition, Mr. Gamotan claims he was wrongfully terminated when he did not comply with MST's COVID vaccination policy. The claimant has requested punitive settlement for damages in the amount of \$100,000.00, to be reinstated to his position with seniority, and backpay of lost wages and benefits.

This claim submitted has failed to comply with the California tort claims act and is an invalid claim. As such, MST Staff recommends rejection of this claim in its entirety.

The above claim remains under investigation. If any Board member desires further information on this claim, they may request it be discussed in closed session.

Prepared by:  Approved by: 
Kelly Halcon Carl G. Sedoryk
Director of HR/Risk Management General Manager/CEO

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United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 118th CONGRESS, FIRST SESSION

House of Representatives

HONORING THE 50TH ANNIVERSARY OF MONTEREY-SALINAS TRANSIT

HON. JIMMY PANETTA

OF CALIFORNIA

September 18, 2023

Mr. Speaker, I have the distinct honor and privilege of representing California's 19th Congressional District and on behalf of all the residents of the Central Coast, I would like to commend to my colleagues' attention to the 50th Anniversary of Monterey-Salinas Transit District (MST) for providing mobility services to the residents of Monterey County.

The Monterey Peninsula Public Transit System Joint Powers Agency was formed by the cities of Carmel, Del Rey Oaks, Monterey, Pacific Grove, Seaside, and Monterey County on October 1, 1972, and began providing service on September 26, 1973. As the predecessor of Monterey-Salinas Transit, it served the Monterey Peninsula area, and later expanded to provide service to the cities of Marina, Salinas, and Watsonville. With the formation of the Monterey-Salinas Transit District on July 1, 2010, MST has served as much as one-fifth of the coastline of California from San Jose in the north to Paso Robles in the south at 1,300 bus stops in 25 communities throughout Monterey, Santa Cruz, Santa Clara, and San Luis Obispo Counties.

Through the foresight of the MST board members and the ongoing support of the federal government, transit service in the Monterey Bay region is consistently at the forefront of technology and innovation, with annual ridership reaching as high as 5 million passengers on traditional fixed-route buses as well as Americans with Disabilities Act (ADA) paratransit minibus service for disabled customers, the popular MST Trolley system for visitors, "MST OnCall" demand response services in south Monterey County, and the JAZZ Bus Rapid Transit system. In 2014, with 73 percent voter support, MST became the first public agency in Monterey County to pass a countywide local funding initiative known as Measure Q to support the mobility needs of veterans, seniors, and persons with disabilities. MST was also the first transit operator in the country to finance and construct a bus operations and maintenance facility utilizing the federal Build America Bureau-Rural Initiative program, and the first transit operator to implement an open-loop, contactless payment system that provides discounted fares to eligible customers.

Now for the second half of its first century of operation, MST is moving forward with a slate of new projects and initiatives to support their vision of connecting communities, creating opportunity and being kind to our planet. These include the implementation of the Better Bus Network, the outcome of a yearlong planning effort that will provide the residents of Monterey County with faster, more direct connections to work, school, shopping, and medical appointments. The proposed MST SURF! Busway and Bus Rapid Transit will extend the existing JAZZ BRT system 6.5 miles north from Sand City to Marina utilizing bus-only lanes and zero emission vehicles to improving access and opportunities for connections to jobs on the Monterey Peninsula, recreational activities and easy access to educational opportunities including nearby California State University, Monterey Bay. Finally, MST is putting rolling stock and infrastructure in place today that includes enroute inductive charging stations, designing micro-grid technologies, and procuring battery electric buses as it moves to transition to a fleet of 162 buses to planet-friendly 100 percent zero-emission buses powered from renewable sources.

In addition, MST is at the forefront of forging partnerships with local stakeholders to expand public transit options throughout the community. This past year, MST celebrated 30 years of partnership with the City of Monterey and Monterey Bay Aquarium in providing fast, fun, and free transit services to visitors and residents alike reducing visitor related traffic congestion, lowering greenhouse gas emissions, and reducing microplastics from vehicles traveling adjacent to the Monterey Bay Marine Sanctuary. MST's partnerships also extend to local colleges, with a EcoSmart Pass program with California State University-Monterey Bay Hartnell Community College, and Monterey Peninsula Colleges, discount pass programs available to all Monterey County school districts.

Mr. Speaker, I am pleased to commend the Monterey-Salinas Transit District for providing 50 years of exemplary public service to the Central Coast and ask my colleagues in the House of Representatives to wish them well for the next 50 years.

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To: Board of Directors

From: Carl Sedoryk, General Manager/CEO
Lisa Rheinheimer, Assistant General Manager
Michelle Overmeyer, Director of Planning and Innovation

Subject: FY 2024 State Budget, Senate Bill 125, and Transit Funding

RECOMMENDATION:

Receive staff recommendation for transit operations and capital projects funding in the FY 2024 State Budget as promulgated in Senate Bill 125, Senate Bill 101, and Assembly Bill 102, and provide direction.

FISCAL IMPACT:

The total amount of formula funding available under the FY 2024 State Budget under SB 125, SB 101, and AB 102 is \$52,475,803. These funds are to be distributed through the Transportation Agency for Monterey County as the Regional Transportation Planning Agency (TAMC) and up to 1% may be used by TAMC for programming and administration. The formula amounts for our region are as follows:

Year 1 TIRCP	\$22,218,449
Year 2 TIRCP	\$22,273,790
Year 1 ZETCP	\$2,975,692
Years 2-4 ZETCP	\$1,669,291*
4-Year Total	\$52,475,803
	*Annual amount

TIRCP is the Transit and Intercity Rail Capital Program and the ZETCP is the Zero-Emission Transit Capital Program.

POLICY IMPLICATIONS:

MST has been tracking and reporting on the FY2024 State Budget and protections made for continued transit operations and capital projects. In July, MST's legislative advocates reported that Governor Newsom signed the FY 2024 budget and infrastructure streamlining package on July 10, which included additional budget action and trailer bills, and followed his earlier action on SB 101 (Skinner).

The package of bills signed by the Governor on July 10 includes AB 102 (Ting) and SB 125 (Committee on Budget and Fiscal Review), which reflected the three-party agreement with Governor Newsom on the Budget Act's transportation/transit investments and policy. In total, \$5.1 billion in flexible funding is being provided to regional agencies and transit operators. The budget also imposes accountability and reform requirements on regions and their transit agencies to access the funding included in AB 102, extends statutory relief measures secured in 2020 and 2021 for transit agencies, and creates a new state-level Transit Transformation Task Force at the California State Transportation Agency (CalSTA), as previously ensconced in AB 761 (Friedman).

Furthermore, Governor Newsom stated the following in his June 30th [press release](#) illustrating the intent to support existing transit operators:

Governor Gavin Newsom and the Legislature reached an agreement that provides \$5.1 billion in emergency relief to support statewide public transit systems and their workers – helping to keep California moving forward on aggressive, world-leading climate goals. This agreement includes accountability measures to ensure that transit systems stabilize their programs and retool their long-term operations to better align with the needs of the public.

Since that time, CalSTA drafted and circulated guidelines on how the RTPAs and transit agencies will comply with the accountability and reporting measures contained in SB 125. The guidelines were required to be finalized by September 30 and CalSTA held two public workshops which MST staff attended. MST staff have remained engaged with the California Transit Association and transit operators in reviewing the guidelines to match MST operational and capital project needs.

DISCUSSION:

As required by SB 125 Guidelines released September 29th, MST submitted to TAMC a list of eligible projects which align with the legislative intent of SB 125 and the FY 2024 State Budget.

MST submitted the following 6 projects to TAMC in support of priority transit operations and capital projects totaling \$51,951,045 and aligned with legislative intent including:


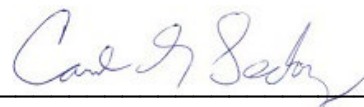
1. Transit Operations Shortfall for FY 2024-2027 - \$29,105,915
2. SURF! Busway and Bus Rapid Transit Project Construction - \$9,234,350
3. Battery Electric Bus Charging Infrastructure - \$3,823,815
4. ICT Compliance Through 2030 (49 Zero Emission Buses) - \$2,276,390

5. Monterey Bay Operations and Maintenance Facility Microgrid Design & Monterey Peninsula Hydrogen Fuel Cell Electric Bus (HCEB) Fixed Route - \$3,760,575
6. Salinas Valley HCEB Fixed Route - \$3,750,000

The above request excludes \$524,758 for TAMC to program and administer this new funding. A more descriptive and detailed list of the above projects with total project cost is included in Attachment 1.

ATTACHMENT(S):

1. MST Priority Projects for Funding with State Budget and SB 125 Funds

Prepared by: 	Reviewed by: 
Lisa Rheinheimer Assistant General Manager	Carl G. Sedoryk General Manager/CEO

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MST Priority Projects for Funding with State Budget and SB 125 Funds:

1. **Operating Shortfall – FY 23/24 through FY 26/27**
 - **Total Project Budget:** \$217,812,351
 - **SB 125 Request:** \$29,105,915
 - **Need:** Due to decreased ridership that has not rebounded since the start of COVID, the loss of military partnership funding, increased costs for fuel, insurance, labor, and contracted services, MST's operating budget has deficit over the coming years.
 - **Description:** These funds will be used to cover shortfalls expected in the operating budget. The operating budget provides for the operation of buses on fixed routes, MST On Call general public dial-a-ride services in Gonzales, Soledad, and Greenfield. It is funded primarily with passenger fares, federal grants, state transit assistance, local transportation funds, partnerships with third-party agreements/contracts/MOUs (colleges, Monterey Trolley, etc.) and advertising revenue. MST is projecting an average yearly operating budget shortfall for the next four fiscal years of \$7,276,479.
 - **Matching Funds:** MST's operating budget FY 2023/2024 - FY2026/2027 uses: FTA 5311 (\$3.4M), FTA 5311(f) (\$1.3M), FTA 5307 (\$44.6M), Other Federal Funds (\$1.4M), LCTOP (\$290k), Sales Taxes (\$50.4M), State Operating Funds (\$21.2M), LTF (\$78.7M), and Other Local Funds (\$1M) as matching funds.
 - **Previous Unsuccessful Grant Applications:** N/A
2. **SURF! Busway and BRT Construction – FY 23/24 through FY 26-27**
 - **Total Project Budget:** \$77,672,150
 - **SB 125 Request:** \$9,234,350
 - **Need:** Now at 95% design, the total project budget has exceeded prior estimates, and there is a funding gap. An incomplete funding package will result in a delay to executing the federal Capital Investment Grant Small Starts Grant Agreement and to overall project delivery. The funding shortfall is due to construction cost increases across the board. These increases have tracked with a 13.4% increase in 2021 and a 9.3% increase in 2022 as measured by the California Construction Cost Index.
 - **Description:** The SURF! project is the latest project in Monterey-Salinas Transit's (MST) ongoing effort to improve and modernize our regional transit network.
 - **Matching Funds:** These funds will be matched with TAMC Measure X funds (\$15M), State TIRCP cycle 5 funds (\$25M), Federal CIG funds (\$22.1M), and a State Earmark funding (\$2.5M).
 - **Previous Unsuccessful Grant Applications:** TIRCP cycle 3, TIRCP cycle 4, RAISE, AB 2766, Caltrans ATP, State EEM

3. Battery Electric Bus Charging Infrastructure – FY 23/24 -
- Total Project Budget: \$3,825,000
 - SB 125 Request: \$3,823,815
 - Need: MST cannot operate battery electric buses and implement is CARB-mandated transition to a zero-emissions fleet without installing charging infrastructure.
 - Description: MST and its Board of Directors committed to operating only zero-emissions buses on the SURF! Busway and BRT. To achieve this, MST will be purchasing 12 Battery Electric Buses to operate this service. This project will provide funding to purchase and install charging infrastructure to support these buses.
 - Matching Funds: SB1 State of Good Repair (\$1,186)
 - Previous Unsuccessful Grant Applications: AB 2766, FTA Low-No, FTA 5339, TIRCP cycle 6
4. ICT Compliance Through 2030 (49 Zero Emission Buses) – Annually FY 23/24 through FY 29/30
- Total Project Budget: \$73,500,000
 - SB 125 Request: \$2,276,390
 - Need: MST will be in direct violation of the ICT regulations if the transition is not completed. Additionally, without these funds, MST would have to cut other critical capital investments in order to fund the bus transition.
 - Description: Under the Innovative Clean Transit Regulation, adopted by the California Air Resources Board in December of 2018, all public transit agencies must transition to a 100% zero-emissions bus (ZEB) fleet by 2040. MST has been actively pursuing funding for ZEBs and has completed an ICT Rollout Plan, which is the primary road map for MST's fleet transition efforts. This funding will support MST's efforts to meet the milestones laid out by the Rollout Plan, which complies with the deadlines imposed by ICT Regulations. To date, MST has 4 ZEBs in service and is planning on ordering an additional 12 in Winter 2023/2024. Despite this "charge" toward a fully zero emission fleet, MST's Rollout Plan shows that MST needs to purchase an additional 49 ZEBs by 2030 to be on track to meet the deadlines imposed by the ICT Regulations.
 - Matching Funds: SB1 State of Good Repair (\$1.6M), LCTOP (\$320k), HVIP (depends on availability of funds), VW Mitigation Program (depends on availability of funds), AB 2766 (\$800k)
 - Previous Unsuccessful Grant Applications: AB 2766, FTA Low-No, FTA 5339, TIRCP cycle 6

5. Monterey Bay Operations and Maintenance Facility Microgrid Design & Monterey Peninsula HCEB Fixed Route Program

- Total Project Budget: \$4,510,573
- SB 125 Request: \$3,760,575
- Need: MST is increasingly being called upon to support Monterey County Emergency Management Services by providing evacuation services due to natural disasters. Because of the heavy reliance on electricity for charging battery electric buses, if a microgrid system is not developed, MST could find itself unable to provide this essential service when the traditional power grid is compromised. This would in turn impact MST's mandated state of readiness status and potentially impact future FTA funding.
- Description: In order to respond to climate change and the increasing number and intensity of natural disasters, MST is looking to develop a carbon neutral microgrid resiliency system for its Monterey Bay Operations and Maintenance (O&M) Facility. This project will allow MST to continue uninterrupted operations without relying on diesel backup generators, which put additional strain on the environment and are a direct contributor to GHG and climate change. After an initial high level scoping discussions with consultants, MST identified either solar capture and battery storage, or a hydrogen fueled microgrid as the primary technologies that will be considered. Because of this, MST will also initiate a Hydrogen Fuel Cell Electric Bus (HCEB) project to assess the feasibility of utilizing HCEBs for fixed route service in the areas served by the Monterey Bay O&M Facility. To date, MST has been focused on deploying BEB's because they are noticeably cheaper to deploy but have significantly less range than HCEBs. By combining these projects, MST hopes to design both a facility resiliency system and at the same time decide if HCEBs are a feasible solution to the range issues MST has identified with BEBs. If HCEBs perform well, then the integration of hydrogen fuel will be included in the facility microgrid design.
- Matching Funds: Federal Earmark (\$750k)
- Previous Unsuccessful Grant Applications: FTA Low-No, FTA 5339, TIRCP cycle 6, 3CE Microgrid Grant Program

6. Salinas Valley HCEB Fixed Route Program – FY 23/24

- Total Project Budget: \$3,750,000
- SB 125 Request: \$3,750,000
- Need: This project is critical for helping MST determine how to best proceed with transitioning its fleet to fully zero emission. Without this project MST will be unable to determine the feasibility of operating HCEBs in and around the Salinas Valley.

- Description: Like the HCEB project at the Monterey Bay O&M Facility, MST wants to assess the feasibility of operating HCEBs in the Salinas Valley and North Monterey County. Depending on the outcome of this project and the microgrid project at the Monterey Bay O&M Facility, MST may choose to include a similar microgrid project in its new Salinas O&M Facility Project.
- Matching Opportunities: Federal Earmark, FTA 5339.
- Previous Unsuccessful Grant Applications: This is a new project.

To: Board of Directors
From: Kelly Halcon, Director of Human Resources/Risk Management
Subject: MST Employee Handbook

RECOMMENDATION:

Approve the updated version of the MST Employee Handbook.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

Staff has updated the MST Employee Handbook to include policies that have been approved by the Board since 2011 or to include new policies that address new federal, state, and local regulations. Your Board approves all new policies and/or amendments.

DISCUSSION:

Monterey-Salinas Transit has an employee handbook that the board approved in 2011. Over time, federal and state laws have changed that has required MST to update our policies or to create new policies. However, these policies were not incorporated into the 2011 bound employee handbook.

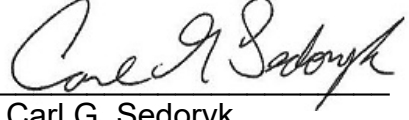
During COVID, staff began the process of incorporating previous policies, reviewing existing policies, and creating new policies to create a new MST Employee Handbook. In December of 2022, MST worked with Hammerly, Noland, and Etienne to review and recommend changes to the draft MST Employee Handbook. After the legal review, MST staff took an additional month for final edits and engaged with ATU and MSTEA to meet and confer over the new MST Employee Handbook.

Staff is recommending the Board approve the updated MST Employee Handbook.

ATTACHMENT(S):

1. Updated MST Employee Handbook
2. MST Employee Handbook Changes Spreadsheet.

Prepared by: 
Kelly Halcon
Director of HR/Risk Management

Reviewed by: 
Carl G. Sedoryk
General Manager/CEO



Monterey-Salinas Transit District MST
EMPLOYEE HANDBOOK

Monterey-Salinas Transit MST
19 Upper Ragsdale Drive, Suite 200
Monterey, California 93940
Last updated June 2023
Meet and Confer September 2023
Board Approved October 2023

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EMPLOYEE ACKNOWLEDGMENTS

Welcome!

On behalf of the Board of Directors and your fellow colleagues, I welcome you to Monterey-Salinas Transit District (“MST”) and wish you every success here. We believe that each employee contributes directly to MST’s growth and success, and we hope you will take pride in being a member of our team.

MST developed this Employee Handbook (the “Handbook”) to communicate the expectations MST has of our employees and outline the policies, programs, and benefits available to eligible employees. This document is not a comprehensive compilation of all MST policies and procedures and does not cover all possible circumstances and exceptions that may arise. Many of the policies summarized in this handbook are covered in more detail in other official documentation or in other bargaining agreements. The full texts of Board approved policies may be made available by contacting the Executive Assistant to the General Manager/CEO. Note that the terms within the Amalgamated Transit Union (ATU) Collective Bargaining Agreement and/or MST Employee Association Memorandum of Understanding (MSTEA MOU) supersede any terms to the contrary stated herein.

This Employee Handbook is not intended to interfere with employees’ rights to participate in concerted activity such as communicating with their co-workers regarding their wages, hours, or terms and conditions of employment, or with any other rights protected under the Meyers-Milias-Brown Act (MMBA).

This Employee Handbook is not an employment contract, and nothing in this Handbook gives you any right, express or implied, to continued employment. Furthermore, all terms, conditions, policies, and procedures as stated in this document are subject to change, and nothing stated herein is guaranteed to remain a fixed term or condition of employment.

Please take time to thoroughly review this Employee Handbook, noting how each section relates to employment. Pass along any questions or concerns you may have to your immediate supervisor/manager or to the human resources department.

We hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome to MST!

Sincerely,

A handwritten signature in cursive script, appearing to read "Carl G. Sedoryk".

Carl G. Sedoryk
General Manager/CEO

SECTION I

- Introduction -

1.1 Who Are We?

MST was created by Assembly Bill 644 effective on July 1, 2010. MST succeeds the Monterey-Salinas Transit Joint Powers Agency formed in 1981 when the City of Salinas joined the Monterey Peninsula Transit Joint Powers Agency, which was formed in 1972. Current members of MST are the Cities of Carmel, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, Soledad and the County of Monterey. A Board of Directors with a representative from each member jurisdiction governs the agency and appoints the General Manager/CEO.

1.2 Mission Statement and Commitment to Quality

Our mission: Advocating and delivering quality public transportation as a leader within our community and industry.

Our Key Business Drivers are increasing customer satisfaction; strengthening employee development and satisfaction; enhancing support by MST members and other stakeholders; and operating safely, efficiently and effectively.

MST's brand vision is:

- Connecting communities.
- Creating opportunity.
- Being kind to our planet.

MST's Values are:

- Safety – Caring for others, in all we do.
- Friendliness – Welcoming, helpful, and understanding.
- Dependability – Earning your trust, every day.
- Diversity – Valuing our differences.
- Achievement – Aspiring to be better.

1.3 This Employee Handbook

This Employee Handbook summarizes some of MST's key expectations and employment policies. As such, it cannot provide guidance for every possible circumstance that may arise during employment and is not intended as an exhaustive resource for all MST policies. Employees who desire elaboration on specific policies should refer to official policy documentation or consult the human resources department. This Employee Handbook replaces all prior employee handbooks, employment policies, and MST rules and practices, express or implied, whether written or oral. In addition, this Employee Handbook is subject to the provisions of official MST policy documents,

including insurance and benefits policies, plan documents, and applicable law. All MST employees are required to abide by the terms of this Employee Handbook as a condition of employment. The terms of individual employees' employment contracts may control over this Employee Handbook where applicable.

1.4 Employee Relations

MST believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their supervisors.

Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that MST amply demonstrates its commitment to employees by responding effectively to employee concerns.

As some employees at MST have already chosen third party representation, we affirm our commitment to retaining positive relationships with all existing bargaining units.

For the complete text of the Employer-Employee Relations Resolution (EERR) which outlines the recognized bargaining units, contact MST's Human Resources Department.

1.5 Problem Resolution

MST is committed to providing a positive and professional working environment for its employees. Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from MST supervisors and management.

MST strives to ensure fair and honest treatment of all employees. Supervisors, managers, and employees are expected to treat each other with mutual respect. Employees are encouraged to offer positive or constructive criticism and feedback.

If employees disagree with established rules of conduct, policies or practices, they can express their concern through the problem resolution procedure. No employee will be penalized, formally or informally, for voicing a complaint with MST or for using the problem resolution procedure outlined in the CBA or Memorandum of Understanding (MOU). All employees represented by the ATU are provided with a copy of the CBA; all other employees, including unrepresented units, are provided with a copy of the MOU and updates after ratification by the Board of Directors.

If a situation occurs in which an employee believes that a condition of employment or a decision affecting the employee is unjust or inequitable, the employee is encouraged to make use of the following procedures. The employee may discontinue a procedure at any time:

- ATU represented employees should refer to the CBA, Articles 28, 38, 39, 39A and 40.

- MSTEA and Confidential Unit personnel and all other employees should refer to the MSTEA MOU, Article 29, Discipline and Discharge.

Not every problem can be resolved to everyone's total satisfaction, but only through understanding and discussion of mutual problems can employees and management develop confidence in each other. This confidence is important to the operation of an efficient and harmonious work environment and helps to ensure everyone's job security.

All eligible employees will be provided due process and representation during any disciplinary procedure.

1.6 Business Ethics and Conduct

No employee, officer, or agent of MST shall participate in procedures, tasks, or decisions relative to initiation, award, or administration of a contract if a conflict of interest, real or apparent exists. Such a conflict of interest arises when any of the following has a financial or other interest in a firm or business that participates in an MST bidding process or that is selected for a contract award:

- a. The employee, officer or agent.
- b. Any member of employee, officer, or agent's immediate family.
- c. Any business associate of a. or b. above.
- d. An organization which employs, or which is about to employ, a current MST employee.

The standards governing the determination as to whether such an interest exists are set forth in Sections 1090, 1091, and 1091.5 of the State of California Government Code, as may be amended. Additional standards and guidelines for procurement/purchasing may be obtained from the department or an Executive Assistant to the General Manager/CEO-Clerk to Board.

Compliance with this business ethics policy and conduct is the responsibility of every MST employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

Assembly Bill 1234 (California Government Code section 53234 et seq.) requires all officials elected or appointed to a special legislative body and any employee designated by a special legislative body to receive two hours of ethics training. MST ensures that all elected officials and MST staff who are required to have the training are trained in accordance with the standards of AB1234. The curriculum covers general ethics principles and to the following:

- Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflicts of interest;
- Laws relating to claiming prerequisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies;
- Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws;

- Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members;
- The Brown Act open meeting law;
- The Public Records Act.

The Executive Leadership Team, or any member of management assigned to the Executive Leadership Team, must comply with the Fair Political Practices Commission, Privacy Information Notice, Form 700.

All information in these forms is mandated by the Political Reform Act. Failure to provide all of the information required by the Political Reform Act is a violation of statute subject to administrative, criminal or civil prosecution.

SECTION II **-Non-Discrimination-**

2.1 Equal Employment Opportunity

MST is an equal employment opportunity employer and makes employment decisions on the basis of merit. It is the policy of MST that equal employment opportunity is provided in the employment and advancement of all persons regardless of race, color, religion (all aspects of religious beliefs, observance or practice, including religious dress or grooming practices), marital status, registered domestic partner status, national origin, ancestry, sex (including pregnancy, childbirth, breastfeeding, or related medical condition), gender (including gender identity, gender expression, transgender), sexual orientation, reproductive health decision making, age, genetic information/characteristics, physical or mental disability, medical condition, military and veteran status, or any other basis protected by federal, state or local laws. MST's Equal Employment Opportunity (EEO) Policy applies to all employment actions, including, but not limited to recruitment or recruitment advertising, hiring, upgrading, selection for training, promotion, transfer, demotion, layoff, termination, rates of pay or other forms of compensation.

All applicants and employees have the right to file with the EEO Officer complaints alleging discrimination, harassment or retaliation. Retaliation against an individual who files a charge or complaint of discrimination, harassment, or retaliation, participates in an employment discrimination, harassment, or retaliation investigation or lawsuit, or otherwise engages in protected activity is strictly prohibited and will not be tolerated. The EEO Officer is Deanna Smith who may be contacted at 831-264-5878; by email at dsmith@mst.org; or at MST, 19 Upper Ragsdale Dr., Suite 200, Monterey, CA 93940

Discrimination may include failing to reasonably accommodate qualified individuals with disabilities, or failing to reasonably accommodate a religious practice, where the accommodation does not pose an undue hardship. If you require an accommodation, please contact a supervisor or the Human Resources Department to discuss the need.

To comply with applicable laws, MST will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee unless undue hardship would result. Any job applicant or employee who requires an accommodation in order to perform the essential functions of their job should contact their supervisor or the Human Resources Department and discuss the need for an accommodation. MST will then engage in an interactive process to identify possible accommodations, if any, that will help the applicant or employee perform the job.

All MST executives, management, and supervisory personnel share in the responsibility for implementing and monitoring MST'S EEO Policy and Program within their respective areas and will be assigned specific tasks to ensure compliance is achieved. MST will evaluate its managers' and supervisors' performance on their successful implementation of our EEO policies and procedures in the same way their performance in other MST goals is evaluated.

MST is committed to undertaking and developing a written nondiscrimination program that sets forth the policies, practices, and procedures, with goals and timetables, to which the MST is committed and to making the EEO Program available for inspection by any employee or applicant for employment upon request. MST is committed to a workplace that acts upon its daily responsibility to treat all applicants and employees with dignity and respect, as well as equitably under the guidelines of MST's EEO Policy and Program.

2.2 Americans with Disabilities Act

MST is committed to complying fully with the Americans with Disabilities Act (ADA) and the Fair Employment and Housing Act (FEHA) by ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis.

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Upon request, job applications are available in alternative, accessible formats, as is assistance in completing the application. Pre-employment inquiries are made only regarding an applicant's ability to perform the essential functions of the position.

Reasonable accommodation is available to all qualified employees with disabilities where the accommodation does not pose an undue hardship.

This policy is neither exhaustive nor exclusive. MST is committed to taking all other actions necessary to ensure equal employment opportunity for qualified individuals with disabilities in accordance with the ADA, FEHA, and all other applicable Federal, State, and Local laws.

2.3 Policy Prohibiting Harassment, Discrimination, and Retaliation

MST is committed to ensuring that all employees are treated with dignity and respect by providing a work environment free from discrimination, harassment, bullying, and retaliation. This policy applies to all employees, trainees, applicants, and members of the public, including MST's passengers. This policy has been approved and developed in consultation with MST's

management, legal counsel, ATU leadership, and MSTEA leadership. This policy may be amended as appropriate, and MST employees will be notified of any policy changes.

This policy covers harassment or bullying occurring both in and out of the workplace, such as on business trips or at work-related events or social functions. This policy includes a prohibition on bullying and harassment by employees of other employers; contractors; vendors; and members of the public, such as passengers or visitors to MST properties. The core principle of this policy is that employees must treat each other and others with dignity and respect and should, themselves, be treated with dignity and respect. Employees should always consider whether a reasonable person would find conduct or words to be offensive.

All employees are required to review and understand their obligations under this policy. Harassment, discrimination, or bullying by an MST employee will be treated as a disciplinary matter up to and including termination of employment.

MST takes all allegations of harassment, discrimination, or bullying seriously and will address them promptly. Any investigation of harassment, discrimination, or bullying will be conducted with the greatest degree of confidentiality consistent with completing a fair and thorough investigation.

Harassment

“Harassment” is a serious, severe, or pervasive conduct that is unwanted or offensive and that has the purpose or effect of violating a person’s dignity or creating an intimidating, humiliating, hostile, or offensive environment. Unlawful discrimination, harassment, or bullying based on: race, color, gender (including gender identity, gender expression, transgender), national origin (including language) ancestry, religion (all aspects of religious beliefs, observance, or practice, including religious dress or grooming practices); marital status; registered domestic partner status; sex (including pregnancy, childbirth, breastfeeding, or related medical condition); age; disability (mental or physical); medical condition; genetic information/characteristics; sexual orientation; reproductive health decision making; military and veteran status; or any other category protected by applicable federal, state, or local laws will not be tolerated. MST also prohibits harassment, as well as discrimination, and disrespectful or unprofessional conduct, based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics.

Examples of potential harassment: The following is a non-exhaustive list of examples of potential harassment:

- Unwanted and inappropriate physical contact or horseplay, including touching, pinching, pushing, grabbing, unnecessary brushing against someone, invading personal space and physical or sexual assault.
- Unwelcome sexual advances or suggestive behavior, and suggestions that sexual favors may further a career or that a refusal may hinder it.
- Stalking or persecuting a person with unwanted attentions, gifts or messages.
- Continued suggestions for dating, romance, or social activity after it has been made clear that the suggestions are unwelcome.

- Sending or displaying material that is pornographic or that a reasonable person may find offensive (including e-mails, text messages, video clips and images sent by mobile phone or posted on the internet).
- Offensive or intimidating comments or gestures, or insensitive jokes or pranks that undermine the dignity of the person.
- Mocking, mimicking, or belittling a person's disability or age.
- Racist, sexist, homophobic or ageist jokes, or derogatory or stereotypical remarks about a particular ethnic, social, linguistic or religious group, or gender.
- Outing or threatening to out someone as gay or lesbian.
- Shunning someone, for example, by deliberately excluding them from a conversation or a workplace social activity.

Sexual harassment does not need to be motivated by sexual desire to be unlawful or to violate this policy. For example, hostile acts toward an employee because of gender can amount to sexual harassment, regardless of whether the conduct is motivated by any sexual desire.

Bullying

"Bullying" is offensive, intimidating, malicious, or insulting behavior involving the misuse of power that makes a person feel vulnerable, upset, humiliated, undermined, or threatened. "Power" does not always mean being in a position of authority but can include both personal strength and the power to coerce through fear or intimidation. Bullying can take the form of physical, verbal, or non-verbal conduct.

Examples of potential bullying: The following is a non-exhaustive list of examples of potential bullying:

- Shouting at, being sarcastic towards, ridiculing or demeaning others.
- Physical or psychological threats.
- Acts of physical or psychological violence.
- Creation of arbitrary standards for one person, imposing unrealistic demands, micromanaging work, or using supervision to intimidate a person.
- Inappropriate, exaggerated or untrue derogatory remarks about someone's job performance, particularly in front of others.
- Sabotage of another person's work.
- Abuse of authority or power by those in positions of seniority.
- Deliberately excluding someone from meetings or communications without good reason or encouraging others to do so.
- Stealing credit for another's work.

Legitimate, reasonable, and constructive criticism of a worker's performance or behavior, including appropriate disciplinary action, or reasonable instructions given to workers in the course of their employment, are not examples of bullying or harassment.

2.4 Harassment and Discrimination Complaint Procedure

Everyone has a responsibility to ensure a harassment and discrimination free workplace.

MST realizes that it can be difficult to raise a sensitive issue, especially if it involves a co-worker or a situation within your work area. However, if you have any information about activities or behavior that conflicts with or could be perceived to conflict with this policy or another law or regulation, you have a responsibility to let MST know about it immediately.

If you believe you have been subjected to harassment, discrimination, retaliation or other prohibited conduct, or have witnessed another being subjected to such conduct, please report it immediately to your supervisor, your manager, the Human Resources Department, the Civil Rights Officer or Compliance Analyst, or a Union Representative as soon as possible after the incident. Please follow these procedures so that your complaint can be promptly investigated and resolved.

You should report the potential violation to one of the following:

- Any supervisor/manager
- The Human Resources Department
- EEO Officer or Compliance Analyst
- Union Representative

The Civil Rights Office will immediately undertake an effective, fair, thorough and objective investigation of the allegations that provides all parties appropriate due process and reaches reasonable conclusions based on the evidence collected. MST will maintain confidentiality to the extent possible. However, MST cannot guarantee complete confidentiality because its duty to investigate and take corrective action may require the disclosure of information to individuals with a need to know.

After learning of an employee's complaint, MST will:

- Respond in a timely manner.
- Undertake an impartial investigation of the allegations. This will include private interviews with the complaining person, the alleged wrongdoer, and any witnesses.
- MST will document and track the investigation to ensure reasonable progress and timely resolution.
- If MST determines that harassment, discrimination, retaliation or other prohibited conduct has occurred, remedial action will be taken in accordance with the circumstances including action to deter future misconduct.
- Any employee determined by MST to have engaged in prohibited conduct will be subject to appropriate disciplinary action, up to and including termination. An MST representative will advise all parties concerned of the results of the investigation.

MST prohibits retaliation against persons who seek to enforce their legal rights or the provisions of this policy. MST will not take any action against you if you report violations in good faith. If a violation is found, MST will take appropriate action, which may include discipline up to and including termination. Any disciplinary action taken will remain a private and confidential personnel matter. If you think that you or someone else has been retaliated against for opposing or reporting a violation of this policy, please contact the MST Civil Rights Office immediately.

You also have the option to report a potential violation, including retaliation, to the Federal Equal Employment Opportunity Commission (EEOC) and the California Civil Rights Department (CRD). The nearest office may be found on the agency websites, www.calcivilrights.ca.gov or www.eeoc.gov. Additionally, employees may access the California CRD's sexual harassment online training courses at <https://calcivilrights.ca.gov/shpt/>.

SECTION III

- Employment Policies -

3.1 Employment Eligibility

MST is committed to full compliance with federal immigration laws and will not unlawfully discriminate based on citizenship, ethnicity, or national origin.

In compliance with federal law, all new employees must sign the U.S. Citizenship and Immigration Services (USCIS) Form I-9 no later than the first day of employment. Documentation from the Form I-9 List of Acceptable Documents establishing identity and right to work in the United States must be provided within three (3) business days of an employee's first day of employment. MST will not file the Form I-9 with USCIS but will retain and store the completed Form I-9 either for three years after the date of hire or for one year after employment is terminated, whichever is later.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the Human Resources Department. Employees may raise questions or complaints about immigration law compliance without fear of reprisal. MST will not take adverse action against an employee because the employee updates or attempts to update their personal information, including their name, Social Security Number, or federal employment authorization document.

3.2 Employee Classification Categories

Under state and federal wage and hour laws, including the California Wage Orders and the Fair Labor Standards Act (“FLSA”), all MST employees are either classified as exempt or nonexempt.

Exempt Employees - Employees exempt from the minimum wage and overtime provisions of the FLSA by holding positions that satisfy the criteria under the FLSA. These employees are generally executives, managers, professionals, administrators, and technical staff who receive salaries or sales commissions and perform certain exempt duties.

Nonexempt Employees - Employees who are NOT exempt under the criteria of the FLSA minimum wage and overtime provisions.

In addition, the following mutually exclusive classifications apply to both exempt and nonexempt employees and help determine an employee's employment status and eligibility for employee benefits, but in no way guarantee continued employment for any amount of time:

Regular Full-Time Employees - Employees are considered full-time employees if they are normally scheduled to work at least 35 hours per workweek. Regular full-time employees are eligible for MST benefits as set forth in this Handbook and as mandated by applicable law.

Regular Part-Time Employees - Employees are considered part-time employees if they are NOT normally scheduled to work at least 35 hours per workweek or if they only irregularly work such hours. Regular part-time employees are eligible for MST benefits as set forth in this Handbook and as mandated by applicable law.

Temporary Employees - Full-time or part-time employees hired for a limited duration, generally for three months or less, are considered temporary employees. These employees are typically interim replacements or are hired for work on a specific project. Temporary employee work duration may be extended upon written permission; however, status as a temporary employee may only be changed by an express writing signed by the Department Head and/or General Manager/CEO and Director of Human Resources. Temporary employees are employed on an at-will basis unless expressly stated otherwise in a written employment agreement with MST. As at-will employees, temporary employees may be terminated or may resign prior to the end of the initially planned work duration for any or no reason, with or without notice. Temporary employees are generally not eligible for MST benefits unless expressly stated otherwise in a written employment agreement or MST policy or when mandated by applicable law.

Employees not notified of their classification upon hire should inquire with the Human Resources Department.

Note that independent contractors and consultants are self-employed individuals working with MST and are not MST employees. As such, they are not entitled to receive MST benefits unless expressly provided in a written agreement between such individuals and MST. Furthermore, independent contractors and consultants will have control over the manner of completing assigned tasks, while MST has control over assigning the tasks that employees are to complete and defining the specific outcomes sought.

3.3 Introductory Period

The introductory period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. MST uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or MST may end the employment relationship at-will at any time during the introductory period, with or without cause or advance notice.

All new and rehired employees work on an introductory basis for a period of time as identified in the ATU CBA, the MSTEAM MOU, or the written employment offer after their date of hire. Employees who are promoted or transferred within MST must complete a secondary introductory period of a specified length with each reassignment to a new position. Any significant absence will automatically extend an introductory period by the length of the absence. If MST determines that the designated introductory period does not allow sufficient time to thoroughly evaluate the employee's performance, the introductory period may be extended for a specified period.

Limitations to extensions may be found in the CBA and applies only to those positions covered in the CBA.

In cases of promotions or transfers within MST, an employee who, in the sole judgment of management, is not successful in the new position can be removed from that position at any time during the introductory period related to the promotion or transfer. If such removal occurs, the employee may be allowed to return to their former job or to a comparable job for which the employee is qualified, depending on the availability of such positions and MST's needs.

Upon satisfactory completion of the applicable introductory period, employees enter the employment classification for which they were hired, promoted or transferred.

During the introductory period, new employees are eligible for those benefits that are required by law, such as workers' compensation insurance. They may also be eligible for other MST-provided benefits, subject to the terms and conditions of each benefits program and based on their employee classification category. Employees should read the information for each specific benefit program for details on eligibility requirements or contact any member of Human Resources.

Employment status is not changed during an additional introductory period that results from a promotion or transfer within MST excepting that, should the employee not succeed in the new position, their employment by MST shall be continued only if the employee's former job, or a comparable job for which the employee is qualified, is available. In addition, an employee's regular status does not guarantee continued employment.

3.4 Nature of Employment

For certain designated units, employment with MST is on an at-will basis. At-will employment means that the employee or MST can terminate the employment relationship at any time, with or without cause, with or without notice, so long as there is no violation of applicable federal or state law. MST reserves the right to follow MSTE A MOU-Article 29 procedures with at-will employees, at its discretion. MST's decision to follow Article 29 procedures with an at-will employee does not alter the at-will nature of the individual's employment with MST.

Policies set forth in this handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between MST and any of its employees. The provisions of the Handbook have been developed at the discretion of management and, except for its policy of employment-at-will for certain units of employees, may be amended or cancelled at any time, at MST's sole discretion. As to those units of employees who are at-will, only the MST's Board of Directors has the authority to change or modify the "at-will" status of an employee.

These provisions supersede all existing policies and practices and may not be amended or added to without the express written approval of the Board of Directors or a designate of MST.

In the event of any conflict between a policy or procedure in this Handbook and any Collective Bargaining Agreement (CBA) between ATU and MST, the CBA shall prevail.

3.5 Conflict of Interest

- A. MST procurement shall be conducted with impartiality and without preferential treatment. Any violation of these standards may be cause for disciplinary action, including dismissal, if appropriate.
- B. Prohibitions
 - 1) No MST officer, employee, or agent shall:
 - a) Release to an individual, entity, or its representative any knowledge such person may possess or have acquired in any way concerning any proposed or actual procurement that would provide an unfair competitive advantage to any potential or actual bidder.
 - b) Make any commitment or promise relating to the award of a contract or any representation that could be construed as such a commitment. Under no circumstance shall any business representative be advised that an attempt will be made to influence preferential treatment in the award of a contract.
 - c) Use their position to coerce, or give the appearance of coercing, another person, and/or provide any financial benefit to persons with whom they have family, business, or financial ties.
 - d) Accept any gratuity for themselves, their family members, or others, either directly or indirectly, from any source that does or seeks to do business with, or has financial ties of any sort with, MST, or has personal interests that may be affected by the performance, or non-performance, of the official duties of MST staff.
 - e) Participate in the selection, award, or administration of a contract if a conflict of interest, real or apparent, exists.
 - f) Accept any offer of employment or fees for services from a contractor for one year following their employment with MST if the officer or employee, during the year immediately preceding termination of employment, participated personally and substantially in the award of contracts or the issuance of change orders with a cumulative value of twenty-five thousand dollars \$25,000 or more to the contractor, its parent, or subsidiary.
- C. Duty to Disclose
 - 1) MST purchasing agents shall not be involved in any purchasing decisions, tasks, or procedures (including participation in initiation, award, or administration of a contract) in which they or persons related to them have a real or apparent conflict of interest. In cases where there may be such conflicts of interest, employees shall report such conflicts in writing to the General Manager/CEO.
- D. Conflicts of Interest
 - 1) 'MST's Conflict of Interest Code requires certain designated employees to disclose economic interests and prohibits them from participating in decisions that may have an effect on their financial interests. The terms and requirements of the Conflict of Interest Code are incorporated herein by this reference.

- 2) No person shall participate in procedures, tasks, or decisions relative to initiation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when any of the following has a financial or other interest in an entity that participates in an MST bidding process or is selected for a contract award involving:
 - a) The officer, employee, or agent;
 - b) Immediate family of a., above;
 - c) A business associate of a. or b., above; or
 - d) An organization that employs, or is about to employ, a current MST employee.

The standards governing the determination as to whether such an interest exists are set forth in Government Code section 1090 et. seq., as may be amended.

E. Gratuities and Contingent Fees

- 1) No MST officer, employee or agent shall knowingly solicit, accept, or agree to accept gratuities, favors, or anything of more than a nominal monetary value in connection with actual or potential procurement and contracting activities. Under this policy, the term “nominal monetary value” shall be defined as a value of fifty dollars (\$50) or less.

F. Confidential Information

- 1) No MST officer, employee or agent involved in purchasing shall use confidential information for their actual, anticipated, or apparent personal gain, or for the actual, anticipated, or apparent personal gain of any person’s immediate family. “Confidential Information” is defined as any proprietary, privileged, or nonpublic information coming to the employee’s attention as a result of their employment with MST, the knowledge of which makes financial gain possible.

3.6 Outside Work

Employees who wish to hold outside jobs must submit a Request for Approval to Engage in Outside Employment to the Human Resources Department. Employees may hold outside jobs as long as this Request is approved and they meet the performance standards of their job with MST. All employees will be judged by the same performance standards and will be subject to MST’s scheduling demands, regardless of any existing outside work requirements.

If MST determines that an employee’s outside work interferes with performance or the ability to meet the requirements of MST as they are modified from time to time, the employee may be asked to terminate the outside employment if they wish to remain with MST. Any outside employment that violates the DOT regulations for rest periods or maximum drive time allowed will be denied. Any record-keeping required by State or Federal regulations will be the sole responsibility of the employee to record and provide such records to MST.

A Request for Approval to Engage in Outside Employment form is available in Human Resources or with your department supervisor. Appropriate approvals must be received prior to engaging in outside employment.

Outside employment that constitutes a conflict of interest is prohibited. Employees may not receive any income or material gain from individuals outside MST for materials produced or services rendered while performing their jobs for MST.

3.7 Employment of Relatives and Personal Relationships

Decisions about the hiring, promotion, evaluation, salary increases, and discipline of employees are based on the qualifications, abilities, knowledge and skills required to perform the position. Every attempt is made to avoid favoritism and conflicts of interest in employment decisions, and MST reserves the right to take action when relationships or the associations of our employees impact our mission. This policy is intended to ensure effective supervision, internal discipline, security, safety, and positive morale in the workplace. It also seeks to avoid the perception of favoritism, conflicts in loyalty, discrimination, the appearance of impropriety, and conflicts of interest.

This policy prohibits any employees who are family members from working in the same chain of command. "Family members" are defined as employee's parent, child, spouse, domestic partner, sibling, grandparent, and step relationships within the preceding categories. The policy also prohibits the hiring of any related family members of the Board of Directors. Employees are required to disclose changes in their personal situations, which may be covered under this policy.

Family members of current employees may not occupy a position that involves working directly for or supervising their family members. Individuals involved in a dating relationship with a current employee may also not occupy a position that involves working directly for or supervising the employee with whom they are involved in a dating relationship. MST also reserves the right to take prompt action if an actual or potential conflict of interest arises involving employees who are family members or employees involved in a dating relationship who occupy positions at any level (higher or lower) in the same line of authority that may affect the review of current or future employment decisions.

If a family member or dating relationship is established after employment between employees who are in a supervisorial situation described above, it is the responsibility and obligation of the supervisor involved in the relationship to disclose the existence of the relationship to management. The individuals concerned will be given the opportunity to decide within fifteen (15) calendar days who is to be transferred or, if necessary, terminated from employment. If the individuals concerned do not make the decision within fifteen (15) calendar days, management will make the decision.

In other cases where a conflict or potential for conflict arises because of the relationship between employees, even if there is no line of authority or reporting involved, the employees may be separated by reassignment or terminated from employment. Employees in a close personal relationship should refrain from public workplace displays of affection or excessive personal conversation.

3.8 Employment of Minors

The employment of minors or volunteers applies to clerical and maintenance positions at MST. As a general rule, employees, whether paid or unpaid by MST, must be 18 years old or older. MST may employ students or others who are 16 or 17 years old, but this is done only under special school sponsored internships or work-study programs and must be approved by the General Manager/CEO.

Minors must have a valid work permit, a certificate of high school proficiency, or be a high school graduate to work for MST. The minor, whether paid or unpaid, must be able to provide proof of age and eligibility as required by the California Education Code.

Minors who are high school graduates or have a certificate of high school proficiency may work the same hours as adults. Those minors who are 16 or 17 years of age who do not possess these minimum requirements may work up to (8) hours per day and forty-eight (48) hours per week when school is not in session. When school is in session, they may work only four (4) hours per day, unless written permission is obtained from school authorities to work up to eight (8) hours in addition to school time on any day immediately prior to a non-school day.

Hours of work must be performed between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. However, if a minor is enrolled in a work experience program, a minor may work up to 12:30 a.m. on any evening preceding a non-school day.

Paid minors, regardless of age, will be paid at least the minimum wage. If working the same hours as an adult, high school graduates or minors with a certificate of proficiency will be paid the same rates as an adult possessing the same skills.

3.9 Employee Files

MST maintains a personnel file, medical file, leaves of absence file, workers' compensation file, and/or payroll file on every employee. All of these files may include such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records.

All employee files are kept secure. Employee files are the property of MST, and access to the information they contain is restricted. Generally, only MST supervisors and management personnel who have a legitimate business reason to review information in a file are allowed to do so with authorization from the Human Resources Department.

Employees who wish to review their own personnel file should contact a Human Resources representative. With reasonable advance notice, employees may review their own files in MST's administrative office and in the presence of an individual appointed by MST to maintain the files. Employees may request copies of their itemized wage statements and personnel records relating to their performance or to any grievance about the employee in the employee's personnel file, as well as all employment-related documents that the employee has signed. Personnel files cannot be removed from the office premises.

3.10 Records and Retention

Employment records must be archived for a required period of time per MST Records and Information Management Policy. There are both Federal and State standards for the retention of employment records. In the event the federal and state standards are stricter with regards to amount of time required to maintain the records, MST will utilize the most stringent requirements. For the full Records and Information Management Policy, an individual can contact the Executive Assistant to the General Manager/CEO-Clerk to the Board.

3.11 Background and Employment Reference Checks

To ensure that individuals who join MST are well qualified and have a strong potential to be productive and successful, it is the policy of MST to check the employment references of all applicants. A post-offer criminal record check is also required with the written consent of the individual. As part of a partnership with the local military installations, MST employees who may be required to go on base will also be required to complete a military clearance check. Should the individual applicant fail to give permission for a background or reference check, the offer of employment will be rescinded.

Each record will be reviewed, and decisions on the applicant's suitability for employment will be made based on the findings. Each applicant whose offer of employment is rescinded due to the findings of a background check will be advised in writing with an opportunity to rebut the findings.

The Human Resources Department will respond in writing only to those reference check inquiries from outside sources that are submitted in writing. Responses to such inquiries will be limited to factual information, such as dates of employment and positions held, that can be substantiated by MST's records. No employment data will be released without a signed written authorization and release by the individual who is the subject of the inquiry. This applies to current and former employees of MST.

3.12 Healthcare Information

Information related to an employee's healthcare enrollment or plan, if any, will be managed in accordance with the Health Insurance Portability and Accountability Act (HIPAA). MST does not regularly maintain records of its employees' private healthcare information, and any such information voluntarily shared with MST by an employee will be kept confidential.

3.13 Social Media Policy

In the rapidly expanding world of electronic communication, "*social media*" can mean many things. In general, social media encompasses the various activities that integrate technology, social interaction, and content creation. Through social media individuals can create, organize, edit or comment on Web content, as well as combine and share content on their own or someone else's website. Social media uses many technologies and forms, including Web feeds, blogs, wikis, photography, video sharing, web logs, journals, diaries, chat rooms, bulletin boards, affinity web sites, podcasts, social networking, fan-sites, mashups, and virtual worlds.

MST uses a variety of social media sites to engage, inform and interact with the general public, as well as drive traffic to the MST's website. This policy provides guidelines to protect the integrity of the MST's presence on social media sites and to ensure that social media is used appropriately and within other guidelines and policies established by MST.

MST understands that its employees use social media sites and applications to share events in their lives and communicate and discuss their opinions with others, including family, friends, and co-workers. However, the use of social media may present certain risks and carry certain responsibilities. MST has established this policy and guidelines for appropriate use of social media. Not all uses are appropriate. Violation of this policy may result in disciplinary action.

MST Social Media Policy

This policy applies to all MST employees, contractors and others who are acting in an official capacity on behalf of the MST and those who comment on MST-sponsored social media sites.

Administration of MST Social Media Sites:

- The MST Marketing Department ("Marketing Department") will review, approve and create official MST social media accounts which include, but are not limited to, Facebook, Twitter, YouTube, LinkedIn, and Instagram.
- All MST social media accounts shall clearly indicate they are maintained by MST and shall include MST contact information.
- *The General Manager/CEO, or their designee representing MST via social media accounts, shall post as a representative of MST and not post their own opinions. Posted content should be pertinent to MST's mission, values, and this Social Media Policy.*
- Employees and contractors who conduct official business on MST social media accounts are responsible for complying with MST policies, rules, and regulations, as well as applicable federal, state, and local laws, and regulations and policies such as copyright, First Amendment, and privacy laws (e.g. HIPAA).
- The granting of access to individual employees to post on social media accounts representing MST is up to the sole discretion of the Marketing Department, and administrators of the accounts can be added or terminated at any time for any reason by the Marketing Department.

Content:

- The Marketing Department works to ensure that this social media policy is followed by monitoring all content on official social media sites and making sure branding and messaging is consistent with MST goals.
- MST reserves the right to remove content on official social media sites that:
 - Is racist, sexist, homophobic, sexually explicit, abusive or otherwise objectionable.
 - Contains profanity or other language likely to offend.
 - Could break the law or condone or encourage unlawful activity (this includes breach of copyright, defamation and contempt of court).

- Violates MST's policy prohibiting harassment, discrimination, and retaliation.
- Attempts to impersonate someone else.
- Discloses personal information, including phone numbers, social security numbers, or addresses.
- Describes or encourages activities which could endanger the safety or well-being of others.
- Is considered to be 'spam' (posts containing the same message posted multiple times or multiple, excessive comments that are not relevant or related to existing content).
- Contains personal or offensive comments about social media users or people who work for MST, which may be considered harassment.
- Is factually inaccurate or libelous and could mislead or misinform readers/followers.

Security:

- The Marketing Department will maintain a list of all social media site administrative usernames, rights, and passwords. Usernames and passwords, and any changes to these, must be authorized by the Marketing Department.
- Passwords shall be promptly changed when an employee, contractor, or vendor is removed as an account administrator.
- MST social media sites are third party sites subject to terms of service and policies that are not governed by MST. As such, these third-party sites' terms of service and policies apply to MST accounts and use of those sites.

Blocking users:

Any user who violates MST's comment policy, either via a comment on an MST-managed site or referencing MST in a post or comment on any other site, shall be blocked from all MST social media sites.

Employee Use of Personal Social Media:

MST understands that social media has become an accepted and engaging way to communicate and that many employees utilize these platforms on their own personal time for their own personal purposes. MST provides the following suggestions:

- Consider content carefully...a posting on the Web lives forever.
- Be respectful and professional.
- While employees may choose to post interesting and pertinent information related to MST, it should be clearly noted on personal sites that posts reflect the employees' personal opinion and they are not a spokesperson of MST. Employees may consider including a disclaimer: "The views expressed on this [post, blog or website] are my own and do not reflect the views of my employer." Consider adding this language in an "About" section of the blog or social networking profile."

- Do not engage in personal social networking activity during work time. This does not include breaks. Ensure that personal social networking activity does not interfere with productivity or efficiency or that of others.
- Use personal email addresses (not your MST address) as the primary means of identification when utilizing your own personal social media.
- Be careful about the information you provide and distinguish personal from professional comments.
- Be careful not to share personal information.
- Change passwords regularly.
- Consider placing strict privacy settings on personal social media sites to limit access to those who can view the content on the profile and how others can tag you in pictures posted under their profiles.

Employees who engage in personal/private blogging or use of social media sites may not do any of the following:

- Attribute personal statements, opinions or beliefs to MST.
- Disclose confidential MST information.
- Use the MST logo or trademarks.
- Post any material that (i) constitutes harassment, hate speech or libel; (ii) violates the privacy rights of fellow employees; or (iii) is disruptive to the work environment because it impairs workplace discipline or control, impairs or erodes working relationships, creates dissension among co-workers, interferes with job performance or obstructs operations.
- Violate MST's policy prohibiting harassment, discrimination, and retaliation.

Finally, it is important to understand that communications using social media are not private, and no expectation of privacy should be maintained. In addition, MST reserves the right to monitor activities and gain access to any information, including but not limited to postings and communications made on MST time or transmitted on, received by, stored in or communicated with the use of any MST computer, electronic resource, or communications device.

Nothing in this Social Media Policy is intended to interfere with employees' rights to participate in concerted activity such as communicating with their co-workers regarding their wages, hours, or terms and conditions of employment, or with any other rights protected under the Meyers-Milias-Brown Act (MMBA).

3.14 Termination and Change of Employment Status

A change in employment status may occur for different reasons, including termination by MST, resignation, abandonment, reassignment, or retirement. Should a change in employment status occur, wages will only accrue up to the effective date of separation with MST unless otherwise provided for in a written employment contract or pursuant to state or federal law.

- **Termination by MST** - Unless expressly prohibited by statute, all employees without a written employment agreement setting forth a term of employment are employed on an "at-will" basis. This means that MST may conclude the employment relationship with or without advance notice at any time and for any reason.

- **Resignation** - If you are an at-will employee, you may choose to conclude the employment relationship at any time, with or without notice, and for any or no reason. If you are considering resignation, you are encouraged to consult your supervisor in order to discuss whether other options are available to accommodate your needs. If you do decide to resign, MST asks, but does not require, that you provide at least two weeks' advance written notice of your departure.' At MST's sole discretion and business needs under the circumstances, MST may choose to require your immediate departure and provide you with two weeks' pay instead of you being continuously employed during the notice period.
- **Abandonment** - Abandonment occurs where an employee fails to be present during scheduled work hours for 3 or more consecutive scheduled workdays without prior approval for the absence and without contacting their supervisor, i.e., no show/no call. If you are considering abandonment, you are encouraged to consult your supervisor in order to discuss whether other options are available to accommodate your needs. 'Employees who are a no show/no call for 3 or more consecutive scheduled workdays may be deemed ineligible for future rehire, at the discretion of MST and per MST's Ineligible for Rehire Policy. ' This policy does not apply to an employee's use of accrued unused paid sick leave required by California law.
- **Reassignment** - Based on MST's needs, your employment status may occasionally change if MST reassigns you to a different shift, department, or location, unless you have a written employment contract to the contrary. MST may choose to take into consideration your requests concerning reassignment.
- **Retirement** - Employees seeking to retire are asked to provide at least four weeks' advance written notice to a human resources manager. This will allow MST sufficient time to finalize any payroll and benefits issues, determine and prepare for any hiring needs, and wrap up all other outstanding employment matters related to the planned retirement. MST will conduct exit processing behind-the-scenes for an employee. If an employee, leaving on good terms, prefers in-person exit processing, they may make that request with the Human Resources Department at the time of submitting their written resignation. Employees will receive their final pay in accordance with applicable state law.

Employees in their introductory period, volunteers, students, interns and unrepresented employees are considered "at-will" and may resign or be dismissed with or without cause and with or without notice. Skelly Rights apply to all employees who are not in their introductory period. For more information, refer to the ATU CBA or the MSTEA MOU.

Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense if the employee so chooses and the insurance policy allows for continuation.

3.15 Return of MST Property

Employees must return all MST property in their possession upon ending employment with MST. Unless otherwise notified, MST property includes ID cards, uniforms, cell phones, laptops, electronics, office supplies, and all other tangible items in your possession that MST owns. MST may pursue a civil action against an employee for failure to return MST property.

3.16 Eligibility for Rehire

This policy clarifies and explains the process in which MST would deem an employee who has separated from MST as “ineligible for rehire.” Ineligible for rehire designations must be approved by the General Manager/CEO in accordance with the policy.

Ineligible for Rehire Designation

An employee who voluntarily or involuntarily separates from MST under any of the following circumstances shall be designated as Ineligible for Rehire:

1. Resigns prior to completion of their introductory period and they received notice of unsatisfactory or poor performance prior to their resignation.
2. Except for at-will employees, resigns without providing written notice at least ten (10) working days prior to the effective date of resignation.
3. Resigns or retires after notice of intent to terminate employment has been issued to the individual.
4. Resigns or retires in lieu of discharge.
5. Resigns or retires while the subject of an investigation into allegations of serious misconduct and the investigation substantiates that the employee committed serious misconduct.
6. Serious misconduct by the individual is discovered and substantiated after the employee resigns or retires. For misconduct discovered after the separation resulted in a designation of ineligibility for rehire, the misconduct must be of such a nature that it would have supported an involuntary termination under the applicable disciplinary policy and procedures.
7. Employment is terminated for just cause.
8. Employee record shows unsatisfactory and/or poor performance during the previous 3 years of employment.

Compliance with AB 749

In compliance with AB 749, signed by Governor Gavin Newsom and effective on January 1, 2020, MST shall not designate as ineligible for rehire any employee who filed a discrimination or harassment claim which resulted in a settlement offer.

Ineligible for Rehire Determination and Approval

The Director of Human Resources and Risk Management is responsible for initiating the eligibility review at the time of separation. Ineligible for rehire designations must be approved by the General Manager/CEO. After approval by the General Manager/CEO, an Ineligibility for Rehire Notice shall be sent to the individual stating the reason for placement on the Ineligible for Rehire list based on an established criteria listed within this policy.

Petition for Reinstatement

Any individual who has been designated as ineligible for rehire may petition for reinstatement of eligibility for rehire. In cases where the individual believes that the designation was improper, the individual may petition at any time. In cases where the designation was initially valid, after a period of one (1) year has elapsed, the individual may petition for reinstatement

of eligibility based upon a change of circumstances indicating that: (1) the individual is unlikely to repeat the conduct resulting in the designation, and (2) is capable and likely to make a positive contribution to MST's mission. The affected individual may contest the designation of ineligible for rehire or petition for removal of the designation by submitting a written petition of ineligibility review to the Director of Human Resources and Risk Management, along with any supporting documentation.

Response to Petition

Within thirty (30) days after receipt of the petition, the Director of Human Resources and Risk Management will review the petition and any submitted information, will make any further inquiries considered appropriate, and will issue a decision to grant or deny the petition. Where the petition is denied, the matter shall be closed, and another petition may not be filed for a period of one (1) year. Where the petition is granted, the Director of Human Resources and Risk Management will remove the designation from the individual's personnel record and notify the individual of the removal of the designation.

3.17 Labor Unions

MST recognizes all sanctioned labor unions and their role in representing the interests of MST's unionized employees. This Employee Handbook does not impair or otherwise alter any terms or conditions of the collective bargaining agreements held by such unions.

SECTION IV - Payroll Practices -

4.1 Payment of Wages

All employees are paid bi-weekly (every other Friday). Each paycheck will include earnings for all work performed through the end of the previous payroll period.

If a regularly scheduled payday falls on a day off, employees will be paid on the first day of work following the regularly scheduled pay day.

If a regular payday falls during an employee's vacation, the employee's paycheck will be mailed to the employee's home address if the employee is not to return the following week.

Employees may have their pay directly deposited in their bank accounts if they provide advance written authorization to MST. Employees will receive an itemized statement of wages when MST makes direct deposit.

Administrative Pay Corrections

MST takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday.

In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Accounting Department or Human Resources Department so that corrections can be made as quickly as possible. Errors involving short pay will be remedied immediately after confirmation. Whenever possible, a check will be provided in the week the discrepancy is noted but shall be corrected no later than the next payroll period. Errors involving overpayment to the employee will result in the monies being recovered in the same time period that any overpayment was made with the written authorization of the employee.

4.2 Overtime Pay

When operating requirements or other needs cannot be met during regular working hours, employees may be scheduled to work overtime hours. When possible, advance notification of these mandatory assignments will be provided. All overtime work must either be assigned or receive the supervisor's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work.

Overtime compensation is paid to all hourly employees in accordance with federal and state wage and hour guidelines. For represented employees, Maintenance, Utility, Parts Department and Coach Operators, reference the CBA between MST and ATU, Local 1225. Refusal to work scheduled overtime or overtime worked without prior authorization from the supervisor may result in disciplinary action, up to and including termination of employment.

4.3 Deductions

The law requires that MST make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. Social Security taxes are not taken from the employee's wages.

MST offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize additional deductions from their paychecks to cover the costs of participation in these programs.

Pay setoffs are pay deductions taken by MST, usually to help pay off a debt or obligation as is required by law or regulation.

If you have questions concerning deductions made from a paycheck or how they were calculated, the Accounting Department or Human Resources Department should assist in having your questions answered.

4.4 Meal Breaks and Rest Breaks

Each workday, full-time non-exempt Administrative and exempt employees are provided with two paid rest periods and a 60-minute unpaid meal period. With approval by the department manager, the meal period may be reduced to 30 minutes unpaid. Printed schedules advise Coach Operators of the regular rest period length and schedule based on the run selected in the bidding process or extra board assignment.

Those Maintenance employees represented by ATU may refer to the CBA, Article 29. To the extent possible, rest periods will be provided in the middle of work periods. Since rest periods are paid time, employees must not be absent from their workstations beyond the allotted rest period time.

Except as allowed in any CBA, full-time employees are provided with one meal period each workday. Employees will be relieved of active responsibilities and restrictions during meal periods and will not be compensated for that time.

Rest periods and meal periods are uninterrupted and duty-free. If an employee is not being provided the opportunity to take uninterrupted, duty-free rest and meal periods, they should speak with their supervisor or Human Resources immediately.

4.5 Lactation Breaks

Federal and California law require an employee with a nursing child to receive a reasonable amount of break time to express breast milk in private for their child' at any time when the employee needs to do so. Employees who wish to express milk during the work period shall keep supervisors informed of their needs so that appropriate accommodations can be made to satisfy the needs of both the employee and MST. The employee will receive pay when taking breaks for such purposes. MST will provide a private, safe, and sanitary place in close proximity to the employee's work area other than a bathroom or toilet stall to express milk. '

The place provided to the employee will

- Be safe, clean, and free of hazardous materials;
- Contain a surface to place a breast pump and personal items;
- Contain a place to sit;
- Have access to electricity or alternative devices, including, but not limited to, extension cords or charging stations, needed to operate an electric or battery-powered breast pump.

Employees will have access to a sink with running water and a refrigerator suitable for storing milk in close proximity to the employees' workspace. If a refrigerator cannot be provided, another cooling device suitable for storing milk, such as a cooler, will be provided. Breastfeeding employees are responsible for keeping milk expression areas clean, and using anti-microbial wipes to clean the general pumping area. Employees are also responsible for keeping the general lactation space clean for the next user.

If a break time or location that complies with this policy cannot be provided, MST will provide the employee with a written response.

MST does not discriminate on the basis of breastfeeding or medical conditions related to breastfeeding. It is prohibited under this policy to harass or discriminate against a breastfeeding employee. If an employee feels she is being subjected to harassment or discrimination because she is breastfeeding, she should report this to her supervisor or to the Human Resources Department immediately. Any incident of harassment or discrimination of a breastfeeding employee will be

addressed in accordance with MST's policies and procedures on the prohibition of discrimination and harassment.

No employee will suffer any reprisals or retaliation for exercising or attempting to exercise any right protected under this policy.

Employees should be aware that they may report a violation of this policy to the California Labor Commissioner's field enforcement unit, which will investigate and prosecute complaints of violations of this policy.

4.6 Pay Advances

MST does not provide pay advances on unearned wages to employees. MST does, however, allow cash out of Paid Time Off or Holiday accruals as follows:

All employees may be paid accrued Paid Time Off pay on any payroll they request, provided:

1. The employee makes a written request at least fourteen (14) days in advance of the payroll. Requests for PTO/Holiday Forms are located at each division or can be made available upon request to the Accounting Department.
2. The employee has taken or has scheduled at least three (3) days during the past twelve (12) months.

4.7 Personal Data Changes

It is the responsibility of each employee to promptly notify MST of any changes in personal data. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of emergency, educational accomplishments, and other such status reports must be accurate and current at all times. Coach Operators must also notify the Communication Center of any and all telephone number changes.

4.8 Travel Expenses and Pay

MST will reimburse employees for reasonable business travel expenses incurred while on assignments away from the normal work location. The immediate supervisor must approve all business travel in advance.

Employees whose travel plans have been approved should make all travel arrangements through the Executive Assistant to the General Manager/CEO-Clerk to the Board.

Employees will be issued a per diem allowance for business travel away from home as specified in Publication 1542 of the Department of the Treasury, Internal Revenue Service. This will be the maximum per diem rate that can be used without treating part of the per diem allowance as wages for tax purposes.

MST will arrange and pay for airfares, car rentals and hotels. Airfare and car rentals will be arranged by the Executive Assistant to the General Manager/CEO-Clerk to the Board, or their

designate, and charged directly to MST for reimbursement whenever possible. Employees must waive all insurance clauses on car rental contracts. Additional expenses may be incurred at times for transportation charges to and from hotels and airports when no low-cost public transportation is available. Mileage is reimbursed for use of personal vehicles when an MST vehicle is unavailable. The reimbursement will be at current IRS standards.

Some airfares, train fares, etc., require an extended stay in order to receive the lowest fare. It is the intent of this policy to take full advantage of such fares and to reimburse the employee for the extended stay expenses when doing so results in the lowest cost for travel overall.

Employees who are involved in an accident while traveling on business must promptly report the incident to their immediate supervisor. Vehicles owned, leased, or rented by MST may not be used for personal use without prior approval.

Cash advances to cover reasonable additional expenses may be made to employees, after travel has been approved. Employees should submit a written request to their supervisor when travel advances are needed.

With prior approval, a family member or friend may accompany employees on business travel, when the presence of a companion will not interfere with successful completion of business objectives. Generally, employees are also permitted to combine personal travel with business travel if time away from work is approved. Additional expenses arising from such non-business travel are the responsibility of the employee.

Employees must submit completed travel expense reports to Executive Assistant to the General Manager/Chief Executive Officer within 30 days of the completion of travel. Receipts for all individual expenses should accompany reports over the per diem rate allowed. Employees should contact their supervisor for guidance and assistance on procedures related to travel arrangements, travel advances, expense reports, reimbursement for specific expenses, or any other business travel issues.

Abuse of this business travel expenses policy, including falsifying expense reports to reflect costs not incurred by the employee, is grounds for disciplinary action, up to and including termination of employment.

4.9 Time Reporting

Accurately recording time worked is the responsibility of every employee. Federal and state laws require MST to keep an accurate record of time worked to calculate employee pay and benefits. "Time worked" is the time an employee is subject to the control of MST.

Non-exempt and exempt employees are required to complete time sheets. Exempt employees need only note exceptions to regular work on the time sheet. Non-exempt (hourly) employees should accurately record the time they begin and end their workday, and the time they begin and end their meal period. They should also record the beginning and ending time of any split shift or departure from work for personal reasons. Overtime work for hourly employees must always be approved before it is performed. Time for hourly employees must be entered onto the time sheets daily.

Altering, falsifying, or tampering with any time keeping document, medical certificate, jury summons, or any documentation presented as proof of an excused absence, shall result in disciplinary action, up to and including termination of employment.

It is the employees' responsibility to sign their time records to certify the accuracy of all time recorded. A supervisor will review and initial the time record before submitting it for payroll processing. In addition, if corrections or modifications are made to the time record, both the employee and the supervisor shall verify the accuracy of the changes by initialing the time record. For Coach Operators, the Communication Center may make changes without the employee's signature. The employee may challenge these changes when payroll is issued if there is disagreement.

4.10 Attendance and Emergency Closings

To maintain a safe and productive work environment, MST expects employees to be reliable and punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on MST. In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their supervisor as soon as possible in advance of the anticipated tardiness or absence.

Poor attendance and tardiness are disruptive. Either may lead to disciplinary action, up to and including termination of employment.

Coach Operators/Maintenance Department Employees

Specific limits are set on late arrivals (tardiness occurrences), absences (miss outs), and sudden occurrence (unscheduled) absences. Accumulation of the following numbers of Miss Outs and Late Arrivals within a 90-day period shall be subject to immediate termination of employment.

- 3 Miss Outs
- 6 Late Arrivals
- 2 Miss Outs, 2 Late Arrivals
- 1 Miss out and 4 Late Arrivals

Nothing in this policy alters any applicable at-will policy during the introductory period or otherwise.

Furthermore, the above policy does not apply to and does not affect the right of an employee to use California paid sick leave under the California Healthy Workplaces, Healthy Families Act. Employees absent pursuant to the California paid sick leave law must give reasonable advance notification if the need for the paid sick leave is foreseeable, and if the need for the paid sick leave is not foreseeable, must provide notice of the need for the leave as soon as practicable.

All Departments

Unscheduled absences, patterns of absenteeism and other unscheduled absences are also limited. Each department is responsible for establishing appropriate guidelines based on the job duties of the department.

In Emergency Situations

At times, emergencies such as severe weather, fires, power failures, or earthquakes, can disrupt MST operations. In extreme cases, these circumstances may require the closing of a work facility. In the event such an emergency occurs during nonworking hours, local radio and/or television stations will be asked to broadcast notification of the closing.

When operations are officially closed due to emergency conditions, the time off from scheduled work will be unpaid unless the employee has arrived for work and/or begun the workday and language exists in any contract requiring a minimum number of hours to be paid. If employees were notified prior to the start of their shift, they may elect to substitute Paid Time Off or holiday hours for the day of closure. For non-exempt administrative staff who are eligible for Paid Time Off, Paid Time Off may be substituted for the day of the closure.

Employees in essential operations may be asked to work on a day when operations are officially closed. In these circumstances, employees who work will receive their regular pay.

4.11 Performance Reviews and Pay Increases

Performance Management

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. Formal performance evaluations may be conducted at differing times depending upon the employee's position. At the completion of the introductory period, employees are evaluated. This review allows the supervisor and the employee to discuss the job responsibilities, standards, and performance and to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

The performance of all employees is evaluated according to an ongoing 12-month cycle. For Coach Operators and Maintenance Personnel covered under the ATU CBA, reviews are conducted as needed following the successful completion of the introductory period. Failure to improve will result in disciplinary action up to and including discharge. The basis for any disciplinary action shall be issues of behavior, validated customer complaints, attendance and safety related incidents or accidents.

The timing of Performance Evaluations may be accelerated or extended at any time by a Supervisor, the Director or Department Manager.

Salary Administration

The salary administration program at MST was created to achieve consistent pay practices, comply with federal and state laws, mirror our commitment to Equal Employment Opportunity, and offer competitive salaries within our labor market. Because recruiting and retaining talented employees is critical to our success, MST is committed to paying its employees equitable wages that reflect the requirements and responsibilities of their positions and are comparable to the pay received by similarly situated employees in other public and/or private organizations in the area.

Compensation for positions is determined by several factors, including job analysis and evaluation, the essential duties and responsibilities of the job, and salary survey data on pay practices of other employers and/or any CBA. MST periodically reviews its salary administration program and restructures it as necessary. Merit-based pay adjustments or incentive awards may be awarded in conjunction with superior employee performance documented by the performance evaluation or for changes in the employee's duties and responsibilities.

Employees should bring their pay-related questions or concerns to the attention of their immediate supervisor or Director who is responsible for the fair administration of departmental pay practices. The Human Resources staff is also available to answer specific questions about the salary administration program.

4.12 Payroll Policies

MST reserves the right to change payroll policies and practices, including those stated above, after providing prior written notice to employees and in accordance with state law.

SECTION V - Employee Conduct -

5.1 Employee Conduct and Work Rules

To ensure orderly operations and provide the best possible work environment, MST expects employees to follow rules of conduct that will protect the interests and safety of all employees and the agency.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal or possession of property
- Failure to follow Standard Operating Procedures
- Unauthorized entry into restricted areas
- Falsification of timekeeping records
- Working under the influence of alcohol, marijuana, or illegal drugs
- Possession, manufacture, distribution, sale, transfer, or use of alcohol, marijuana, or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of employer-owned or customer-owned property
- Insubordination or other disrespectful conduct
- Violation of safety or health rules to include but not be limited to the use of electronic devices while performing safety sensitive duties (Example, cell phones, ear buds or "Bluetooth", iPod, etc.)

- Sexual or other unlawful or unwelcome harassment
- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace
- Excessive absenteeism or any pattern of absences before and after regular days off
- Unauthorized absence from workstation during the workday
- Unauthorized use of telephones, mail system, or other employer-owned equipment
- Unauthorized disclosure of business “secrets” or confidential information
- Violation of personnel policies
- Unsatisfactory performance or conduct
- Loss of license or suspension of license or Class B driving privileges for more than 30 days
- Providing false information during any investigation, which shall be subject to immediate termination of employment

Nothing in this policy alters any applicable at-will policy during the introductory period or otherwise for those employees in certain designated units.

Nothing in this policy is intended to interfere with employees’ rights to participate in concerted activity such as communicating with their co-workers regarding their wages, hours, or terms and conditions of employment, or with any other rights protected under the MMBA.

5.2 Internal Promotions and Transfers

MST may choose to initiate promotions or transfers of employees between different positions and locations to meet MST’s various business needs. Employees who feel that they are well qualified are also encouraged to apply for job vacancies that become available. However, you must notify your supervisor if you apply for a position. MST prefers to promote from within unless it decides that hiring outside the organization is advisable under the circumstances. MST will consider the past performance, length of service, conduct, skill, potential, and qualifications for the position of all employee candidates for promotion or transfer. Therefore, employees will not become “entitled” to a promotion or transfer through length of service alone. Employee candidates may be subject to the same hiring interviews, tests, background checks, and other processes as outside applicants. At all times MST retains discretion to hire outside candidates and make exceptions to this internal promotions and transfers policy.

5.3 Dress Code

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image MST presents to customers and visitors.

During business hours or when representing MST, you are expected to present a clean, neat, and tasteful appearance. You should dress and groom yourself according to the requirements of your position and accepted social standards. This is particularly true if your job involves dealing with customers or visitors in person. For Coach Operators and Maintenance Personnel, reference the CBA, Article 9 and Article 10.

Your supervisor or department head is responsible for establishing a reasonable dress code appropriate to the job you perform. If your supervisor feels your personal appearance is

inappropriate, you may be asked to leave the workplace until you are properly dressed or groomed. Under these circumstances, you will not be compensated for the time away from work. Consult your supervisor if you have questions as to what constitutes appropriate appearance. Where necessary, a reasonable accommodation may be made for a person with a disability. Without unduly restricting individual tastes, the following personal appearance guidelines should be followed:

- Tank tops, tube or halter tops, or shorts may not be worn under any circumstances.
- Unnaturally colored hair such as green, blue, or pink, do not present an appropriate professional appearance and are not allowed.
- Poor personal hygiene is not professionally acceptable.
- Excessive facial jewelry, such as eyebrow rings, nose rings, lip rings, and tongue studs, is not professionally appropriate and must not be worn during business hours.
- Clothing or other identifiers that represent an individual as gang affiliated is expressly prohibited.
- Tattoos and body art that are offensive must always be covered. Management retains the right to determine the appropriateness of tattoos and/or body art that is visible.
- Perfume, cologne, and aftershave lotion should be used moderately or avoided altogether, as some individuals may be allergic or sensitive to strong fragrances.

MST recognizes the importance of individual gender expression and gender identity, religious dress and grooming, and traits historically associated with race, including hair texture and protective hairstyles. MST will reasonably accommodate an employee's gender expression, gender identity, religious dress and grooming, and traits historically associated with race (including hair texture and protective hairstyles) in terms of workplace attire and grooming, unless such accommodation is precluded by business necessity.

5.4 Discipline

The purpose of this policy is to state MST's position on administering equitable and consistent discipline for unsatisfactory conduct and performance of duties in the workplace. The best disciplinary measure is the one that does not have to be enforced and comes from good leadership and fair supervision at all employment levels.

MST's own best interest lies in ensuring fair treatment of all employees and in making certain that disciplinary actions are prompt, uniform, and impartial. The major purpose of any disciplinary action is to correct the problem, prevent recurrence, and prepare the employee for satisfactory service in the future.

Disciplinary action may call for any of four steps -- verbal warning, written warning, suspension with or without pay, or termination of employment -- depending on the severity of the problem and the number of occurrences. There may be circumstances when one or more steps are bypassed.

Progressive discipline means that, with respect to most disciplinary problems, these steps will normally be followed: a) a first offense may call for a verbal warning; b) a second offense may be

followed by a written warning; c) a third offense may lead to a suspension; and, d) a fourth offense may then lead to termination of employment.

MST recognizes that there are certain types of employee problems that are serious enough to justify either an immediate suspension, or, for gross misconduct or gross negligence situations, termination of employment without going through the usual progressive discipline steps.

While it is impossible to list every type of behavior that may be deemed a serious offense, the Employee Conduct and Work Rules policy includes examples of problems that may result in immediate suspension or termination of employment. However, the problems listed are not all necessarily serious offenses, but may be examples of unsatisfactory conduct or performance that will trigger progressive discipline. The list below sets forth examples and is not all inclusive of behaviors that are unacceptable and will lead to disciplinary action up to and including termination of employment.

- Incompetence- The inability to properly discharge duties.
- Unsatisfactory performance-General unsatisfactory performance of duties.
- Insubordination-The willful refusal to comply with a reasonable and lawful work order as directed by a superior in the course of employment.
- Willful Neglect of Duty-Includes failure to observe established MST procedures, rules or instructions as defined in the Standard Operating Procedures, Employee Handbook, or requirements contained in any Collective Bargaining Agreement.
- Failure or Refusal to Perform Assigned Duties-Includes the failure to work on regularly scheduled days off when requested by MST due to personnel shortages, emergencies, examinations, or other valid reasons; the refusal to submit to an examination ordered by an MST superior or a law enforcement officer to determine whether the employee is under the influence of alcohol, marijuana, or drugs; the refusal to submit to an examination to determine if employee is physically or mentally fit to perform the essential functions of their position (Fitness for Duty Exam).
- Financial Interests-Refusal to disclose financial interests as required by law.
- Attendance-Violation of the MST Attendance Policy including but not limited to patterns of absenteeism.
- Altering Records-Concealing, falsifying, altering, misusing, or removing records, including electronic records.
- Dishonesty, fraud, bribery- Including falsification of time records, logging in on behalf of a co-worker, logging out on behalf of a co-worker, or making any false claims for wages or reimbursement.
- Lying-Providing false information, written or verbal during an investigation.
- Inappropriate Influence-Accepting anything of value or promise which might tend to influence the decision or determination of the employee.
- Misrepresentation-Including misrepresentation of the employee's authority to represent the MST.
- Theft-Unauthorized use, taking of, or tampering with MST property or cash.
- Criminal Conviction-Conviction of any crime that is relevant to the duties of the employee's position.

- Appearance-Failure to maintain neat and clean personal appearance and to dress in clothing appropriate for the employee's assigned duties, including the proper maintenance of any uniform prescribed by the MST. The term "neat and clean" shall be reasonably applied to employees performing physical tasks, recognizing the nature of the tasks.
- Safety Rules-Failure to comply with safety rules, including the use of safety equipment, or unsatisfactory safety record as evidenced by accidents or injuries.
- Public Trust- Where employees are required as part of their duties to represent the MST to the public, any acts, habits, attitudes, appearance, or combination of factors that together impair the public trust or confidence required of the employees to effectively perform their duties.
- Hatch Act-Violation of the Hatch Act or other requirements included in an approved Contract of Assistance, or otherwise mandated by the State or Federal governments.

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and MST. For the resolution and/or processes for disputing any disciplinary action, refer to the CBA or the MOU, whichever applies.

Regular, full-time employees will be afforded due process and representation during any disciplinary process and at the request of the employee.

Nothing in this policy alters any applicable at-will policy during the introductory period or otherwise for those employees in certain designated units.

Nothing in this policy is intended to interfere with employees' rights to participate in concerted activity such as communicating with their co-workers regarding their wages, hours, or terms and conditions of employment, or with any other rights protected under the MMBA.

5.5 Drug-Free Workplace

It is MST's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

Pursuant to the Drug Free Workplace Act of 1988, MST prohibits "the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance in the workplace. Employees must abide by these prohibitions. If an employee is convicted of violating any criminal drug statute for conduct occurring in the workplace, the employee must notify the Director of Human Resource no later than five days after such a conviction." In addition, MST is required to notify the FTA within 10 days of receiving the report.

The use of legally prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger the employee, MST's customers, or other individuals in the workplace.

MST has a separate 'DOT/FTA Anti-Drug Use and Alcohol Misuse Policy which provides information on prohibited substances and conduct, disciplinary consequences for violations or

prohibited use or conduct, opportunities for rehabilitation, circumstances for testing, testing procedures and protocols, provisions regarding prescription drug use, confidentiality, and employee training per federal regulations 49 CFR Parts 655 and 40. The policy is a Zero Tolerance Policy. Any violation of this policy will result in the immediate termination of employment. Such violations may also have legal consequences for the employee.

To inform employees about important provisions of the DOT/FTA Anti-Drug Use and Alcohol Misuse Policy, MST provides training for all new employees during orientation. All revisions to the Anti-Drug Use and Alcohol Misuse Policy will be reported to all employees via MST memo and distributed via email and posting to Compliance Boards.

Employees with questions or concerns about substance dependency or abuse are encouraged to use the resources of the Employee Assistance Program or contact the Drug and Alcohol Program Manager (DAPM) or Designated Employer Representative (DER) per Section 7 of the DOT/FTA Anti-Drug Use and Alcohol Misuse Policy: “Opportunities for Rehabilitation in the Policy.”

If any employee tests positive for any prohibited substance or conduct per Section 6 of the DOT/FTA Anti-Drug Use and Alcohol Misuse Policy: “Disciplinary Consequences for Violations of Prohibited Use or Conduct,” the employee is subject to immediate termination; therefore, it is important employees report their substance dependency or abuse immediately. Employees may also wish to discuss these matters with their supervisor or the Human Resources Department to receive assistance or referrals to appropriate resources in the community.

Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program through MST’s health insurance benefit coverage. Leave may be granted if the employee agrees to abstain from use of the problem substance; abides by all MST policies, rules, and prohibitions relating to conduct in the workplace; and if granting the leave will not cause MST any undue hardship. A positive result from a random test will result in the immediate removal of the employee from duty and subsequent termination. The employee will be referred to a Substance Abuse Professional or Counselor.

Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with their supervisor or the Human Resources Department without fear of reprisal.

If there are any discrepancies between the terms of this policy and the DOT/FTA Anti-Drug Use and Alcohol Misuse Policy, the terms of the DOT/FTA Anti-Drug Use and Alcohol Misuse Policy apply.

Drug Testing

MST is committed to providing a safe, efficient, and productive work environment for all employees. Using or being under the influence of drugs or alcohol on the job may pose serious safety and health risks. To help ensure a safe and healthful working environment, job applicants selected for hire and employees in safety sensitive positions will be required to submit to a pre-employment drug test pursuant to MST’s Drug Abuse and Alcohol Misuse Program to detect any

illicit or illegal drugs and/or alcohol, (Post-offer screens include only a 5-panel drug screen per DOT/FTA regulations). Hiring is contingent upon a test result showing no detection of illicit or illegal drugs. Refusal to submit to testing will result in disciplinary action, up to and including termination of employment. Random testing is required for all employees in safety-sensitive positions.

The Employee Assistance Program (EAP) provides confidential counseling and referral services to employees for assistance with such problems as drug and/or alcohol abuse or addiction. It is the employee's responsibility to seek assistance from the EAP prior to reaching a point where the employee's judgment, performance, or behavior has led to imminent disciplinary action. Participation in the EAP after the disciplinary process has begun may not preclude disciplinary action, up to and including termination of employment.

Copies of the DOT/FTA Anti-Drug Use and Alcohol Misuse Policy are provided to all employees. Employees are required to sign an acknowledgement form indicating that they have received a copy of the drug testing policy. Questions concerning this Policy or its administration should be directed to the DAPM or DER.

A complete copy of this policy can be requested from Human Resources. This document is updated when the DOT or FTA requires amendments to the program. Each update will be provided to all employees with a signed receipt for the employee's personnel file.

If there are any discrepancies between the terms of this policy and the DOT/FTA Anti-Drug Use and Alcohol Misuse Policy, the terms of the DOT/FTA Anti-Drug Use and Alcohol Misuse Policy apply.

5.6 Security Inspections and Workplace Monitoring

MST is required to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, MST prohibits the possession, transfer, sale, or use of such materials on its premises. MST requires the cooperation of all employees in administering this policy.

Desks, lockers, and other storage devices may be provided for the convenience of employees but remain the sole property of MST. Accordingly, any authorized agent or representative of MST can inspect them, as well as any articles found within them, at any time, either with or without prior notice. For ATU assigned lockers, an ATU representative will be notified of the need for inspection and will be requested to be present during this time. In the event of an emergency only, ATU will be notified; however, the locker may be entered without the presence of an ATU representative.

Workplace monitoring may be conducted by MST to ensure quality control, employee safety, security, and customer satisfaction.

Employees who regularly communicate with customers may have their telephone conversations monitored or recorded. Telephone monitoring is used to identify and correct performance problems through targeted training. Improved job performance enhances our customers' image of MST as

well as their satisfaction with our service. No employee will be recorded unless the employee has provided signed, written authorization. MST will provide the written authorization form.

Computers furnished to employees are the property of MST. As such, computer usage and files may be monitored or accessed. Coaching and evaluation accountability reports conducted via the internet are available to the MST in the same manner as telephone monitoring for targeted performance training.

MST may conduct video surveillance of non-private workplace areas. Video monitoring is used to identify safety concerns, maintain quality control, detect theft and misconduct, and discourage or prevent acts of harassment and workplace violence.

Employees can request access to information gathered through workplace monitoring that may impact employment decisions. Access will be granted unless there is a legitimate business reason to protect confidentiality or an ongoing investigation.

Because MST is sensitive to the legitimate privacy rights of employees, every effort will be made to guarantee that workplace monitoring is done in an ethical and respectful manner.

5.7 Smoke-Free Workplace

In keeping with MST's intent to provide a safe and healthful work environment, smoking in the workplace is prohibited except in those locations that have been specifically designated as smoking areas. Smoking is the inhaling or tasting of smoke produced by burning substances, most commonly tobacco, including the use of e-cigarettes. In situations where the preferences of smokers and nonsmokers are in direct conflict, the preferences of nonsmokers shall prevail. The designated smoking areas are in bus shelters at MST facilities. Local ordinances in each of our member jurisdictions will dictate policy.

This policy applies equally to all employees, customers, and visitors.

5.8 Electronic Data and Communications

The term "Electronic Data and Communications" consists of any digitally stored or transferred information using an electronic device which, while not limited to, can include the use of computers, phones, fax machines, tablets, and on-as-well-as-off-site data storage systems. All Electronic Data and Communications employees may create on behalf of MST are the sole property of MST, not the employee, and should only be created or used for MST's best interests. This includes all digital files, software, and hardware employees may create, whether original work or as an alteration of pre-existing work. Employees have no right to privacy with regard to any Electronic Data and Communications created on behalf of MST, nor with regard to any Electronic Data and Communications which may be transmitted over MST devices or networks.

All employees must always conduct themselves in the use of MST Electronic Data and Communications in an ethical and professional manner. This policy is designed to guide employees in their use of electronic devices on behalf of MST, including all electronic devices owned or leased by MST, used or accessed on MST premises and/or networks, used for or on

behalf of MST, or used to create content identifying or associated with MST's business operations. Employees should consult a supervisor or a human resources manager if they have questions or concerns related to this policy.

MST has the right to use any legal means in order to gain access to digitally stored information owned by MST. Take care to not transmit or store own sensitive personal information while using MST devices, networks, or on MST property. MST routinely monitors employee use of its electronic devices. At our discretion, MST or an authorized agent of MST may access all MST-owned Electronic Data and Communications including, but not limited to, digital files, imagery, emails, text messages, voicemails, and social media posts. Employees will be subject to discipline and possible prosecution if found to be creating, modifying, accessing, or sharing MST-owned Electronic Data and Communications, devices, or networks in an inappropriate or illegal manner.

Employees may only access MST's Electronic Data and Communications using devices and systems that they have been granted access to. This means employees may not access Electronic Data and Communications restricted to management, other employees, or third parties without prior authorization. Depending on the type and sensitivity of access granted to individual employees of MST, such employees may need additional training, and additional access and cybersecurity policies may be required for such individuals. Access to certain types or classes of Electronic Data and Communications may be changed at any time at the discretion of MST.

Employees must use MST's Electronic Data and Communications in strict compliance with MST's confidentiality policy described herein. Take care not to disclose confidential information to inappropriate persons or without authorization, especially when communicating with outside parties. MST may use its Electronic Data and Communications, devices, and networks according to the needs of the business and applicable law.

MST's Electronic Data and Communications, devices, and networks may not be used to create or display anything that might disparage or negatively impact MST's public image, reputation, or would otherwise be contrary to MST's best interests. In addition, employees using MST's Electronic Data and Communications, devices, and networks are prohibited from the following: engaging in discriminatory, harassing, obscene, or illegal conduct; engaging in copyright, trademark, or other intellectual property infringement; accessing Data and Electronic Communications that an employee is restricted or prohibited from accessing; or otherwise violating MST policy. Employees must use MST's Electronic Data and Communications in strict compliance with MST's policy prohibiting harassment, discrimination, and retaliation set forth in this Handbook.

Employees may use MST devices and networks for personal use on their personal time (before and after work; during lunch and other breaks) provided there is no additional cost to MST. In using MST devices and networks for personal use, employees must still comply with all MST Electronic Data and Communications policies. Employees also should be aware that use of MST devices and networks for personal use means that use may become an official record, and that the employee has no right to privacy with respect to any Electronic Data and Communications transmitted or stored via MST devices and networks.

The connection of personal devices (also referred to as hardware), as well as the installation of

personal applications (also referred to as software) to MST devices and networks without prior notification to and approval by MST is expressly forbidden and may be subject to disciplinary action.

Employees must also take care to not use MST's Electronic Communications or Devices in any way that compromises their security, integrity, or disrupts their ability to function. Be wary of suspicious emails, communications from unknown parties, or notifications and downloads from sites that are not trusted. Employees must contact the information technology department or a manager immediately if they become aware of any suspicious behavior on a MST device or network, or think you may have downloaded or installed something (virus, ransomware, adware, spyware) accidentally.

Employees must advise their supervisor of any password(s) they use to gain access to the MST Electronic Data and Communications as well as any changes to such password(s). Such notice must be provided immediately.

Nothing in this Electronic Data and Communications Policy is intended to interfere with employees' rights to participate in concerted activity such as communicating with their co-workers regarding their wages, hours, or terms and conditions of employment, or with any other rights protected under the MMBA.

5.9 Workplace Etiquette and Norms

MST strives to maintain a positive work environment where employees treat each other with respect and courtesy. Sometimes issues arise when employees are unaware that their behavior in the workplace may be disruptive or annoying to others. Many of these day-to-day issues can be addressed by politely talking with a co-worker to bring the perceived problem to their attention. In most cases, common sense will dictate an appropriate resolution. MST encourages all employees to keep an open mind and graciously accept constructive feedback or a request to change behavior that may be affecting another employee's ability to concentrate and be productive.

The following workplace etiquette guidelines are not necessarily intended to be hard and fast work rules with disciplinary consequences. They are simply suggestions for appropriate workplace behavior to help everyone be more conscientious and considerate of co-workers and the work environment. Employees must contact their supervisor or manager or a Human Resources representative if they have comments, concerns, or suggestions regarding these workplace etiquette guidelines.

- Return copy machine and printer settings to their default settings after changing them.
- Replace paper in the copy machine and printer paper trays when they are empty.
- Retrieve print jobs in a timely manner and be sure to collect all pages.
- Be prompt when using the manual feed on the printer.
- Employees must pick up after themselves when using the copy room for a project.
- Be careful not to take or discard others' print jobs or faxes when collecting their own.
- When having a conflict with a co-worker, please address privately with them. If unresolved, then go to your supervisor. If the conflict involves conduct addressed in the

MST policy prohibiting harassment, discrimination, and policy, please follow the reporting procedure set forth in that policy.

- Try to minimize unscheduled interruptions of other employees while they are working.
- Be conscious of how voice travels and try to lower the volume of voices when talking on the phone or to others in open areas.
- Keep socializing to a minimum and try to conduct conversations in areas where the noise will not be distracting to others.
- Minimize talking between workspaces or over cubicle walls. Instead, conduct conversations with others in their workspace.
- Try to not block walkways while carrying on conversations.
- Refrain from using inappropriate language. Please see the MST policy prohibiting harassment, discrimination, and retaliation.
- Monitor the volume when listening to music, voice mail, or a speaker phone that others can hear.
- Behave in a manner consistent with state MST values and that supports the achievement of MST goals and objectives.

5.10 Personal Phone Calls and Cell Phone Use

Making personal phone calls or using cell phones during work, including texting and taking photographs, can be disruptive to others and interferes with employee productivity. Therefore, employees may not make personal phone calls or use their cell phones during work except during breaks, in the event of emergency conditions, or on rare occasions to handle pressing personal matters.

In the event of an “emergency condition,” employees may use their personal cell phones or other mobile devices to seek emergency assistance, assess the safety of a situation, or communicate with a person to verify their safety. An “emergency condition” is defined as conditions of disaster or extreme peril to the safety of persons or property at the workplace or worksite caused by natural forces or a criminal act, such as wildfires, floods, or a shooting; or an order to evacuate a workplace, work site, worker’s home, or the school of a worker’s child due to natural disaster or a criminal act. A “health pandemic” is not considered an emergency condition.

MST retains the right to outright prohibit all personal calls and cell phone use, except in the event of an emergency condition, and supervisors may prohibit personal calls for individual employees who abuse the privilege. Personal use of the MST telephone for long-distance and toll calls is not permitted. Employees may be required to reimburse MST for any charges resulting from their personal use of the MST telephone.

Always keep cell phones silenced or on low volume during work so that others are not disturbed. When making personal calls, voices should be kept at a low volume and employees should move away from others if possible.

Any employee who receives a MST-issued cell phone must not use it to make personal calls. Additionally, employees issued an MST cell phone are prohibited from using it while driving on MST business and/or MST time. If an employee’s position requires that the employee keep the MST cell phone turned on while driving, the employee must use a hands-free device.

MST-issued cell phones will remain MST's exclusive property and must be returned at the end of employment.

5.11 Confidentiality

In the course of employment with MST, employees may have access to and become acquainted with MST confidential, or trade secret and/or proprietary information from third parties with which MST conducts business. This information includes, but not limited to, non-public, economically and competitively valuable data, information, and documentation of a confidential, proprietary, or secret nature, which is or may be related to the business of third parties with whom MST collaborates. For example, trade secret information may include, but is not limited to, the following (whether or not reduced to writing): pricing schedules; methods; processes; pricing methodologies and formulae; financial information; and any other confidential, proprietary, or secret information (collectively "Trade Secrets/Proprietary Information").

Employees must not disclose any Trade Secrets/Proprietary Information, directly or indirectly, or use them in any way, either during their employment with MST and at all times thereafter, except as required in the course of the employment with MST. The obligation to not disclose such confidential information shall continue after an employee's separation of employment from MST.

Furthermore, during the course of employment with MST, employees may have access to and become acquainted with confidential or privileged information and data including, but not limited to, information relating to personnel, anticipated or existing litigation matters, or confidential negotiations. Employees are strictly prohibited from disclosing or using, directly or indirectly, such confidential or privileged information for any purpose other than the performance of their duties for the benefit of MST. Employees are personally responsible for safeguarding confidential and privileged information obtained during their employment with MST. The obligation to not disclose such confidential information shall continue after an employee's separation from employment with MST.

Nothing in this policy is intended to limit the ability of employees to discuss with other employees the terms and conditions of their employment including, but not limited to, such topics as wages, job performance, working conditions, workload, supervisors, or staffing.

5.12 MST Equipment and Property

Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using MST-owned property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Prior to the operation of any MST vehicle, the following procedure is required:

1. Inspect the vehicle for damage.
2. Immediately report any damage or incidents to the Communication Center and the immediate supervisor.
3. Log-In to the ACS system if the vehicle is equipped with the system.
4. Observe all traffic laws and regulations.

Report any change in California driver's license status to the Safety/Training Officer and the immediate supervisor.

Employees are expected to observe all established policies and procedures when signing out any MST vehicle or equipment.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations, shall result in disciplinary action, up to and including termination of employment.

5.13 Solicitations in the Workplace

Soliciting for causes and distributing non-work-related materials in the workplace may cause disruptions and interfere with productivity. Non-employees may not solicit or distribute literature on MST property at any time for any purpose.

MST employees are prohibited from solicitation and distribution of literature during working time for any purpose, including, but not limited to, requesting donations and funds, selling products or services, gathering signatures, promoting organizations, and non-work-related emails. Employees may not distribute literature at any time for any purpose in working areas.

"Working time" includes the working time of both the employee doing the soliciting and distributing and the employee to whom the soliciting or distributing is being directed. Working time does not include break periods, meal periods, or any other specified periods during the workday when employees are not engaged in performing their work tasks.

"Working areas" include any physical areas where employees are performing work, as well as MST Electronic Data and Communications as defined in this Handbook.

Information of special interest to all employees is posted regularly on bulletin boards. Employees may not post any information on these bulletin boards except that MST may make limited exceptions to this policy regarding bulletin boards for charitable activities, community organizations, or MST-sponsored events and organizations. Requests to place information on bulletin boards should be made directly to the Human Resources Department.

5.14 Visitors in the Workplace

To provide for the safety and security of employees and the facilities at MST, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

Because of safety and security reasons, family and friends of employees are discouraged from visiting. In cases of emergency, employees will be called to meet any visitor outside their work area.

All visitors should enter MST at the main entrance. Visitors will be asked to sign a guest book and wear an MST Visitor Badge while on MST property. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors. Visitors are required to sign out and return the MST Visitor Badge prior to leaving the property.

If an unauthorized individual is observed on MST's premises, employees should immediately notify their supervisor or, if necessary, direct the individual to the main entrance.

5.15 Identification Badges

In order to protect and maintain the safety and security of all employees, every employee is required to wear a picture identification badge at all times while on duty or on MST premises. Failure to do so will subject the employee to corrective action.

The ID badges are electronic proximity cards (prox cards) allowing the employee to enter select locations owned by MST. There is an electronic recording each time the prox card is used. All employees are issued prox cards and a signed receipt is placed in the employee's personnel file.

Human Resources will issue prox cards to all new employees during orientation. Loss or damage to prox cards should be reported to Human Resources immediately so that the badge can be deactivated in the MST system. Employees who repeatedly lose or damage prox cards may be subject to disciplinary action. The prox card is the property of MST and must be returned to MST at termination.

An employee's prox card must not be loaned to anyone, including co-workers. Failure to observe these safety regulations could endanger the safety and security of all other employees and could subject the employee to corrective action up to, and including, termination of employment.

5.16 Workplace Distractions

1.0 General:

Workplace distractions are activities an employee engages in while in control of, or maintaining a motor vehicle, or while performing any safety sensitive function, that has the reasonable potential to distract the employee from the primary task of safely controlling their work environment. Workplace distractions increase the risk of accidents and injuries. The primary responsibility of employees tasked with operating vehicles or with performing safety sensitive functions is to operate and maintain our vehicles safely and perform safety sensitive functions safely. The task of safely operating and maintaining a vehicle requires full attention and focus. Prohibited activities include those that take an employee's eyes and attention away from any safety sensitive activity including the maintenance and operation of the vehicle they are in control of and its immediate vicinity and include, but are not limited to, unnecessary conversations, eating, and operation of unnecessary electronic communication and entertainment devices. Violations of the Workplace Distractions Policy shall result in disciplinary action.

2.0 Definitions:

2.1 Revenue Vehicle – Shall be defined as any MST full size bus, mini-bus, Trolley bus, or minivan.

2.2 Non-Revenue Vehicle – Shall be defined as any other vehicle type used by administrative, transportation, maintenance, or facilities personnel.

2.3 “In Control of” – Shall be defined as “While seated in the driver’s seat.”

3.0 Personal & MST Issued Electronic Devices:

3.1 While in control of any MST Revenue Vehicle, personal electronic devices such as cell phones, pagers, MP3 players, and video games should be turned off, stowed off of the Driver’s person, and out of sight and reach. MST owned cellular phones issued exclusively for business communication and cell phone use as provided in item 3.5 of this policy, are exempt from this provision and may be left on and accessible.

3.2 All MST employees are strictly prohibited from using any personal or MST issued cellular phone, (with or without Bluetooth ® or any other wireless “hands free” technology), at any time while they are in control of any MST Revenue Vehicle. This shall include while the vehicle is stationary or in motion – regardless of if it is in or out of revenue service. Cell phones may be used on a limited basis during the employee’s scheduled break, provided that the employee is not in control of the vehicle. While on duty, the use of cell phones shall be limited and shall not interfere with the collection of fares or providing customer assistance.

3.3 All MST Employees are strictly prohibited from using any personal or MST issued cellular phone, (with or without Bluetooth ® or any other wireless “hands free” technology), at any time while they are conducting a pre-trip, post-trip, or relief- point vehicle inspection of any MST Revenue Vehicle.

3.4 Employees wearing any earphone, Bluetooth ® or any other wireless “hands free” device while in control of any MST Revenue Vehicle, or while conducting a pre-trip, post-trip, or relief- point vehicle inspection of any MST Revenue Vehicle, shall be considered to be in violation of this policy.

3.5 Mechanics responding to road calls are permitted to use a cellular phone to contact other Maintenance Department staff while in control of Revenue Vehicles for the purposes of vehicle diagnosis and troubleshooting related tasks. The cell phone shall only be used when the vehicle is stationary and not in operation. Any cell phone used while a Revenue Vehicle is in motion, even with “hands free” accessories, is prohibited.

3.6 Except as permitted under item 3.5, maintenance department staff are not permitted to directly conduct any maintenance, repair, servicing or fueling activities while using a cell phone, including a hands-free device. Employees using phones must cease work activities listed above and move away from the vehicle and/or any safety sensitive activities.

3.7 All MST Employees are required to utilize “hands free” technology when operating a cellular phone while they are in control of any MST owned Non-Revenue vehicle. “Hands free” accessories may include a wired earphone, or Bluetooth® wireless device.

3.8 MST employees driving Non-Revenue Vehicles must pull off the road, out of traffic, if no “hands free” device is in use when using a cellular phone.

3.9 All MST Employees are strictly prohibited from using or reading text-messaging features on any cellular phone device while in control of any MST owned vehicle.

3.10 MST Employees driving Non-Revenue Vehicles must pull off the road, out of traffic, when accessing business related text messaging features on MST issued cellular phones.

3.11 Laptop computers used by supervisory staff in the field shall only be accessed when the vehicle is parked and out of traffic.

3.12 The use of any audiovisual system (I.E. MP3 players, iPods®, video gaming systems, portable DVD players) is strictly prohibited by employees while they are in control of any MST owned vehicle, (to include all Revenue, and Non-Revenue Vehicles), or while conducting a pre-trip, post-trip, or relief- point vehicle inspection of any MST Revenue Vehicle.

4.0 Non-Electronic Driver-Controlled Distractions:

4.1 There are many other distractions, besides electronic devices, that can divert attention from safe driving. At all times, the driver should have both hands free to control the vehicle. The following are some common distractions that may impact a driver’s attention and should be avoided anytime the vehicle is in motion:

1. Food or drink
2. Grooming
3. Personal reading material
4. Paperwork
5. Unnecessary conversation

5.0 Inherent Distractions:

5.1 MST-Authorized or Required Reference Material: Drivers may need to refer to maps, directions, text messages sent via the 'MST's communications system, duty cards, or other instructions to perform their job duties. These actions should be performed while the vehicle is stopped at a safe location.

5.2 Passengers: Drivers should avoid unnecessary conversation with passengers while the vehicle is in motion. A driver’s focus should remain on safe, defensive operation of the vehicle. Anytime conversation impacts safe driving, the driver should politely discourage the passenger

from continuing to engage in unnecessary conversation or pull the vehicle off the road at the next service stop until the situation can be resolved.

5.17 Commercial Driver's License

The California Commercial Motor Vehicle Safety Program was enacted to improve traffic safety on our roadways. As a result, California has developed licensing and testing requirements for drivers of commercial vehicles, which equals or exceeds federal standards.

To operate commercial vehicles, employees must apply for a California Driver's License (CDL). An employee needs a CDL if they operate a vehicle or combination of vehicles which requires a Class A, B, or C license with endorsements. A commercial motor vehicle is a motor vehicle or combination of vehicles designed or used for either the transportation of persons for compensation or property, and

- Has a gross vehicle weight rating (GVWR) of 26,001 pounds or more
- Has three or more axles (excludes three axle vehicles weighing 6,000 pounds or less gross).
- Is any vehicle (bus, farm labor vehicle, public paratransit vehicle, etc.) designed, used, or maintained to carry more than 10 passengers including the driver, for hire or profit, or is used by any nonprofit organization or group.

A special endorsement is also required to drive the following types of vehicles. The endorsement shows as a single letter on the driver license.

- Passenger transport vehicles-P

Special certificates may sometimes be required in addition to a CDL, depending on the type of vehicle to be driven by the employee.

Verification of Transit Training Document (VTT) - Requires drivers of transit bus vehicles to comply with specified training requirements. Transit bus vehicles provide the public with regularly scheduled transportation for which a fare is charged. (Does not include public paratransit vehicle.) Drivers who have a school bus certificate or school pupil activity bus certificate do not need a VTT.

Individuals applying for an original or renewal certificate to drive a general public paratransit vehicle must submit a report of a medical examination of the individual given not more than two years prior to the date of the application by a physician licensed to practice medicine, a licensed advanced practice registered nurse qualified to perform a medical examination, a licensed physician assistant, or a licensed doctor of chiropractic listed on the most current National Registry of Certified Medical Examiners. Drivers who hold certificates to drive school buses, School Pupil Activities Buses (SPAB), youth buses, General Public Paratransit Vehicles (GPPV), or farm labor vehicles must have their medical examinations given by a Doctor of Medicine, licensed physician's assistant, registered advanced practice nurse, or a chiropractor listed on the National Registry of Certified Medical Examiners. (VC12517.2)

As noted above, a medical report dated within the last two years is required for any CDL application and then every two years after that. Employees will be given a Medical Certificate Card (DL 51A) to carry when driving commercially. Employees can be given a citation for driving out of class if the medical certificate expires or an employee drives without a valid medical certificate in their possession.

It is the responsibility of each Commercial Driver to:

- maintain and keep valid and current their own documents
- provide updated documents verifying medical and licensing to the Communication Center. A receipt from the DMV for the medical certification is required and must be provided to the Communication Center at TDA or a Supervisor at CJW or to any new facility that is home to the Communication Center (Refer to Article 26 of ATU CBA).
- To maintain and carry a driver logbook.

It is the responsibility of all employees to:

- notify their supervisor within 72 hours when issued a citation or when they have been convicted of any moving violation.

MST maintains a database on employee driving records, whatever the class of license. A driving record free of excessive moving violations and/or accidents must be maintained to operate Revenue and/or Non-Revenue Vehicles. Failure to comply will result in disciplinary action.

As a condition of operating an MST vehicle, employees must not exceed six (6) points on their Department of Motor Vehicle record. Should any employee exceed six (6) points, action will be taken in the form of counseling, remedial training and/or disciplinary action for repeated DMV violations.

5.18 Accident/Observation/Occupational Injury Reports

Accident, incident, observation reports and occupational injury reports are due on the date of the occurrence and must be completed by the employee involved. Under certain circumstances a supervisor may allow a report to be turned in the next day but not more than 24 hours after the occurrence.

Accident Report Review: The on-duty Supervisor or Manager will review the report with the employee for complete and correct information.

Counseling: Any employee involved in a Preventable Chargeable Accident shall be interviewed by their Supervisor to review the circumstances of the accident.

A Non-Chargeable Preventable Vehicle Accident is defined as any occurrence involving an MST owned vehicle, in which the driver in question has failed to do everything reasonable to prevent said accident, and the accident:

- results in property damage to MST owned property in which the cost for the repair of said damage is less than stated in the disciplinary guidelines,
- did not result in damage to non-MST property, and
- did not result in any personal injury.

A Chargeable Preventable Vehicle Accident is defined as any occurrence involving an MST owned vehicle, in which the driver in question has failed to do everything he/she reasonably could have done to prevent said accident, and the accident:

- resulted in property damage to MST owned property in which the cost for the repair of said damage is as listed in the disciplinary guidelines, or
- resulted in any damage to non-MST property regardless of what was damaged, or to what extent, or
- resulted in any personal injury, regardless of who was injured, or to what extent.

A Non-Preventable Accident is defined as an occurrence in which a driver commits no errors and reacts reasonably to the errors of others (circumstances and situation beyond control of the employee).

A passenger accident is defined as an occurrence involving an injury to any person aboard, boarding, or alighting from an MST vehicle, other than vehicle operators or other MST employees actually performing job duties, regardless of whether the person has paid a fare. Reportable passenger accidents include, but are not limited to, the following:

- Passenger falling or tripping within the vehicle
- Passenger being thrown by abrupt vehicle starts, stops or maneuvers.
- Passengers being struck by objects carried aboard the vehicle.
- Passengers being struck by objects thrown from outside the vehicle.
- Passengers suffering injury from fires, explosions, exhaust gases or other fumes.
- Contact between a portion of a passenger's body protruding from inside the vehicle and an outside object.

An Incident/Unusual occurrence is defined as any occurrence, which by the nature of the act, affects the normal operation of an MST transit bus.

Employees must obtain all information necessary to ensure an accurate and complete report before leaving the scene, including obtaining Courtesy Cards from passengers aboard the bus. If possible, employees should try to obtain Courtesy Cards from witnesses outside the bus. Courtesy cards are required for all types of reports.

All information concerning MST involvement in accidents is confidential. Employees must not make statements about anything to anyone other than law enforcement officers, supervisory personnel of MST, the Safety Training Officer, Risk and Security Manager or any person acting on MST's behalf.

All employees are required to report all accidents/incidents immediately by:

- Calling the Communications Center and report the damage.
- Completing an Occurrence Report.

An employee shall be charged with a Preventable Accident when they fail to follow established vehicle inspection procedures, and damage is found which had not been previously reported.

Providing false information during any investigation shall result in disciplinary action up to and including termination of employment.

Employees with an unsatisfactory safety records will be counseled, evaluated, and considered for retraining, discipline and/or termination.

5.19 Parking

In order to maintain a safe work environment and help identify authorized vehicles on MST property, parking permits must be displayed on all employee-owned vehicles. Parking permits are to be displayed according to instructions given with the permit. Parking badges must be displayed by hanging on the rearview mirror of vehicles or rear fender of motorcycles.

Parking permits are always required for all employee vehicles on MST property. Employee parking permits are issued through the Human Resources Department and are property of MST. Permits must be surrendered upon termination of employment.

MST is not responsible for personal vehicles or contents. All employees, visitors and guests park at their own risk and are responsible for their own vehicles. Do not keep any valuables in the vehicle and securely lock it.

Please observe the following:

- One nontransferable permit is issued for each vehicle.
- Permit numbers must be visible at all times.
- Rules providing no parking in red curbs, fire lanes, handicapped stalls, blocking traffic, blocking walkway, not in a marked stall, no current parking permit, stop signs, and speeding are always enforced.
- Vehicles and motorcycles must be parked only in the designated spaces within the parking area.
- Vehicles displaying official handicapped decals should be parked in designated spaces.
- Employees may not park in stalls designated for visitors.

SECTION VI - Employee Benefits -

6.1 Benefits Generally

Eligible employees at MST are provided a wide range of benefits. Several of the programs (such as Medicare, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. The supervisor can identify the programs for which an employee is eligible. Details of many of these programs can be found elsewhere in the Employee Handbook. The Human Resources Department is available to answer questions or provide Summary Plan Descriptions for the Benefit plans.

The following are some of the benefit programs that are available to eligible employees:

- Health insurance or opt out and receive in-lieu (required)
- Dental Insurance (required)
- Vision Insurance (required)
- Basic Life Insurance (required)
- Dependent Life Insurance (optional)
- Defined Pension Plan (required)
- Employee Assistance Program
- 457 Deferred Compensation Plan
- Mileage Reimbursement
- Tuition Reimbursement
- Supplemental Insurances-disability, life, dental, hospital, cancer care, etc. (optional)
- Paid Time Off
- Holidays
- Leaves of Absence
- Time off to Vote
- Time off for Jury Duty
- Alternative Work schedules

Required and Optional benefit programs require contributions from the employee. For a listing of benefits available, please refer to the ATU CBA or the MSTEA MOU.

6.2 457 Deferred Compensation

MST has established a deferred compensation plan to provide employees the potential for future financial security for retirement. The Public Employees Retirement System provides plan administration services and sponsors investment options for deferred compensation plans and qualified retirement plans established by Public Employers for employees ("Participants"). The plans are established under Section 457 of the Internal Revenue Code of 1986. All employees are eligible to participate as long as the employee is a minimum of 21 years of age. Employees may join the plan at any time during employment. Eligible employees may participate in the plan subject to all terms and conditions of the plan.

The plan allows employees to elect the amount they wish to contribute and direct the investment of their plan account, so they can tailor a own retirement package to meet their individual needs.

Because an employee's contribution to a plan is automatically deducted from their pay before federal and state tax withholdings are calculated, employees save tax dollars now by having current taxable amount reduced. While the amounts deducted generally will be taxed when they are finally distributed, favorable tax rules typically apply to plan distributions.

Complete details of the plans are described in the Summary Plan Description provided to eligible employees. Contact the Human Resources Department for more information about any of the plans offered.

6.3 COBRA

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under MST's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at MST's group rates plus an administration fee. MST and CalPERS provide each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under MST's health insurance plan. The notice contains important information about the employee's rights and obligations.

If there are any questions about COBRA, please can contact the Human Resources Department for more information.

6.4 Tuition Reimbursement

MST recognizes that the skills and knowledge of its employees are critical to the success of the agency. The educational assistance program encourages personal development through formal education so that employees can maintain and improve job-related skills or enhance their ability to compete for reasonably attainable jobs within MST.

Eligible employees may receive reimbursement for tuition, books, and materials for job related courses. Eligibility is defined in either the Collective Bargaining Agreement with the Amalgamated Transit Union and/or the Memorandum of Understanding with the MST Employee Association.

While educational assistance is expected to enhance employees' performance and professional abilities, MST cannot guarantee that participation in formal education will entitle the employee to automatic advancement, a different job assignment, or pay increases.

6.5 Workers' Compensation

MST provides a comprehensive workers' compensation program at no cost to employees. This program covers any injury or illness sustained in the course of employment that requires medical,

surgical, or hospital treatment. Subject to applicable legal requirements, workers' compensation provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Employees who sustain work-related injuries or illnesses must inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible should the incident result in the need for medical care.

MST is not liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity.

6.6 Free Public Transportation

For all regular employees of MST, MST shall grant free transportation over its lines to employees, as well as spouses, principal domestic partners living full time within the employee's permanent residence, dependent children, and dependent parents of all employees, retirees and spouses, widows, widowers and minor children of deceased employees.

For ATU represented employees only, the term "Principal Domestic Partner" is defined as an unmarried equivalent of spouse who shares the same residence with an employee. The employee shall sign each application for free transportation for their spouse or principal domestic partner. Only one person shall qualify as spouse or principal domestic partner at the same time, and only one such application may be made each year.

For MSTEA, Confidential Unit and unrepresented employees, the term Principal Domestic Partner is defined as set forth in California Family Code Section 297.

This employee benefit does not extend to the MST RIDES program, nor is this benefit extended to the employees of MST's contractors.

6.7 Ergonomics

MST has developed an ergonomics program to minimize repetitive motion injuries (RMIs) in the workplace. The primary elements of the ergonomics program include: (1) worksite evaluations, (2) control of exposures that may cause RMIs, and (3) ergonomic training of employees. The ergonomics program also focuses on educating employees on their personal responsibility to ensure good work habits (such as posture and body mechanics) and adequate fitness for work.

RMIs are musculoskeletal injuries, identified and diagnosed by a licensed physician that can result from a job, process, or operation where employees perform the same repetitive motion tasks. Examples of repetitive motion tasks include, but are not limited to, sustained computer keyboard and mouse usage; assembling materials and products; or lifting, carrying, and loading objects.

When more than one RMI has been reported at MST within a 12-month period that results from a job, process, or operation of identical work activity, a worksite evaluation will be conducted. The evaluation identifies potential exposures that may have caused RMIs and determines the methods

MST will use to control or minimize them. Affected employees will be informed of the potential exposures and trained in the control measures.

Every reasonable effort will be made to correct in a timely manner exposures that may have caused RMIs or, if the exposure is not capable of being corrected, to minimize it to the extent feasible. In determining how to correct or minimize exposures, MST will consider reasonable, cost-effective engineering or administrative controls.

Employees are provided with training that includes an explanation of the ergonomics program, exposures that have been associated with RMIs, the symptoms and consequences of injuries caused by repetitive motion, the importance of reporting symptoms and injuries, and the methods used to minimize RMIs.

All employees are encouraged to immediately report to the Human Resources Department all suspected RMIs, RMI symptoms, or other ergonomic concerns. If an employee has a workplace RMI that has been identified and diagnosed by a licensed physician, they are required to report it to the Human Resources Department as soon as possible.

Post-offer medical examinations are required for those positions in which there is a bona fide job-related physical requirement. They are given to all persons entering those positions only after conditional job offers to help ensure they are able to perform their duties safely. Medical records will be kept separate and confidential.

6.8 Suggestion Program

Employees of MST may contribute to our future success and growth by submitting suggestions for practical work-improvement or cost-savings ideas.

All regular employees are eligible to participate in the suggestion program. The suggestions box and forms are available in breakroom(s).

A suggestion is an idea that will benefit MST by solving a problem, reducing costs, improving operations or procedures, enhancing customer service, eliminating waste or spoilage, or making MST a better or safer place to work. Statements of problems without accompanying solutions, or recommendations concerning co-workers and management, are not appropriate suggestions.

All suggestions should contain a description of the problem or condition to be improved, a detailed explanation of the solution or improvement, and the reasons why it should be implemented. If an employee has questions or need advice about their idea, they should contact their supervisor for help.

Suggestions are collected by the Operations Department, and, after review, they will be investigated and responded to by the appropriate department. All suggestions are reviewed by Executive Management. As soon as possible, the employee will be notified of the adoption or rejection of their suggestion as well as a summary or response to this suggestion.

Special recognition will be given to employees who submit a suggestion that is implemented.

6.9 Employee Assistance Program

MST cares about the health and well-being of its employees and recognizes that a variety of personal problems can disrupt their personal and work lives. While many employees solve their problems either on their own or with the help of family and friends, sometimes employees need professional assistance and advice.

Through the Employee Assistance Program (EAP), MST provides confidential access to professional counseling services for help in confronting such personal problems as alcohol addiction, or other legal and non-legal substance abuse, marital and family difficulties, and emotional distress. The EAP is available to all employees and their immediate family members offering problem assessment, short-term counseling, and referral to appropriate community and private services when needed.

The EAP is strictly confidential and is designed to safeguard an employee's privacy and rights. Information given to the EAP counselor may be released only if authorized by the employee in writing. All counselors are guided by a Professional Code of Ethics.

Personal information concerning employee participation in the EAP is maintained in a confidential manner. No information related to an employee's participation in the program is entered into the personnel file.

There is no cost for employees to consult with an EAP counselor for the first three (3) visits. If further counseling is necessary, the EAP counselor will outline community and private services available. The counselor will also let employees know whether any costs associated with private services may be covered by their health insurance plan. Costs that are not covered are the responsibility of the employee.

Minor concerns can become major problems if they are ignored. No issue is too small or too large, and a professional counselor is available to help employees when they need it. Contact the Human Resources Department for the EAP flyer with the contact information. The employee is responsible for setting up an appointment.

All employees will be given the opportunity to seek out professional help when they are struggling in the workplace. However, on occasion, MST may make a mandatory management referral to the EAP counselors for an employee who has been identified as having a change in behavior, change in performance, or if there is some concern for the employee's own safety and wellbeing.

6.10 Flexible Spending Account

Eligible employees who wish to do so may set up flexible spending accounts (FSAs). These are accounts regulated under IRS Code Section 125 that allow employees to withhold a portion of their salary on a pre-tax basis to cover the costs of medical, dental, and vision insurance; qualifying insurance premiums; co-payments; out-of-pocket insurance expenses; dependent care expenses, such as daycare; and other expenses. If enrolled, an employee will be able to specify the amount they wish to deduct from their salary to contribute to the FSA. The employee will forfeit any

unused funds remaining in the FSA at the end of the plan year. Contact a human resources manager to review the official benefit documentation plan or if there are any questions or concerns regarding eligibility.

6.11 Workplace Accommodation Schedules/Alternative Work Schedules

MST endeavors to foster a work environment that maximizes productivity and flexibility for supervisors and staff. Therefore, MST supports the use of the flexible/alternative work schedules and telework schedules designed to meet the operating and customer service needs of each department.

This policy applies to all MSTEA and Confidential Unit employees who have successfully passed their introductory period and are in good performance standing. Reference MSTEA MOU Article 14-Workplace Accommodations.

Definitions

A. Flex-time. “Flex-time” is an arrangement that offers flexibility in arrival, departure and/or lunch times. Flex-time does not alter the total number of hours worked in a week. Employees can propose an arrival and departure time, for a total of eight hours of work per day. For example:

- 7:00 a.m. to 3:30 p.m. Monday-Friday (with an half-hour lunch)
- 9:00 a.m. to 6:00 p.m. Monday-Friday (with an hour lunch)
- 7:00 a.m. to 4:00 p.m. (with an hour lunch)

B. Alternate Workweek. “Alternate Workweek” is an arrangement that enables employees to work extended daily hours in order to take a portion of a day or a full day off during the work period. For example:

- The “4-10” (or “4-40”) work week (4 days at 10 hours per day)
- The “9-80” work week (4 days at 9 hours per day, one 8-hour day and one day off)
- The “4-9-4” work week (4 days at 9 hours per day, and one 4- hour day)

C. Standard Full-Time Workweek. “The Standard Full-time Workweek” shall be no less than 40 hours. The normal office hours for MST are 8:00 a.m. to 5:00 p.m., Monday through Friday.

D. Telework Schedule. Telework refers to a schedule where an employee works from home or from another location away from the usual workplace, on a regular basis, at least one day a week, pursuant to an approved agreement.

Eligibility

Exempt and Non-Exempt Employees, with their Department Manager/Director’s authorization, may be eligible to work flexible/alternate schedules or telework. The approval of such accommodations shall be dependent upon the essential functions of the position and the business needs of MST. Approval or denial must be in writing setting forth the grounds for the decision.

The form and process for such a request can be provided by the Human Resources Department upon request.

Employees who have requested and been approved for a workplace accommodation schedule will be required to take a lunch period of no less than 30 minutes each day. Two 10-minute break periods are provided each day. Breaks and lunch periods may not be combined in any day to shorten the workday. MST may modify workplace accommodation schedules from time to time.

Requesting a Workplace Accommodation Schedule

If an employee wishes consideration for a workplace accommodation schedule, the employee must submit the request in writing to the supervisor, using the Workplace Accommodation Schedule Request Form. The Department Head will review the request and advise the employee of final determination. If the employee is requesting to engage in a telework schedule, the employee must put the request in writing by completing the Workplace Accommodations Schedule Request Form, a Telework Agreement form and an IT equipment agreement. The supervisor and the Department Head will review the request; however, MST's General Manager/CEO will have the final determination.

Departments are encouraged to make reasonable efforts to accommodate employee requests for workplace accommodation work schedules but should recognize that these schedules are considered exceptional arrangements and accommodations. Approval is granted only when MST management believes that the change in working hours will accommodate the effective and efficient operation of MST or the department, and the employee's work performance will not be adversely affected. This decision is at the sole discretion of MST and is not subject to the grievance procedure.

MST reserves the right to suspend, cancel or amend this policy at any time. MST Management has the right to cancel or suspend use of workplace accommodation work schedules at any time and to return an employee to their standard schedule if the employee's schedule does not allow the department to operate effectively and efficiently; if changes in circumstances necessitate the return to standard schedule; or if an employee experiences performance problems deemed to be related to the workplace accommodation work schedule. Such circumstances will be evaluated on a case-by-case basis. Employees who are on a telework schedule will be required to complete the Workplace Accommodations Schedule Request form every 90 days based on changing needs to the MST and/or change of need for the employee.

Guidelines

- A. MST Management shall consider an employee request based on department/MST needs and specific circumstances.
- B. Workplace accommodation work schedules shall not adversely affect the services that are provided to customers, MST staff or other MST stakeholders. The quantity, quality, and timeliness of employee work must be enhanced or maintained.

- C. Departments must ensure office services are provided during the normal business hours.
- D. Adequate supervisory contact and/or employee accountability must be maintained.
- E. Workplace accommodation work schedules must not cause or contribute to the need for additional staff or for in-office staff to take on additional duties or work additional overtime hours.
- F. There is no requirement that a Workplace Accommodation work schedule be uniformly available to all positions in a department. Not every function is conducive to such scheduling because of service requirements. This should not deter MST management from approving workplace accommodation work schedules for positions where such scheduling is possible and/or would maintain services. Where multiple employees request the use of a workplace accommodation work schedule, a method for the equitable allowance of flextime should be developed by the supervisor.
- G. Employees are not required to participate if they choose not to do so.
- H. Workplace accommodation work schedules should be established for an extended period of time, and not on a day-to-day basis.
- I. Workplace accommodation work schedules must be agreed to in advance by MST management and the employee, must be in writing and must remain in effect until the written agreement is amended, lapses or terminates.
- J. A department that has established a workplace accommodation work schedule may discontinue, temporarily suspend and/or alter the arrangement if work requirements change or service is impaired. An employee may also request a change in schedule.
- K. Schedule changes initiated by the supervisor require a minimum of 14 days advance notice in writing unless parties mutually agree to the change.
- L. Vacation and sick leave will reflect the hours scheduled for the workday. (For example, if an employee is scheduled for 9 hours on Monday and requests vacation for the day, 9 hours of vacation will be recorded on the timesheet).
- M. During weeks in which paid holidays occur, the workplace accommodation work schedule should be adjusted so that the 8 hours of holiday pay does not increase or decrease the total hours scheduled in the work week or result in an overtime situation.

Forms and Tools

Employees must complete and submit a request for a workplace accommodation work schedule to the supervisor using the Workplace Accommodation Work Schedule Request Form, IT Equipment Agreement and Telework Agreement Form. The forms need to be signed off by the supervisors/manager, Department Head, IT Representative and finally the General Manager/CEO.

See Sections 4.1 and 4.2 of this Handbook for policies on reasonable accommodations for qualified employees with a disability.

SECTION VII

- Time Off and Leaves of Absence -

7.1 Requesting Leave

MST's operations rely on having a dependable and consistent workforce. However, we understand that circumstances will sometimes require employees to take time off work. Eligible employees are entitled to various types of leave that are either mandated by law or offered by MST on a discretionary basis. Unless a specific type of leave in this policy provides a different notice time or the amount of notice time is otherwise dictated by law, employees must provide as much advance notice as possible prior to taking planned leave. If the need for leave is unforeseeable or is needed on an emergency basis, the employee must give notice as soon as possible under the circumstances. Supervisors retain the discretion as to whether to approve any requested leave unless otherwise required by applicable law.

Employees must properly submit all requests for leave and receive authorization prior to taking the time off work. Unless required to authorize the leave by law, MST will grant leave requests based upon MST needs and MST's ability to absorb the missed work. MST reserves the right to penalize, demote, transfer, or reassign employees that take extended leaves of absence, unless prohibited by law. If an employee is unsure as to which types of leave they are eligible to receive, consult a human resources manager.

MST complies with the federal Family and Medical Leave Act (FMLA), U.S. Department of Labor (DOL) guidelines, the California Family Rights Act (CFRA), and all rights required under applicable state and federal law regarding family and medical leave. Please see the Family and Medical Leave section below for more information.

7.2 Paid Time Off (PTO)

Paid Time Off (PTO) is an all-purpose time-off policy for eligible employees to use for vacation, illness or injury, and personal business. It combines traditional vacation and sick leave plans into one flexible, paid time-off policy. Employees in the following employment classification(s) are eligible to earn and use PTO as described in this policy:

- Limited Duty and Suburban Board (reference Article 55 and Article 56 of the MST, ATU Collective Bargaining Agreement (CBA))
- Regular full-time employees (reference either the CBA or the MST Employee Association Memorandum of Understanding (MSTEAMOU)).

Once employees enter an eligible employment classification, they begin to earn PTO according to a schedule. Employees may request to use PTO after it is earned. The amount of PTO employees receive increases with the length of their employment as defined in the CBA and/or MSTEAMOU.

For a complete explanation of eligibility for those employees covered under the MST, ATU Collective Bargaining Agreement, refer to Article 2.

For a complete explanation of eligibility requirements, accrual amounts and Management Leave benefits, all units other than ATU, refer to the Memorandum of Understanding between MST and the MST Employee Association

An employee's benefit year may be extended for any significant leave of absence except as required by law. Employees may request use of this time after it is earned. Paid Time Off may be accrued to a maximum as defined in the Collective Bargaining Agreement for ATU represented employees and the MOU for all other units.

In some classifications (non-exempt clerical personnel, for example) Paid Time Off can be used in minimum increments of one hour dependent upon the department's need and with prior approval. To take Paid Time Off, employees must request advance approval from their supervisors. Requests will be reviewed based on several factors, including business needs and staffing requirements.

Time Off Requests for Coach Operators must be approved through the Communication Center. Should the employee have no available time accrued, the time off request may not be granted. The granting of Paid Time Off without time on the books is at the discretion of MST management.

Paid Time Off is paid at the employee's base pay rate at the time leave is taken. Compensation for Paid Time Off does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

As previously stated, employees are encouraged to use available Paid Time Off for rest, relaxation, and personal pursuits. An employee may request a pay-out of Paid Time Off accruals providing that employee has taken or has scheduled a minimum of three-(3) days in the previous twelve-(12) months.

Additionally, an employee on an extended absence for illness or injury may apply for any other available compensation and benefits, such as State Disability or Paid Family Leave through the State of California Employment Development Department. The combination of any such disability payments and Paid Time Off cannot exceed the employee's normal weekly earnings.

Abuse or misuse of Paid Time Off shall result in disciplinary action up to and including termination of employment. Paid Time Off abuse includes, but is not limited to:

1. A pattern of using Paid Time Off as it is accrued;
2. Patterned use before or after weekends, holidays, regular days off, vacations; and/or
3. Taking Paid Time Off without approval of supervisor or designate.

Upon termination of employment, employees will be paid any remaining Paid Time Off and Holiday (see Holiday Time Off policy, below) accruals that have been earned through the last pay period.

7.3 Personal Leave of Absence

MST provides leaves of absence for personal reasons, with or without pay, to eligible employees who wish to take time off from work duties on a case-by-case basis.

Employees may request a personal leave of absence only after having completed their introductory period. As soon as the eligible employee becomes aware of the need for a personal leave of absence, they must request a leave from their supervisor.

Personal leaves of absence may be granted for a period of up to thirty (30) calendar days. If this initial period of absence proves insufficient time, consideration will be given to a written request for a single extension. An employee will be required to use any paid time off (PTO) accrual and holiday accrual available to them at the time the leave begins.

Requests for a personal leave of absence will be evaluated based on several factors, including anticipated workload requirements and staffing considerations during the proposed period of absence.

Subject to the terms, conditions, and limitations of the applicable plans, health insurance benefits will be continued by MST at the same level the employee selected, for the first thirty (30) calendar days or until the employee has been absent, unpaid, for thirty (30) calendar days, after which the employee will pay the employee's share of benefits. Accrual of personal leave and Holiday will cease after 30 days unpaid leave. When the employee returns from a leave of absence, benefits will again be provided by MST according to the applicable plans if the employee remains eligible for the benefit plans.

When a leave of absence ends, every reasonable effort will be made to return the employee to the same position, if it is available, or to a similar available position for which the employee is qualified. However, MST cannot and does not guarantee reinstatement, since the same position, or like position if qualified, may not be available at the time reinstatement is sought.

If an employee fails to report to work promptly at the expiration of the approved leave, MST will assume the employee has resigned.

7.4 Holiday Time Off

MST will grant holiday time off or accrue holiday hours for all eligible employees on the holidays listed in the ATU CBA or MSTEA MOU.

To be eligible for holiday pay, employees must work their regularly scheduled day immediately preceding and their first scheduled day immediately following the holiday.

In most cases, when a recognized holiday falls on a Saturday, the holiday will be observed on the preceding Friday. If a recognized holiday falls on a Sunday, the holiday will be observed on the following Monday. If a recognized holiday falls during an eligible employee's paid absence, holiday pay will be accrued.

Holiday accrual will be in accordance with the ATU CBA or the MSTEA MOU Agreement

7.5 Family and Medical Leave Act (FMLA)/California Family Rights Act (CFRA)

The federal Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA) provide for overlapping as well as separate family and medical leaves. In the past, they both applied to employers with 50 or more employees. However, on January 1, 2021, California greatly expanded CFRA coverage. The CFRA now applies to all employers with five or more employees while the FMLA remains applicable to those with 50 or more employees. When an employee is deemed eligible to use FMLA, MST will run CFRA concurrently when it is applicable.

Family and Medical Issue	FMLA Requirements	CFRA Requirements
Maximum amount of leave	FMLA provides a maximum of 12 weeks of leave in a 12-month period. FMLA also provides 26 weeks of leave for an employee who is the spouse, son, daughter, parent or next of kin for a covered military servicemember who requires care.	CFRA provides a maximum of 12 weeks of leave in a 12-month period.
Employee eligibility	Eligible employees must have worked for MST for 12 months (need not be consecutive) and 1,250 hours in the last 12 months immediately prior to the commencement of the leave.	Employees are eligible if they have worked for MST for 12 months and 1,250 hours in a 12-month period immediately prior to the commencement of the leave.
Reasons for Leave	An employee can use FMLA in the following circumstances: <ul style="list-style-type: none"> • The employee's own serious health condition. • A qualifying exigency relating to close covered family member's (employee's spouse, child, parent) military service. • Up to 26 weeks per 12-month period to care for a seriously ill or injured covered service-member (spouse, child, parent, next of kin). • Pregnancy-related disability. • Bonding with a newborn, an adopted child or a child placed in foster care with an employee. 	An employee can use CFRA in the following circumstances: <ul style="list-style-type: none"> • The employee's own serious health condition. • A qualifying exigency relating to a close covered family member's (employee's spouse, domestic partner, child, parent) military service. • Bonding with a newborn, an adopted child or child placed in foster care with employee. • Caring for a covered family member (parent, child, grandparent, grandchild, sibling, spouse, registered

	<ul style="list-style-type: none"> • Caring for a covered family member (parent, child or spouse) with a serious health condition. 	domestic partner, parent-in-law, or a designated person (defined as any individual related by blood to the employee or whose association with the employee is the equivalent of a family relationship) with a serious health condition. MST may limit employees to one “designated person” per 12-month period.
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Requesting FMLA Leave

Employees must make verbal or written requests for FMLA/CFRA leave to the human resources department. MST will provide employees with a FMLA/CFRA packet within five (5) business days of request. Where the need for the leave is foreseeable, employees are required to request FMLA/CFRA leave at least 30 days prior to taking the leave. If the need for leave is not foreseeable, employees must give notice as soon as is reasonably practical after becoming aware of the need for FMLA leave, not to exceed three (3) business days. MST will provide employees a written response to their FMLA requests within five (5) business days of receiving the medical certification form (described below) notifying the employee if the employee is eligible for leave. Once the employee has been deemed eligible for leave, it is up to the employee to make a request for leave with their immediate supervisor, manager, or Communications Center.

FMLA/CFRA leave is unpaid. Employees may choose to take paid time, such as paid time off, while taking FMLA/CFRA leave. It is up to the employee to determine and communicate if they would like to take the leave paid or unpaid. If they would like to take paid time, then they will need to tell the Human Resources Department if they would like to use their paid time off, personal leave, holiday hours, apply for State Disability Insurance (SDI) or Paid Family Leave (PFL) and coordinate pay.

Intermittent and Reduced Leave

The FMLA/CFRA permits employees to take leave on an intermittent basis or to work a reduced schedule under certain circumstances. Only the amount of leave taken while on an intermittent/reduced schedule leave may be charged as FMLA/CFRA leave. Employees may not be required to take more FMLA/CFRA leave than necessary to address the circumstances that cause the need for leave.

Employees needing intermittent/reduced schedule leave for foreseeable medical treatment must work with their supervisors to schedule the leave so as not to unduly disrupt MST’s operations. The employee will complete a time off request if the need for time is in the future. If it is a sudden occurrence due to a serious health condition, an employee will be required to submit a ‘health care provider’s note for the absence. In such cases, MST may transfer the employee temporarily to an

alternative job with equivalent pay and benefits that accommodate recurring periods of leave better than the employee's regular job.

Medical Certification/Medical Updates

Any request for medical leave for an employee's own serious health condition or for family care leave to care for a covered family member with a serious health condition or for a serious injury must be supported by medical certification from a health care provider. For FMLA military caregiver leave, the employee must provide confirmation of a family relationship to the seriously ill or injured service member.

MST will provide the applicable Medical Certification Form to the employee. Employees generally must provide the required certification within fifteen (15) calendar days after MST's request for certification. For foreseeable leaves, employees must provide the required medical certification before the leave begins. When this is not possible, employees must provide the required certification within fifteen (15) calendar days of MST's request for certification, unless it is not practicable under the circumstances to do so, despite the employee's good faith efforts.

The medical certification for a leave to care for a Covered Family Member, as described above, who has a serious health condition must include all of the following:

- The date on which the serious health condition commenced;
- The probable duration of the condition;
- An estimate of the amount of time that the health care provider believes the employee needs to care for the individual requiring the care; and
- A statement that the serious health condition warrants the participation of a family member to provide care during a period of the treatment or supervision of the individual requiring care.

Upon expiration of the time estimated by the health care provider regarding the probable duration of the covered family member's condition, the employee must obtain recertification if additional leave is required.

The medical certification for leave for the employee's own serious health condition must include all of the following:

- The date on which the serious health condition commenced;
- The probable duration of the condition; and
- A statement that, due to the serious health condition, the employee is unable to perform the function of the employee's position.

Where permitted by law, if MST has a good faith objective reason to doubt the validity of the medical certification provided by the employee for the employee's own health condition, MST

may require the employee to obtain a second opinion from a health care provider selected by MST at MST's expense. If the employee's health care provider providing the original certification and the health care provider providing the second opinion do not agree, MST may require a third opinion, also at MST's expense, performed by a mutually agreeable health care provider who will make a final determination.

MST may require that the employee obtain subsequent recertification regarding the employee's serious health condition on a reasonable basis if additional leave is required.

Maintenance of Health Benefits

While an employee is on a FMLA/CFRA leave, MST will continue to pay its portion of the employee's benefits. Once the employee goes into a non-paid status, it will be the responsibility of the employee to pay for the employee's portion of the benefits. Direct payments for benefits are to be paid to the Human Resources Department by the 10th of each month. If the employee is unable to pay for their portion of the benefits or fails to pay their portion of the benefits owed, MST will cancel their benefits at the first of the month following the failure to pay.

MST's obligation to maintain health benefits under FMLA/CFRA stops if and when an employee informs MST of their intent not to return to work at the end of the leave period, or if the employee fails to return to work when the FMLA/CFRA leave entitlement is exhausted.

In some circumstances, MST may recover premiums it paid to maintain health insurance coverage for an employee who fails to return to work from FMLA/CFRA leave.

Job Restoration

Before returning to work from a FMLA or CFRA leave of absence due to the employee's own serious health condition, the employee must provide a written release signed by the employee's health care provider that the employee is able to return to work and is able to perform the essential functions of that employee's job, with or without reasonable accommodation. Employees will be guaranteed reinstatement to the same or a comparable position, meaning virtually identical to the original job in terms of pay, benefits, and other employment terms and conditions, upon timely return from FMLA/CFRA leave.

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In addition, an employee's use of FMLA/CFRA leave cannot result in the loss of any employment benefit that the employee earned or was entitled to before using (but not necessarily during) FMLA/CFRA leave.

“Key” Employee Exception

Under limited circumstances where restoration to employment of an individual will cause “substantial and grievous economic injury” to its operations, MST may refuse to reinstate certain highly paid, salaried “key” employees. In order to do so, MST must notify the employee in writing of their status as a “key” employee (as defined by FMLA/CFRA), the reasons for denying job restoration, and provide the employee with a reasonable opportunity to return to work after so notifying the employee.

7.6 Military Family Leave

The FMLA and the CFRA provide leaves of absence for employees with family members in military service.

Qualifying Exigency Leave

A covered employer must grant an eligible employee up to 12 workweeks of unpaid, job-protected leave during any 12-month period for qualifying exigencies that arise when the employee's spouse, son, daughter, parent, or registered domestic partner (CFRA only) is on covered active duty or has been notified of an impending call or order to covered active duty.

Covered active duty means:

- For members of the Regular Armed Forces, duty during deployment of the member with the Armed Forces to a foreign country; or
- For members of the Reserve components of the Armed Forces (members of the National Guard and Reserves), duty during deployment of the member with the Armed Forces to a foreign country under a call or order to active duty in support of a contingency operation.

Deployment to a foreign country includes deployment to international waters. Qualifying exigencies for which an employee may take FMLA/CFRA leave include making alternative child care arrangements for a child of the deployed military member, attending certain military ceremonies and briefings, or making financial or legal arrangements to address the military member's absence.

Military Caregiver Leave

A covered employer must grant an eligible employee up to a total of 26 workweeks of unpaid, job-protected FMLA leave during a "single 12-month period" to care for a covered servicemember with a serious injury or illness. The employee must be the spouse, son, daughter, parent, or next of kin of the covered servicemember. A covered servicemember is either:

- A current member of the Armed Forces (including a member of the National Guard or Reserves) who is undergoing medical treatment, recuperation, or therapy; is in outpatient status; or is on the temporary disability retired list, for a serious injury or illness, or
- A veteran of the Armed Forces (including the National Guard or Reserves) discharged within the five-year period before the family member first takes military caregiver leave to care for the veteran and who is undergoing medical treatment, recuperation, or therapy for a qualifying serious injury or illness. A veteran who was dishonorably discharged does not meet the FMLA definition of a covered servicemember.

For a current servicemember, a serious injury or illness is one that may render the servicemember medically unfit to perform their military duties. For a veteran, a serious injury or illness is one that rendered the veteran medically unfit to perform their military duties, or an injury or illness that qualifies the veteran for certain benefits from the Department of Veterans Affairs or substantially impairs the veteran's ability to work. For veterans, it includes injuries or illnesses that were

incurred or aggravated during military service but that did not manifest until after the veteran left active duty.

7.7 Military Leave

MST strives to provide job security and prevent discrimination against employees engaged in military service. Eligible employees who are members of the Uniformed Services of the United States are entitled to military leave to participate in active or inactive duty, training, or fitness examinations, including, but not limited to, those in the Armed Forces, the Army National Guard, the Air Force National Guard, state militias, or reservists. Military leave is granted according to state and federal law for employees who satisfy the pertinent legal requirements. An employee may be entitled to continued health insurance or paid or unpaid leave for a period during leave. Employees must provide their supervisors with as much advance notice as possible before taking military leave and return to work within the timeframe prescribed by law after service ends.

In accordance with state and federal law, it is against MST policy to discriminate against an employee or applicant for employment on the basis of that person's membership or other service in the Uniformed Services of the United States, including denying such person employment, reemployment, promotion, compensation, or other benefit. No such person may be retaliated against for exercising their rights as a military service member under law or MST policy. Employees must contact a human resources manager immediately if they believe they have been the subject of discrimination, retaliation, or harassment on the basis of military membership. Also, contact human resources to request detailed information regarding eligibility for military leave or for other related inquiries.

7.8 Pregnancy Disability Leave

This policy is in compliance with the Fair Employment and Housing Act (FEHA) and the CFRA. As such, MST provides information about pregnancy leave rights to employees and posts this information in a conspicuous place where employees tend to gather.

In addition to family and medical leave required under state and federal law, California law provides employees with up to a maximum of the number of days or hours the employee would normally work within four months (one-third (1/3) of a year or seventeen and a third (17-1/3) weeks) of pregnancy disability leave (PDL) for each pregnancy to employees who are disabled due to pregnancy, childbirth, or a related medical condition. If an employee's schedule varies from month to month, a monthly average of the hours worked over the four (4) months prior to the beginning of the leave will be used for calculating the employee's normal work month. PDL may be used before or after birth any time an employee is physically unable to work because of pregnancy or a condition related to pregnancy. Employees are required to request PDL at least 30 days prior to taking the leave and to notify MST of the estimated duration of the PDL. If 30 days' notice is not possible because of a change in circumstances or a medical emergency, an employee must give notice as soon as is reasonably practical. Nothing in this policy shall exclude a transgender individual who is disabled by pregnancy.

PDL is only available when an employee is actually disabled by pregnancy, including time off for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, recovery from childbirth, or any related medical condition.

An employee may request a reasonable accommodation for pregnancy, childbirth, or related medical conditions, such as modification of duties, schedules, or equipment. In addition to other forms of reasonable accommodation, a pregnant employee may be entitled to transfer temporarily to a less strenuous or hazardous position or to less hazardous or strenuous duties if she so requests, the transfer request is supported by proper medical certification, and the transfer can be reasonably accommodated.

Whenever possible, an employee should submit a written request, or if a written request is not possible, a verbal request for pregnancy disability leave, reasonable accommodation, or pregnancy disability transfer to her supervisor as soon as she is aware of the need for such leave or transfer. If the leave, reasonable accommodation, or transfer is foreseeable, the employee must provide thirty (30) calendar days advance notice to MST of the need for pregnancy disability leave, reasonable accommodation, or transfer. If it is not practicable for the employee to give thirty (30) calendar days advance notice of the need for leave, reasonable accommodation, or transfer, the employee must notify her supervisor or Human Resources as soon as practicable after she learns of the need for the pregnancy disability leave, reasonable accommodation, or transfer.

If an employee fails to provide the requisite thirty (30) days advance notice of foreseeable need for leave, reasonable accommodation, or transfer, without any reasonable excuse for the delay, MST may delay the taking of the leave, reasonable accommodation, or transfer until at least thirty (30) days after the date the employee provides notice of the need for the leave, reasonable accommodation, or transfer.

Any request for a pregnancy disability leave must be supported by medical certification from a health care provider, which shall provide the following information: (a) the date on which the employee became disabled due to pregnancy; (b) the estimated duration of the leave needed; and (c) a statement that the employee needs to take pregnancy disability leave because she is disabled by pregnancy, childbirth, or a related medical condition.

In the case of a pregnancy disability reasonable accommodation or transfer, the medical certification shall provide the following information: (a) a description of the requested reasonable accommodation or transfer; (b) the date on which the need for reasonable accommodation or transfer became or will become medically advisable; (c) the estimated duration of the need for reasonable accommodation or transfer; and (d) a statement describing the medical advisability of the reasonable accommodation or transfer because of pregnancy.

Upon expiration of the time period for the leave, reasonable accommodation, or transfer estimated by the health care provider, MST may require the employee to provide another medical certification if additional time is requested for leave, reasonable accommodation, or transfer.

An employee must also provide a medical certification prior to returning to work. Failure to provide required medical certifications might result in a delay or denial of an employee's requests.

Employees on pregnancy disability leave will accrue employment benefits only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual.

MST will provide health insurance benefits during Pregnancy Disability Leave to the same degree they were provided before the leave began. If an employee does not return to work from an unpaid Pregnancy Disability Leave, for a reason other than a circumstance beyond her control such as continuation of the disability, MST requires the employee to reimburse the amount it paid for the employee's health insurance premium during the leave period.

After using PDL, MST guarantees that an employee may return to the same position, and they may request this guarantee in writing. Employees on PDL that decide to end their PDL early will be reinstated within two business days of the notice to return. In the event that their former position is no longer available, such as due to a layoff, reduction in force or re-organization, MST must offer a position that is comparable in terms of pay, location, job content, and promotional opportunities, unless the MST can prove that no comparable position exists.

Employees are entitled to take PDL in addition to any leave they may be entitled to through FMLA/CFRA. For example, an employee could take four months' pregnancy disability leave for a disability, and 12 weeks' CFRA leave to bond with the baby; to bond with an adopted child; or to care for a parent, spouse, or child with a serious health condition. Note that CFRA leave may also be taken for an employee's own serious health condition. The first 12 weeks of PDL will be counted against leave required under the federal FMLA for eligible employees.

For more information, see DFEH-188 "California Family Rights Act" or consult with the Human Resources Department.

7.9 Workers' Compensation Leave

If an employee is unable to work due to a work-related injury or illness, they may be eligible for workers' compensation leave and benefits in accordance with state law. Workers' compensation leave may run concurrently with the first 12 weeks of FMLA/CFRA leave. Contact the human resources department to request detailed information regarding eligibility for workers' compensation leave or for other related inquiries or concerns.

7.10 Bereavement Leave

Employees who wish to take time off due to the death of an immediate family member should notify their supervisor immediately. Coach Operators are to notify their immediate supervisor and the Communication Center.

In the event of the death of an employee's spouse, children of the employee, children of the employee's spouse, parents of the employee, parents of the employee's spouse, brother or sister of the employee, brother or sister of the employee's spouse, adopted children or legal guardians of the employee, grandparent of the employee, grandchild of the employee, domestic partner of the employee, or any person who is a member of the employee's immediate household, said employee shall be permitted to take five non-consecutive days bereavement leave, excluding the employee's regular day off (RDO). For non-represented employees and those covered under the

MSTEA MOU, should the funeral take place outside of California, the employee may use an additional two (2) days of personal leave from their accrued balance. This leave must be taken within three months of the family member's death.

Any or all of the five days falling upon the employee's regular scheduled workday may be charged against the employee's accumulated personal leave or holiday time if the employee so requests, in which case the employee shall be paid personal leave benefits for said days. Otherwise, the employee shall be considered on unpaid leave of absence for the remainder of the funeral leave.

For those employees represented by ATU, reference Article 6, FUNERAL LEAVE in the MST, ATU Collective Bargaining Agreement. MSTEA, reference Article 8, FUNERAL LEAVE in the MST MSTEA Memorandum of Understanding.

The employee may use Personal Leave Accruals or Holiday Leave accruals during the period of absence if the employee so chooses. Should the employee request that paid time off apply to the absence but the employee's accrual balance is insufficient to cover the Bereavement Leave period, that portion of the bereavement leave will be without pay.

MST may require documentation to support the leave within thirty (30) days of the first day of employee's leave. This may include a death certificate; a published obituary; or written verification of death, burial or memorial services from a mortuary, funeral home, burial society, crematorium, religious institution or government agency.

7.11 Jury Duty

MST encourages employees to fulfill their civic responsibilities by serving jury duty when required.

Jury duty pay will be calculated based on the employee's base pay rate times the number of hours the employee would otherwise have worked on the day of absence. Regular full-time employees qualify for paid jury duty leave.

Upon receiving notice to report to jury duty, including pre-jury testing or other forms of jury duty order, the employee shall immediately notify MST.

An employee required to report for jury duty shall be entitled to time-off only for time the employee is actually required to physically report to the Courthouse. On those days, the employee shall receive full pay for said time required to attend Court. On any day in which the employee is released from jury duty without sufficient time to report to MST to resume their assignment, the employee shall not suffer any loss in pay for that day. Employees shall only be paid jury duty pay provided they are scheduled to work on the day they are required to attend Court for the purposes of jury duty. Employees shall use their best efforts to be lawfully excused from any jury service that requires service in excess of eight (8) weeks in any calendar year.

The employee shall be required to submit as proof the notification from the Court or Jury Commissioner. The employee shall be allowed to retain all fees, mileage or per diem awarded by law for said service.

An employee serving on jury duty shall be required to be available for assignment by MST on any day the employee is not required to be present in Court. Employees released from jury duty prior to 1:00 p.m. shall contact MST for instructions regarding work or stand-by assignments. The previous sentence shall not apply to an employee who has been impaneled (called to serve) on a jury.

An employee who calls in sick or is otherwise unavailable for duty shall not be eligible for jury duty pay for that day and may use any Personal Leave Accrual or Holiday accrual that is available in the employee's accrual bank.

If employees are required to serve jury duty beyond the period of paid jury duty leave, they may use any available paid time off (for example, personal leave or holiday accruals) or may request an unpaid jury duty leave of absence.

Employees must show the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate their absence. Of course, employees are expected to report for work whenever the court schedule permits.

Either MST or the employee may request an excuse from jury duty if, in MST's judgment, the employee's absence would create serious operational difficulties.

The employee shall not suffer any loss of benefits while serving on Jury Duty. Personal Leave and Holiday benefits will continue to accrue while the employee is serving on Jury Duty.

7.12 Voting Leave

MST encourages employees to fulfill their civic responsibilities by participating in elections. Generally, employees are able to find time to vote either before or after their regular work schedule. If employees are unable to vote in an election during their nonworking hours, MST will grant up to 2 hours of paid time off to vote.

Employees should request time off to vote from their supervisor at least two working days prior to the Election Day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift; whichever provides the least disruption to the normal work schedule.

Employees must submit a voter's receipt on the first working day following the election to qualify for paid time off.

7.13 Parental Leave for School Functions

Under California state law, eligible employee-parents are entitled to up to 40 hours per year, but no more than 8 hours per month, of unpaid leave to participate in their children's school or licensed daycare functions upon proper notice and request. Employees may use any accrued paid time off, holiday, or unpaid time off they may have. An employee is required to promptly return to work upon the completion of the school function. MST may require documented proof of the activity.

7.14 Witness Duty

MST encourages employees to appear in court for witness duty when subpoenaed to do so.

If employees have been subpoenaed or otherwise requested to testify as witnesses by MST, they will receive paid time off for the entire period of witness duty.

Employees required to appear in court as a witness in a case not associated with MST will be granted time off to appear in court. Under these circumstances, the employee may request to receive personal leave or holiday pay at their base rate. Should the employee not have enough accrual, the employee will be eligible for time off without pay.

The subpoena must be provided to the employee's supervisor or the Communication Center immediately after it is received so that operating requirements can be adjusted, where necessary, to accommodate the employee's absence. The employee is expected to report for work whenever the court schedule permits.

SECTION VIII **-Safety-**

8.1 Safety

Each employee is tasked with helping maintain a safe work environment and complying with all safety and health laws and regulations. Employees must report all injuries (no matter how minor), accidents, illnesses, safety hazards, and health concerns that they experience or observe to a human resources manager or other designated manager. Failure to abide by MST safety policies or to report unsafe conditions may result in discipline.

The California Occupational Safety and Health Act (Cal OSHA) is a California law, and the Occupational Safety and Health Act (OSHA) is a federal law requiring that MST maintain records of all work-related accidents and illnesses.

Employees are required to submit an incident report to Human Resources for all accidents, illnesses, or unsafe working conditions that an employee suffers or witnesses while on the job, no matter how small. Human Resources may prescribe a standardized incident report form for employees to use. Failure to complete an incident report may result in discipline.

An employee who is injured on the job must complete the "Employee's Claim for Workers' Compensation Benefits" (DWC Form 1) and return it to their supervisor or Human Resources. Failure to do so may affect an employee's ability to receive workers' compensation and other benefits.

Employees must contact a human resources manager if they or another co-worker is injured on the job. If necessary, contact emergency medical assistance.

Fire Safety

Employees are required to know and observe Cal OSHA and OSHA regulations, including helping prevent fires and maintain safe practices for avoiding fires in the workplace. Do not block access to any fire exits, doorways, windows, or fire extinguishers. Please keep all flammable materials stored in covered metal containers.

Security

As valued members of our team, we strive to always ensure employees' personal security. With this aim, we maintain the following security measures: MST facilities are monitored around the clock with facility cameras located in common areas. Each employee has been given a picture ID badge which they are required to wear while on duty and/or present at all MST facilities. The ID badges allow employee access to approved areas within each facility. Only authorized visitors are allowed in the workplace. Visitors are required to check in and must be escorted at all times by a MST employee. MST employees should contact the Human Resources department if they have questions or concerns regarding MST's security systems or if they discover a potential security breach.

Safety Committee

A Safety Committee appointed by the Risk and Security Manager and Safety/Training Officer shall be formed to review safety practices and the work environment. The Committee is typically scheduled for two (2) meetings per calendar year as determined by workload and activities of the Committee. The Committee shall consist of the Safety/Training Officer, two Coach Operators, one Maintenance Department representative, and one Union representative.

The Committee will review accident statistics, both vehicular and industrial. This would include a review of Preventable and Non-Preventable Accidents, patterns, and discussion of noteworthy cases (severe accidents, frequent types of occurrences, etc.) The Committee will coordinate with the Safety/Training Officer in the development of a suitable training outline for "Safety Training" for use in re-training employees involved in accidents.

8.2 Workplace Violence

MST is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, MST has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on MST premises.

All employees, including supervisorial, non-supervisorial, regular, and temporary, may expect to always be treated with courtesy and respect.

The following are examples, not all inclusive of prohibited behaviors:

- Horseplay-Employees are expected to refrain from fighting, "horseplay," or other unsafe or unreasonable conduct that may be dangerous to the employee or others.
- Weapons- Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from the premises of MST without proper authorization.

- **Conduct-** Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, gender, race, age, or any characteristic protected by federal, state, or local law.
- **Threats-** All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to the employee's immediate supervisor or any other member of management. This includes threats by employees, as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, please be as specific and detailed as possible.

All suspicious individuals or activities should also be reported as soon as possible to a supervisor. Employees should not place themselves in peril. If an employee sees or hears a commotion or disturbance near your workstation, they must not try to intercede or see what is happening.

MST will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, MST may suspend employees alleged to have threatened or engaged in violence, either with or without pay, pending investigation. Any employee who knowingly provides false information during an investigation will be subject to termination of employment.

Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

MST encourages employees to bring their disputes or differences with other employees to the attention of their supervisors or the Human Resources Department before the situation escalates into potential violence. MST is eager to assist in the resolution of employee disputes and will not discipline employees for raising such concerns.

8.3 Emergency Condition

In the event of an "emergency condition," MST cannot take or threaten adverse action against an employee for refusing to report to, or leaving, a workplace or worksite within an affected area because the employee has a reasonable belief that the workplace or worksite is unsafe.

An "emergency condition" is defined as conditions of disaster or extreme peril to the safety of persons or property at the workplace or worksite caused by natural forces or a criminal act, such as wildfires, floods, or a shooting; or an order to evacuate a workplace, work site, worker's home, or the school of a worker's child due to natural disaster or a criminal act. A "health pandemic" is not considered an emergency condition under this section.

When feasible, employees must notify MST of the emergency condition prior to leaving the worksite or refusing to report to work. If not feasible, employees must notify MST of the emergency condition as soon as possible.

This policy does not apply to the following:

- First responders as defined in Section 8562 of the Government Code including, but not limited to, a public safety dispatcher or public safety telecommunicator whose primary responsibility is to receive, process, transmit, or dispatch emergency and nonemergency calls for law enforcement, fire, emergency medical, and other public safety services by telephone, radio, or other communication device.
- Disaster service workers as defined in Section 3101 of the Government Code including, but not limited to, all public employees and all volunteers in any disaster council or emergency organization accredited by the Office of Emergency Services.
- Employees required by law to render aid or remain on the premises in case of an emergency.
- Employees of a private entity that contracts with the state or any city, county, or political subdivision of the state, including a special district, for purposes of providing or aiding in emergency services.
- Transportation employees participating directly in emergency evacuations during an active evacuation.
- Employee whose primary duties include assisting members of the public to evacuate in case of an emergency.

EMPLOYEE ACKNOWLEDGMENTS

I, the undersigned employee, understand and acknowledge the following:

The Employee Handbook describes important information about MST, and I understand that I should consult with my supervisor, manager, Department Head or Human Resources Department regarding any questions not answered in the handbook.

I have entered my employment relationship with MST voluntarily and acknowledge that there is no specified length of employment. Accordingly, either MST or I can terminate the relationship at-will, with or without cause, at any time, so long as there is no violation of applicable federal or state law. Introductory employees, part-time employees, interns, minors and volunteers are considered at-will employees.

Since the information, policies and benefits described here are necessarily subject to change, I acknowledge that revisions to the Employee Handbook may occur, except to MST's policy of employment-at-will for those units of employees defined in the Employer-Employee Relations Resolution (EERR), introductory employees, part-time employees, interns, minors, and volunteers. All such changes will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the General Manager/CEO, the Board of Directors or their designate have the authority to adopt any revisions to the policies in this Employee Handbook.

Furthermore, I acknowledge that this Employee Handbook is neither a contract of employment nor a legal document. I have received the Employee Handbook, and I understand that it is my responsibility to read and comply with the policies contained in this Employee Handbook and any revisions made to it.

I understand and acknowledge that this Employee Handbook is not intended to interfere with employees' rights to participate in concerted activity such as communicating with their co-workers regarding their wages, hours, or terms and conditions of employment, or with any other rights protected under the Meyers-Milias-Brown Act.

I sign in acknowledgment of, and agreement with, the above provisions.

Employee Signature: _____

Printed Name (printed): _____

Date: _____

TO BE PLACED IN EMPLOYEE FILE

ATTACHMENT 2

New Policy #	New Policy Title	Old Policy #
	Forward	
1.1	Who are We?	
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1.3	This Employee Handbook	
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To: Board of Directors
From: Steven Bruno, Purchasing Agent
Subject: Contract for Fuel Purchases from Mansfield Oil Company

RECOMMENDATION:

Authorize the General Manager/CEO to enter into a contract with Mansfield Energy for the purchase and delivery of fuel, valid from November 1, 2023, through February 10, 2027, with the option to extend one additional year thereafter, in an amount not to exceed \$22,200,578.

FISCAL IMPACT:

Biodiesel and unleaded gasoline fuels are included in the Board adopted FY2023/24 - FY2024/25 Budget and will be included in future budgets for the duration of the contract. The total \$22,200,578 amount includes the option year and assumes inflationary and volatility factors in the fuel market. MST will pay only the amount as it is dispersed from MST's fuel tanks to our vehicles.

POLICY IMPLICATIONS:

Your Board approves purchases over \$100,000.

DISCUSSION:

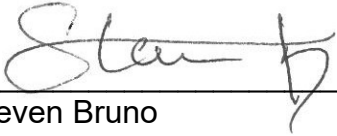
MST's current contract with SC Fuels for providing fuel to MST expires on October 31, 2023. Sourcewell, a purchasing cooperative that competitively bids all of its contracts, has awarded a fuel contract available for piggybacking by public transit agencies to Mansfield Energy. As a public transit agency, MST is eligible to piggyback off the Sourcewell cooperative which reduces staff time, and procurement time, and provides materials, equipment, and services through competitive bidding.

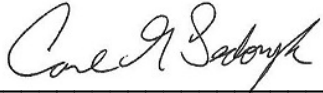
MST requested and received quotes and pricing information from SC Fuels and Mansfield Energy, two authorized providers listed on the Sourcewell cooperative. MST conducted a cost comparison of the two quotes, revealing that Mansfield Energy's annual pricing was approximately \$70,000 lower than SC Fuel's annual pricing.

As a result, staff recommends piggybacking off of the Sourcewell contract and entering into an agreement with Mansfield Energy for purchasing and delivering fuel to power MST's fleet of buses and support vehicles. MST's Operations staff foresees no operational or logistical problems or issues with switching fuel providers and supports this recommendation.

ATTACHMENT(S):

None.

Prepared by: 
Steven Bruno
Purchasing Agent

Reviewed by: 
Carl G. Sedoryk
General Manager/CEO

To: Board of Directors
From: Carl Sedoryk, General Manager/CEO
Subject: Performance Incentive Pool for MSTEA and Confidential Unit

RECOMMENDATION:

Approve MST 3.0% FY 2023 incentive pay pool for eligible Monterey-Salinas Transit Employee Association (MSTEA) and Confidential Unit employees (excluding the General Manager/CEO).

FISCAL IMPACT:

Approximately \$182,536 in annual one-time performance incentive payments for 70 eligible MSTEA and MST Confidential Unit employees (excluding the General Manager/CEO). This amount is available in the approved FY 2023 Operating Budget. The incentive payment shall be allocated by the GM/CEO based on achievement of the Board adopted strategic goals. The payments represent a one-time payment to eligible employees and shall not increase the employee's base pay.

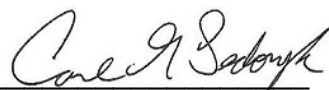
POLICY IMPLICATIONS:

Per an agreement with the MSTEA, each year your Board, based upon a recommendation from the CEO, establishes the size of an incentive pay pool which is 2-3% (percent) of the total base pay of eligible MSTEA and Confidential Unit Members.

DISCUSSION:

The current agreement with the MSTEA requires that an incentive pay pool equal to 2-3% (percent) of the total base pay of eligible MSTEA and Confidential Unit members shall be established by the Board for each contract year. The contract states that incentive pay shall be based upon meeting the Board's adopted annual performance goals and award percentages.

Based on the performance of the organization for MST FY 2023 which was reviewed with your Board at your meeting of September 11, 2023, the CEO recommends establishment of a 3% incentive pool with awards to be based upon completion of board goals.

Submitted by: 
Carl G. Sedoryk
General Manager/CEO

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To: Board of Directors

From: C. Sedoryk, General Manager/CEO

Subject: Monthly Report – August 2023

Attached is the new Monthly Report for August 2023 (Attachment 1) focused in the areas of People, Planet, and Performance.

On July 30 – August 2, I attended the American Public Transportation Association (APTA) APTATech and Sustainability / Operations Planning and Scheduling Workshops which were jointly held in Anaheim, CA.

I was a featured speaker at the APTATech conference where I participated in a panel discussion with other transit CEOs to discuss the emerging role of Information Technology in strategic decision making. I also attended sessions on fare equity, contactless payment systems, and autonomous vehicle technologies. I was also able to take advantage of attending several interesting sessions at the adjoining sustainability conference, including a session on how to achieve net zero carbon emissions on major capital projects.

August 24 – 25, I attended a meeting of the California Transit Association Executive Committee in Sacramento, CA to discuss pending Association-related business.

Attachment #1 – Monthly Report – August 2023

Complete detail of the Monthly Report can be viewed at:
<http://www.mst.org/about-mst/board-of-directors/board-meetings/>

Prepared by: 
Carl G. Sedoryk

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MST
MONTEREY-SALINAS TRANSIT

AUGUST 2023

MONTHLY REPORT

CONNECTING COMMUNITIES. CREATING OPPORTUNITY. BEING KIND TO OUR PLANET.



PEOPLE



PLANET



PERFORMANCE

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A. Introduction

This Monthly Report is intended to share performance data to the MST Board of Directors, our customers, and stakeholders, information regarding the overall performance of transit operations using the model developed by the Harvard Business School known as the “Triple Bottom Line.” In this model, companies measure their performance in the areas of “People, Planet, and Profit.” Using this model as a guide, MST presents this Monthly Report measuring data under the categories of People, Planet, and Performance.

Under the category of “People,” we share MST’s Service and Passenger Profile, Ridership on both fixed-route services and RIDES, and MST in the news.

Under the category of “Planet,” we share our positive impact on our planet in terms of GHG reduced from MST riders, single occupant vehicles removed from roads and highways, fleet transition to zero-emissions progress, and fuel conversion from diesel to renewable biofuel.

Under the category of “Performance,” we have included data in the areas of operations, maintenance of fleet and facilities, and finance.

Fixed-Route Performance Summary:

SERVICE DELIVERED		SERVICE QUALITY	
Ridership	238,508	On-Time Time Points	76,960
Passengers/Vehicle Revenue Hour	12.6	Delayed Time Points	19,443
Revenue Miles	302,228	On-Time Passenger Departures	196,156
One-Way Trips Operated	28,661	Percent On-Time Departures	82%

Systemwide Service:

Boardings reported for the month of August show ridership to be 22.2% higher than in August of 2022, when 195,184 boardings were reported. Over that same timeframe, the amount of revenue hours operated increased by 12.7%, resulting in an 8.5% increase in productivity, from 11.6 Passengers Per Hour (PPH) last August to 12.6 PPH this August.

Seasonal Service:

MST Trolley Monterey reported 30,273 boardings for the month of August.

MST RIDES Performance Summary:

SERVICE DELIVERED		SERVICE QUALITY	
Ridership	9,089	On-Time Pass. Boardings	6,522
Pass/Vehicle Rev. Hour	3,713	Percent on-Time Boardings	77%
Revenue Miles	71,681		
One-Way Trips Operated	7,772		

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B. People

- a. MST Service and Passenger Profile - FY 2023/2024
- b. MST Fixed-Route Ridership
- c. MST RIDES ADA Paratransit Ridership
- d. MST in the News

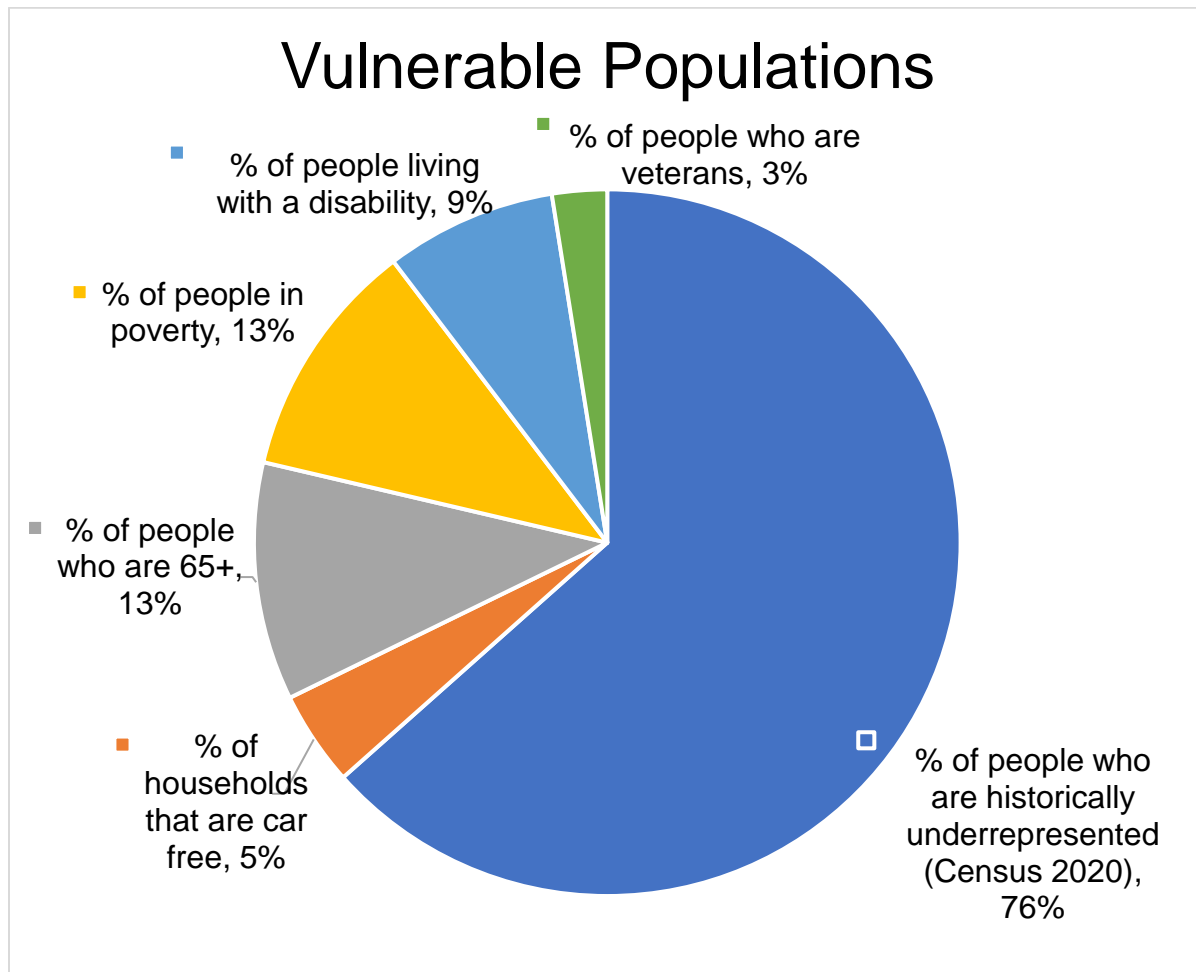
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1. Service Area Profile

33 Transit lines
159 Square miles of service area

Within 15 minutes walking distance* of a transit line and bus stop, there are:

~391,300 People (Census 2020)
~118,500 People employed at jobs located outside the home
~1% Workers who take public transit to work

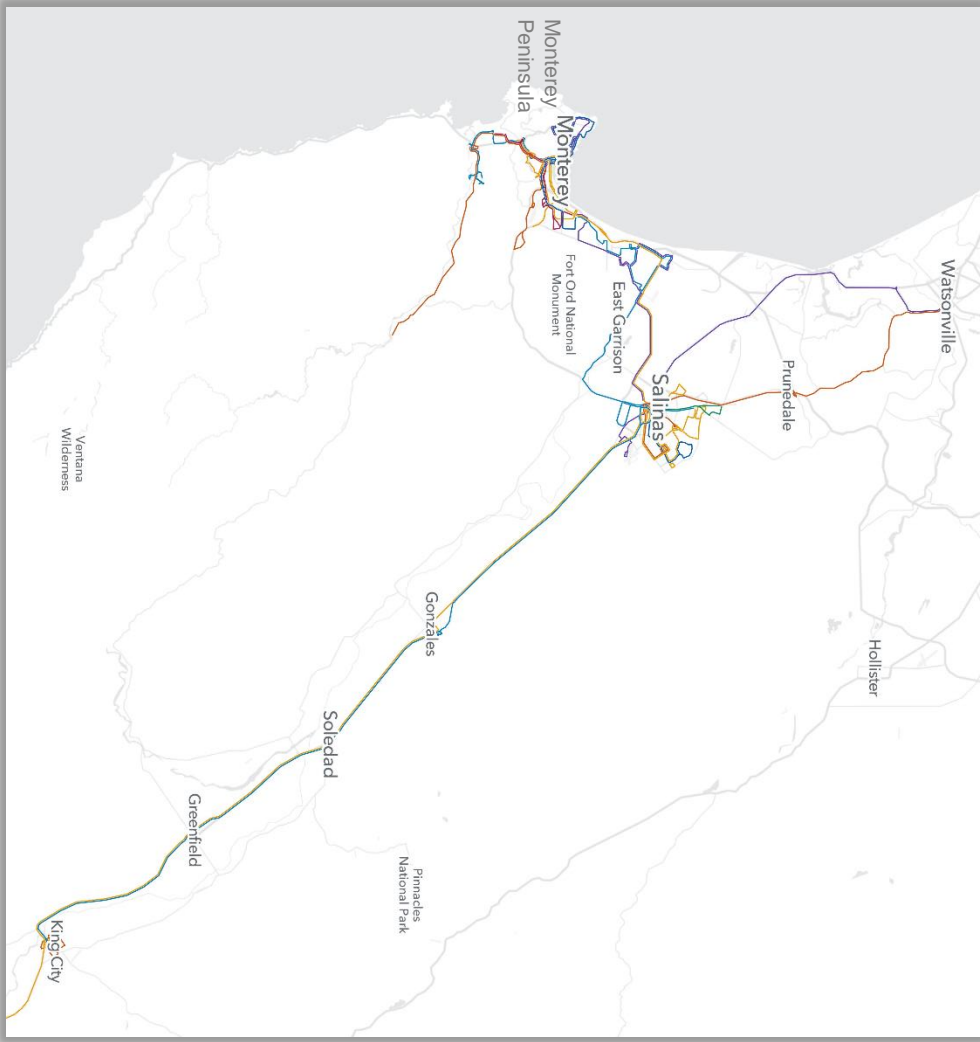


**Walking distance as measured in distance is .75 miles.*

Data source: US Census and American Community Survey reported in Remix data layers (July 2023). Percentages add to over 100% due to multiple options available.

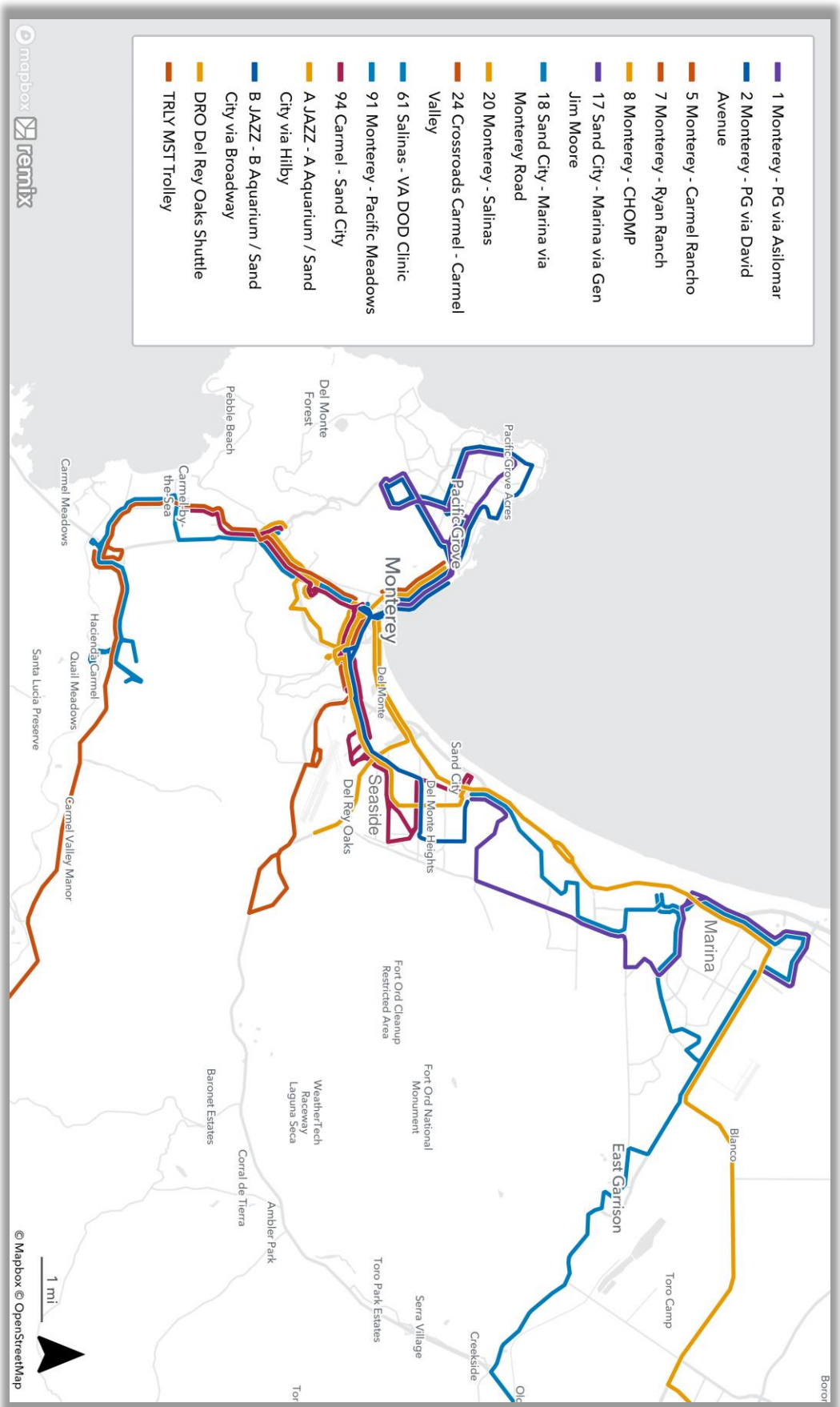
Monterey County Service Area

- 1 Monterey - PG via Asilomar
- 2 Monterey - PG via David Avenue
- 5 Monterey - Carmel Rancho
- 7 Monterey - Ryan Ranch
- 8 Monterey - CHOMP
- 17 Sand City - Marina via Gen Jim Moore
- 18 Sand City - Marina via Monterey Road
- 20 Monterey - Salinas
- 23 Salinas - King City
- 23X Salinas - King City EXPRESS
- 24 Crossroads Carmel - Carmel Valley
- 25 Salinas - CSUMB
- 28 Watsonville via Castroville
- 29 Watsonville via Prunedale
- 34 King City
- 41 Salinas - Alisal - Northridge
- 42 Salinas - Alisal
- 43 Salinas - South Main via SVMH
- 44 Salinas - Westridge



- 45 Salinas - East Market / Creekrbridge
- 46 Salinas - Natividad
- 48 Salinas - Northridge via North Main
- 49 Salinas - Santa Rita via North Main
- 61 Salinas - VA DOD Clinic
- 84 King City - Paso Robles
- 91 Monterey - Pacific Meadows
- 94 Carmel - Sand City
- 95 Williams Ranch-Northridge
- 96 Salinas - Airport Business Center
- A JAZZ - A Aquarium / Sand City via Hilby
- B JAZZ - B Aquarium / Sand City via Broadway
- DRO Del Rey Oaks Shuttle
- TRLY MST Trolley

Monterey Peninsula Service Area

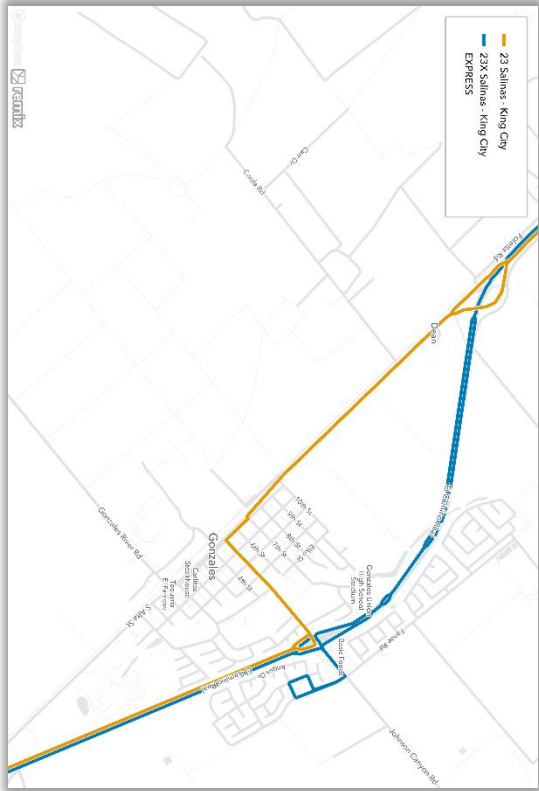


A map of Salinas, California, illustrating various bus routes. The routes are color-coded and labeled with numbers and destinations. A legend in the top right corner lists the following routes:

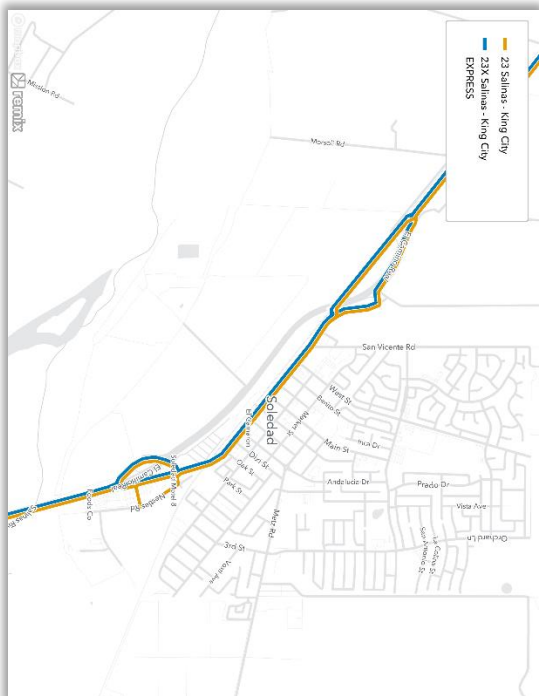
- 20 Monterey - Salinas
- 23 Salinas - King City
- 23X Salinas - King City EXPRESS
- 25 Salinas - CSUMB
- 28 Watsonville via Castroville
- 29 Watsonville via Prunedale
- 41 Salinas - Alisal - Northridge
- 42 Salinas - Alisal
- 43 Salinas - South Main via SVMH
- 44 Salinas - Westridge
- 45 Salinas - East Market / Creekbridge
- 46 Salinas - Natividad
- 48 Salinas - Northridge via North Main
- 49 Salinas - Santa Rita via North Main
- 61 Salinas - VA DOD Clinic
- 95 Williams Ranch-Northridge
- 96 Salinas - Airport Business Center

The map shows these routes as colored lines across the city streets. Key locations like Salinas, Natividad Medical Center, and various schools and businesses are marked. A scale bar indicates 3000 feet, and a north arrow is present in the bottom left corner. The map is credited to Mapbox and OpenStreetMap.

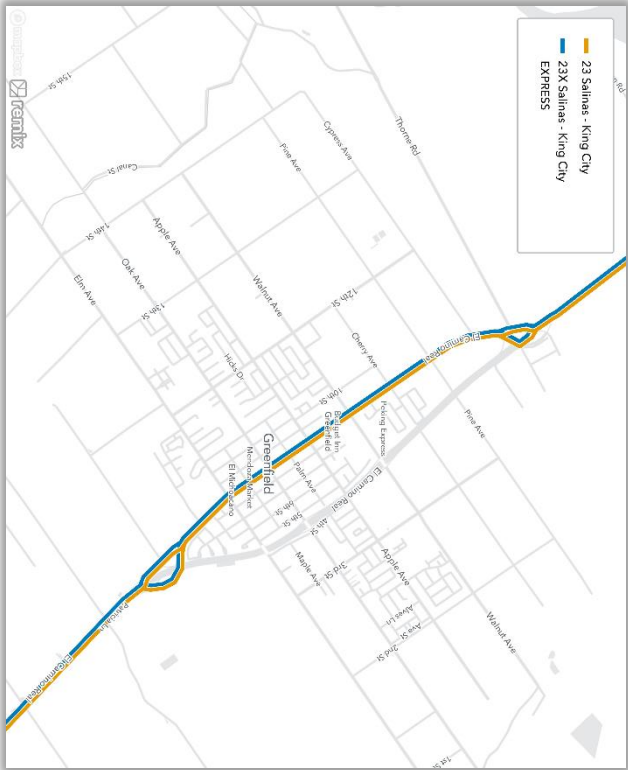
Gonzales Service Area



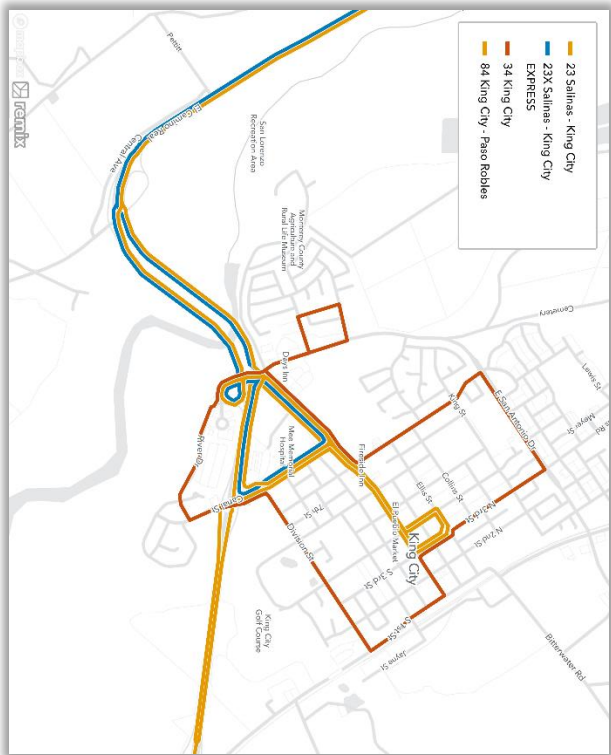
Soledad Service Area

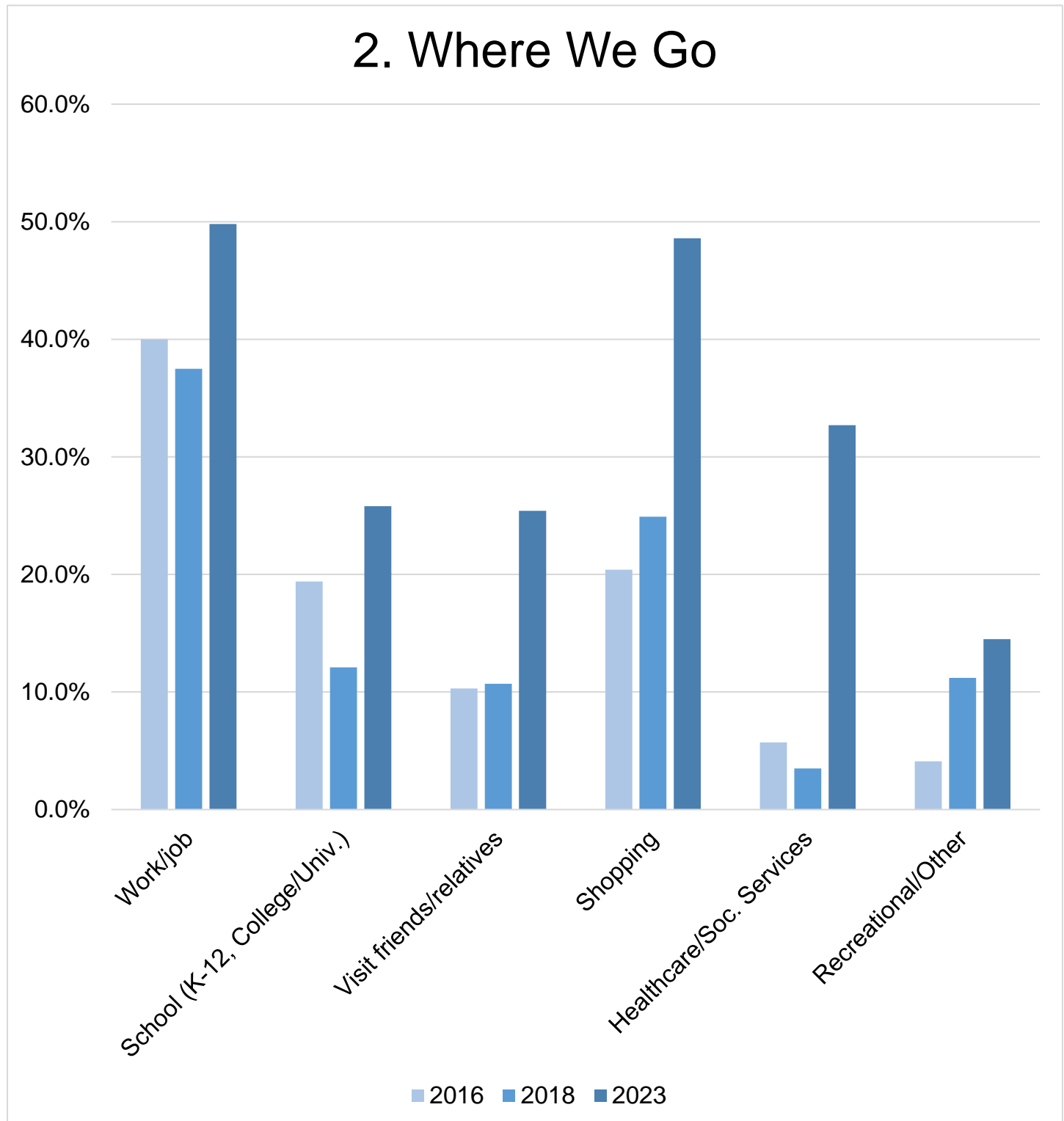


Greenfield Service Area



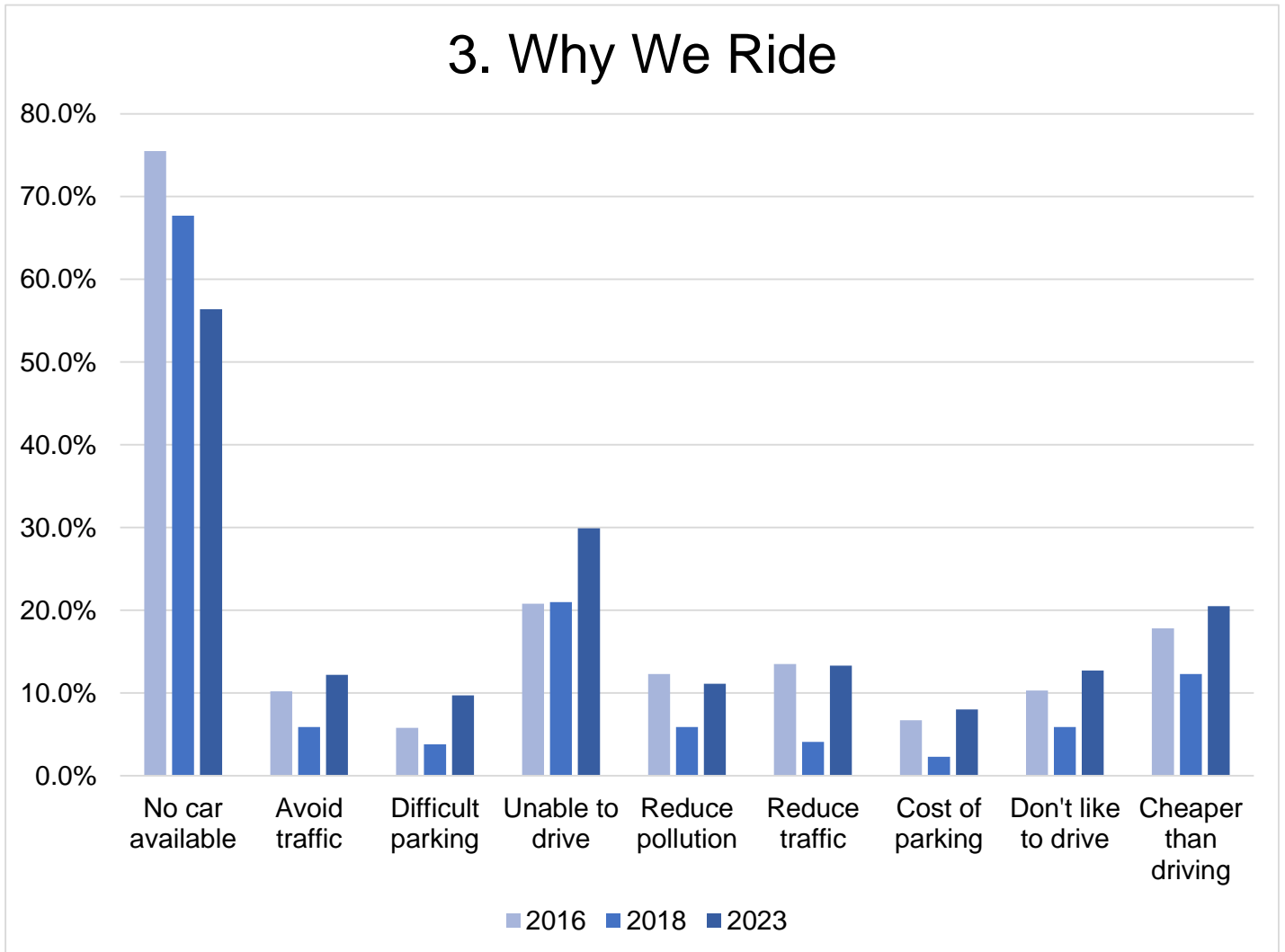
King City Service Area





B. People

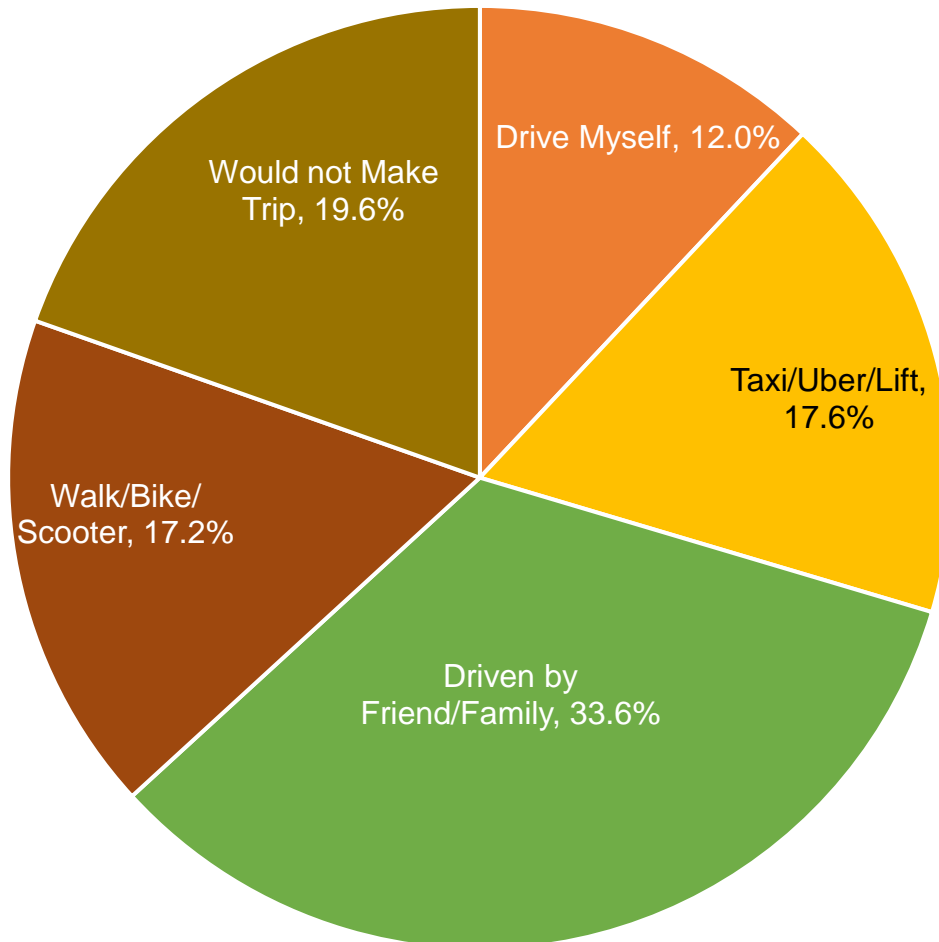
a. MST Service Area and Passenger Profile - FY 2023/2024



Note: Multiple options available, numbers do not add to 100%.

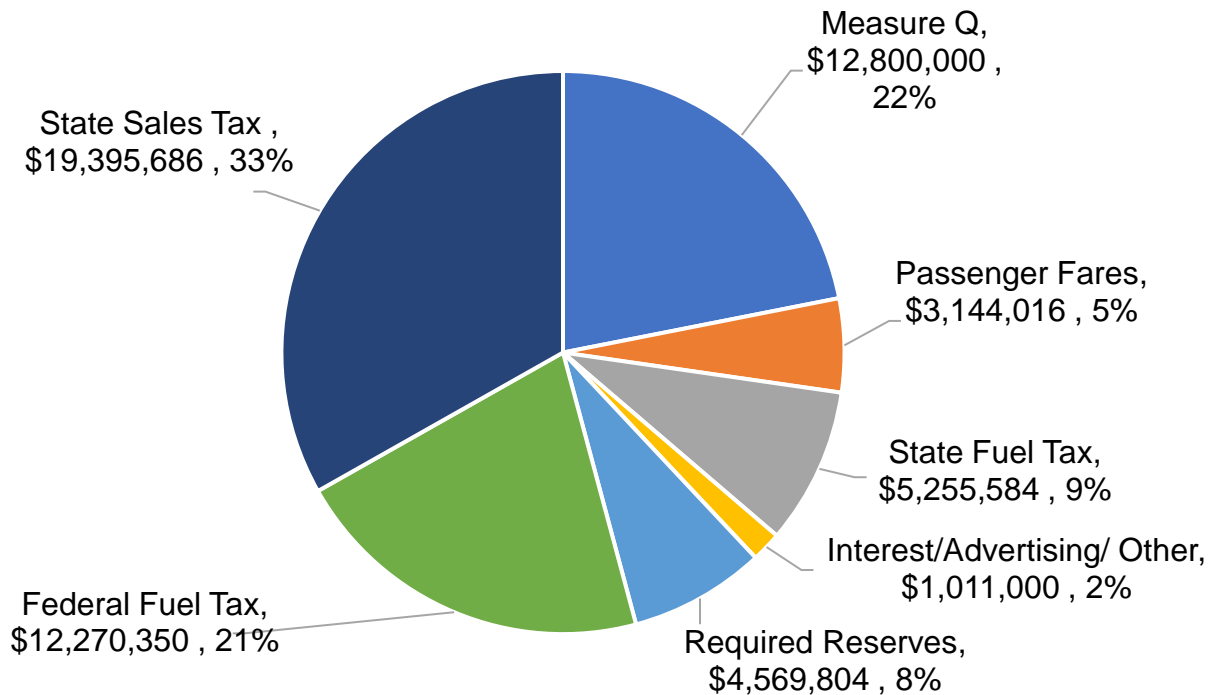
4. A Day Without Transit

June 2023

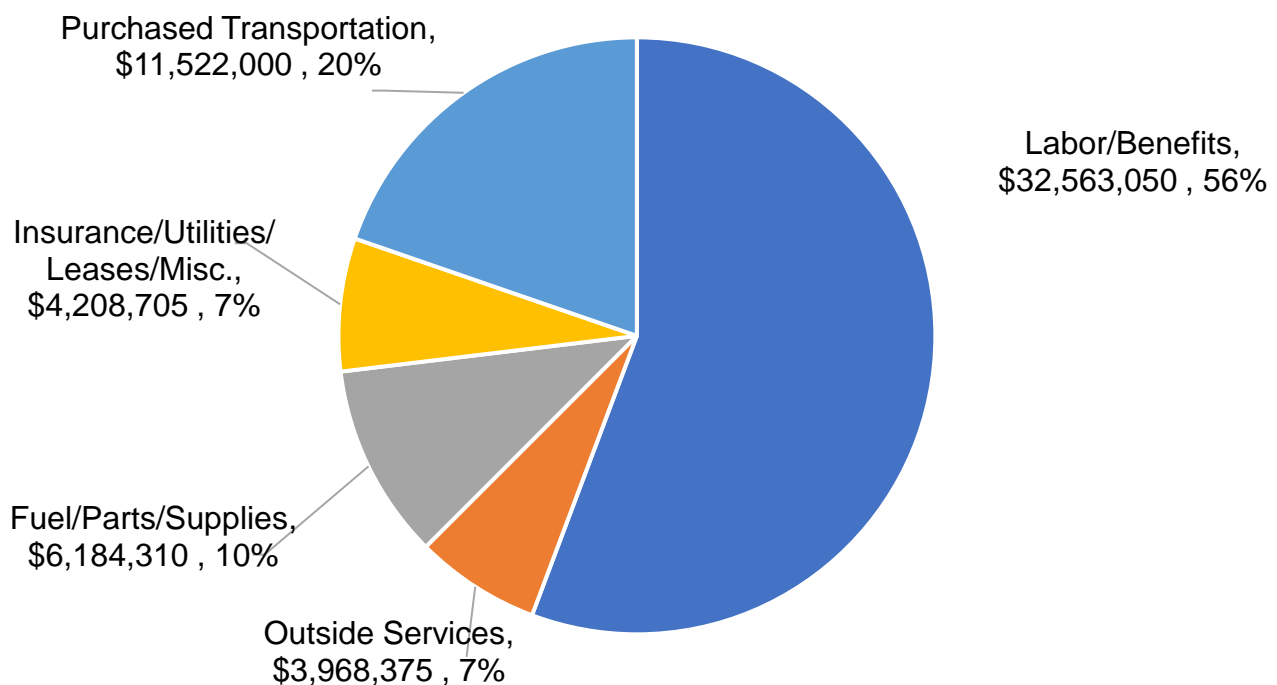


5. MST Operating Budget

Revenues by Source

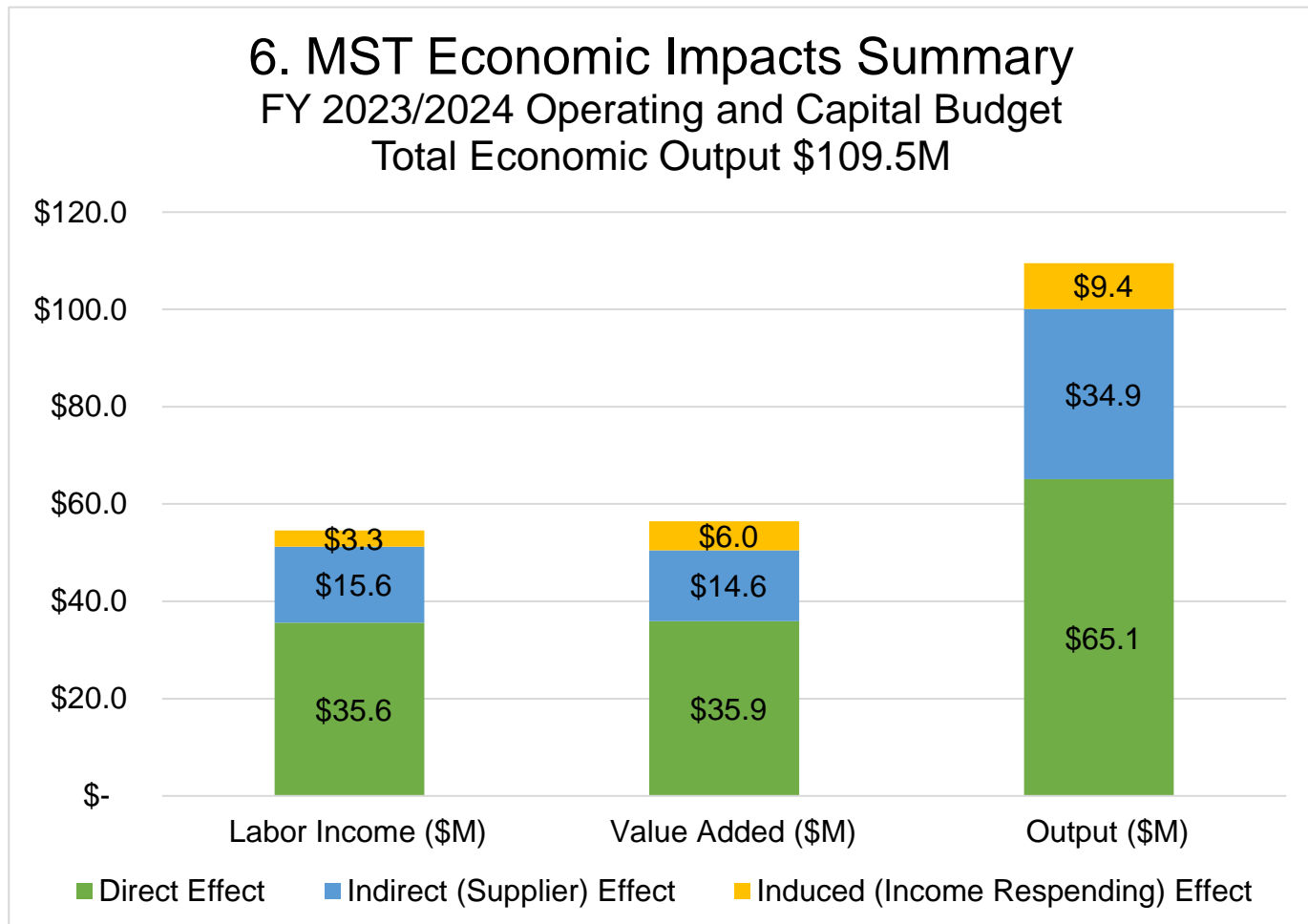


Expenses by Source



B. People

a. MST Service and Passenger Profile - FY 2023/2024



Source: American Public Transportation Association Economic Impact Calculator

Direct Effect: The effect of cost savings to system users under the transportation scenario modeled, or spending by the operator or constructing entity of a project or service.

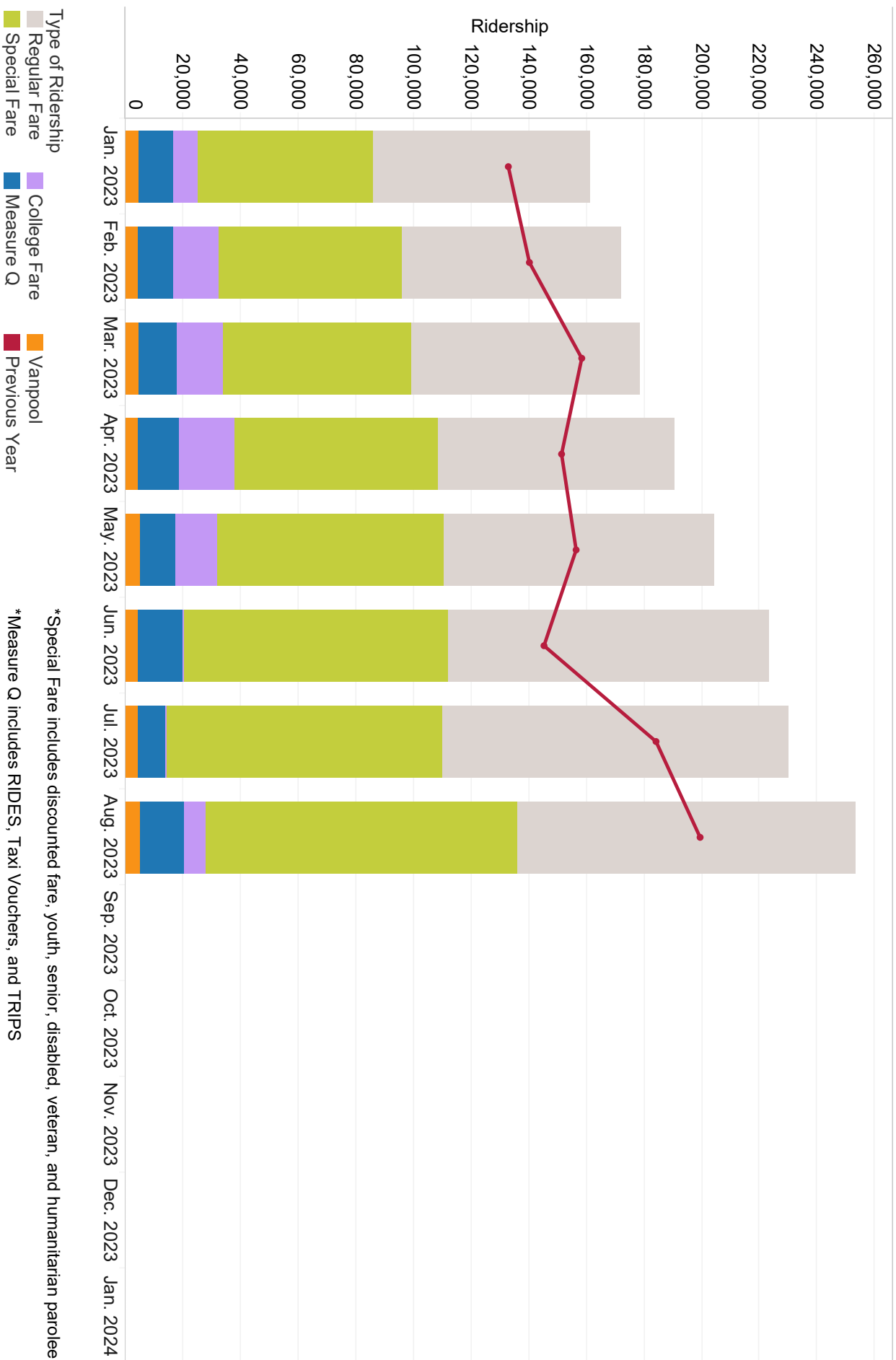
Indirect Impacts: The effect of spending by the suppliers to business users benefiting from system improvements, or suppliers of operators or constructing entities of a project or service.

Induced Impacts: The effect of household spending due to additional employment and payroll generated by direct and indirect impacts.

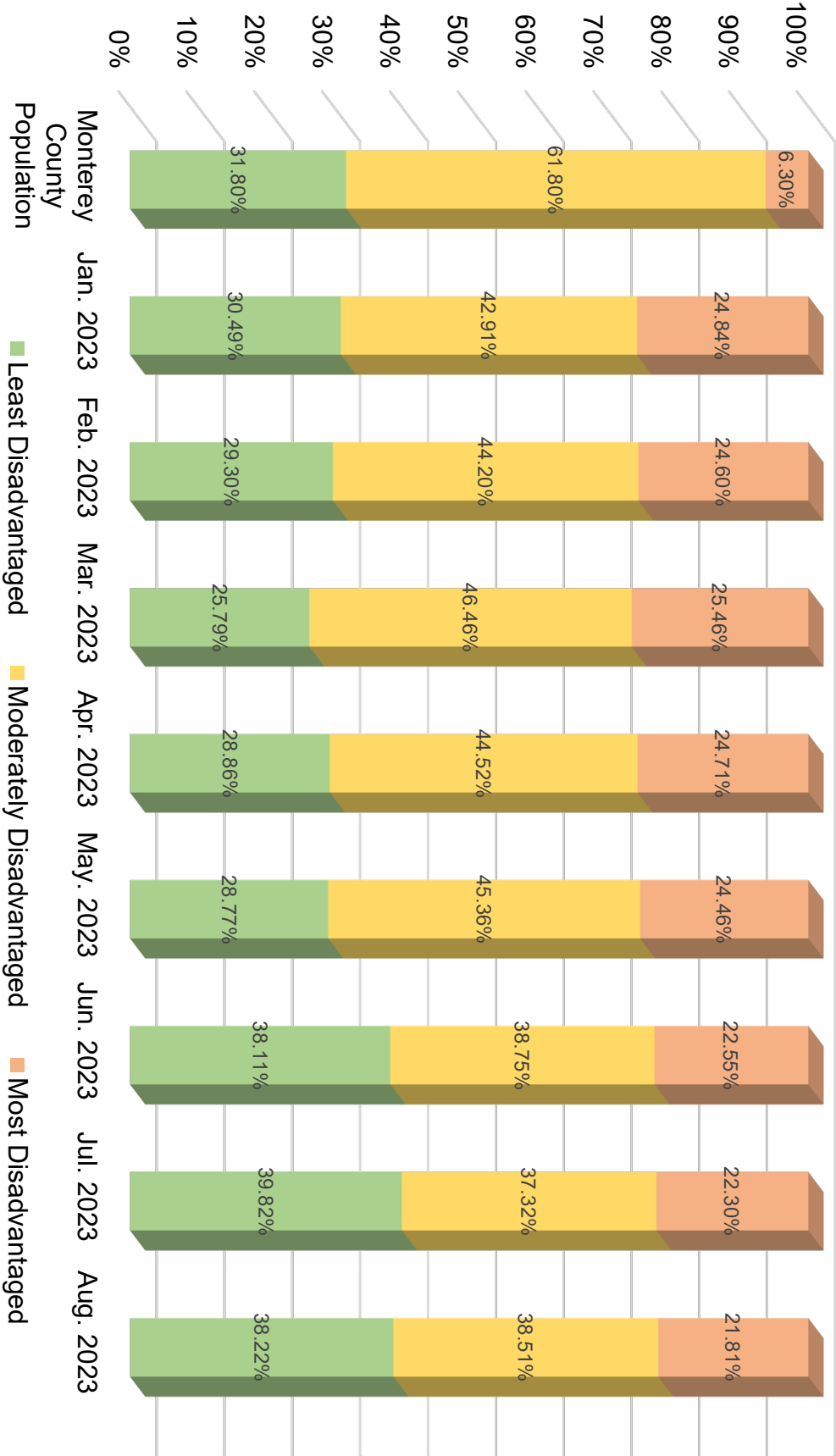
Output represents the value of industry production. For manufacturers, this would be sales plus/minus change in inventory. For service sectors production, output is simply the value of sales. For retail and wholesale trade, output is represented by gross margin and not gross sales. Margin is sales receipts less the cost of goods sold.

Value Added changes from a project can also be considered as changes in Gross Regional Product or GDP. Value Added is the difference between an industry's or establishment's total output and the cost of intermediate inputs. It consists of employee compensation, taxes on production and imports less subsidies, and gross operating surplus (similar to profit).

1. MST Monthly Ridership



2. Departures in Disadvantaged Communities

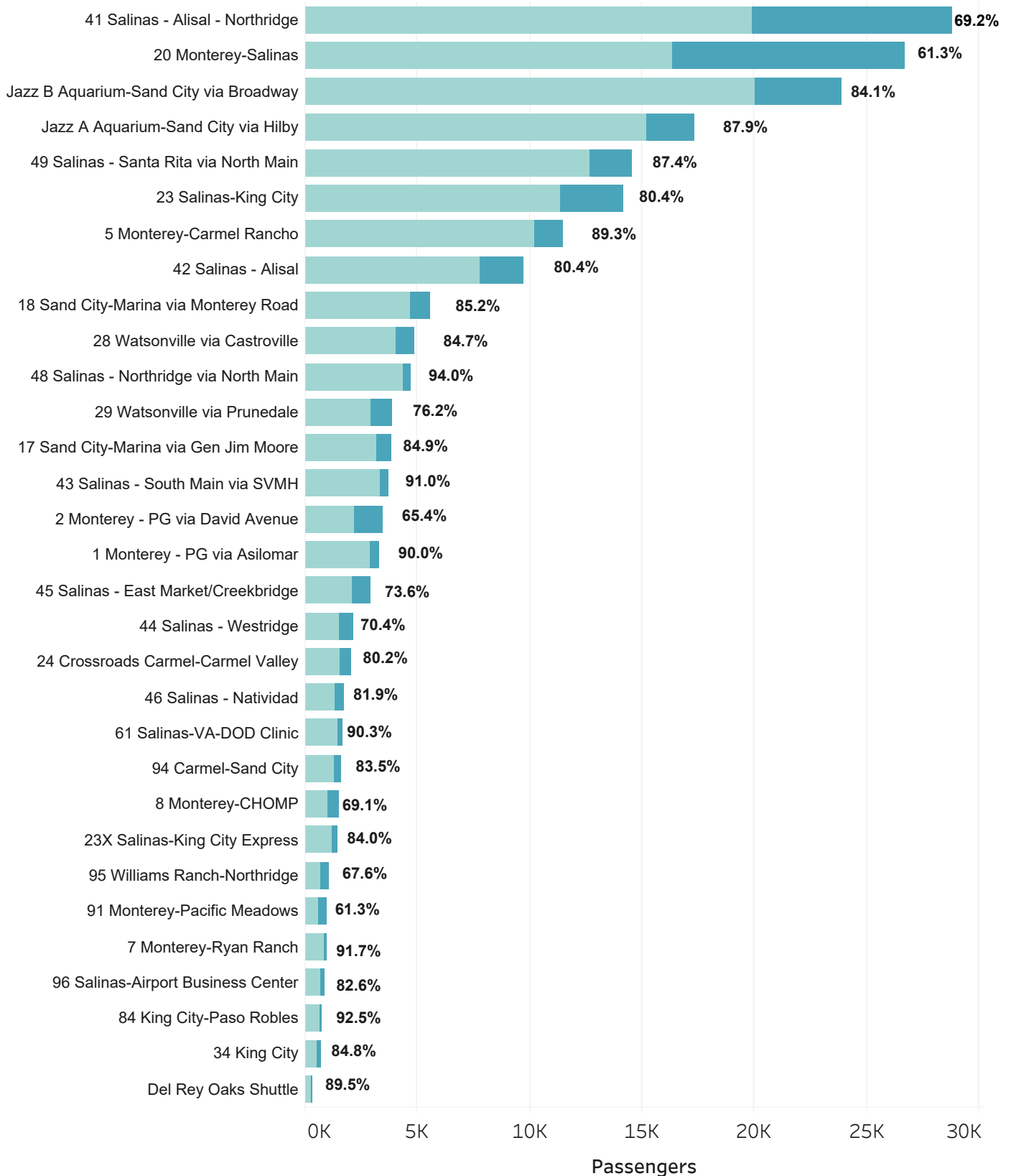


Based on CalEnviroScreen Percentiles: 0-30th = Least; 31st-70th = Moderate; 71st-100th = Most

CalEnviroScreen was designed to help CalEPA identify disadvantaged communities based on geographic, socioeconomic, public health, and environmental hazard criteria as required by SB 535. CalEnviroScreen percentiles are based on Pollution Score multiplied by Population Characteristics Score.

3. On-Time Passenger Departures

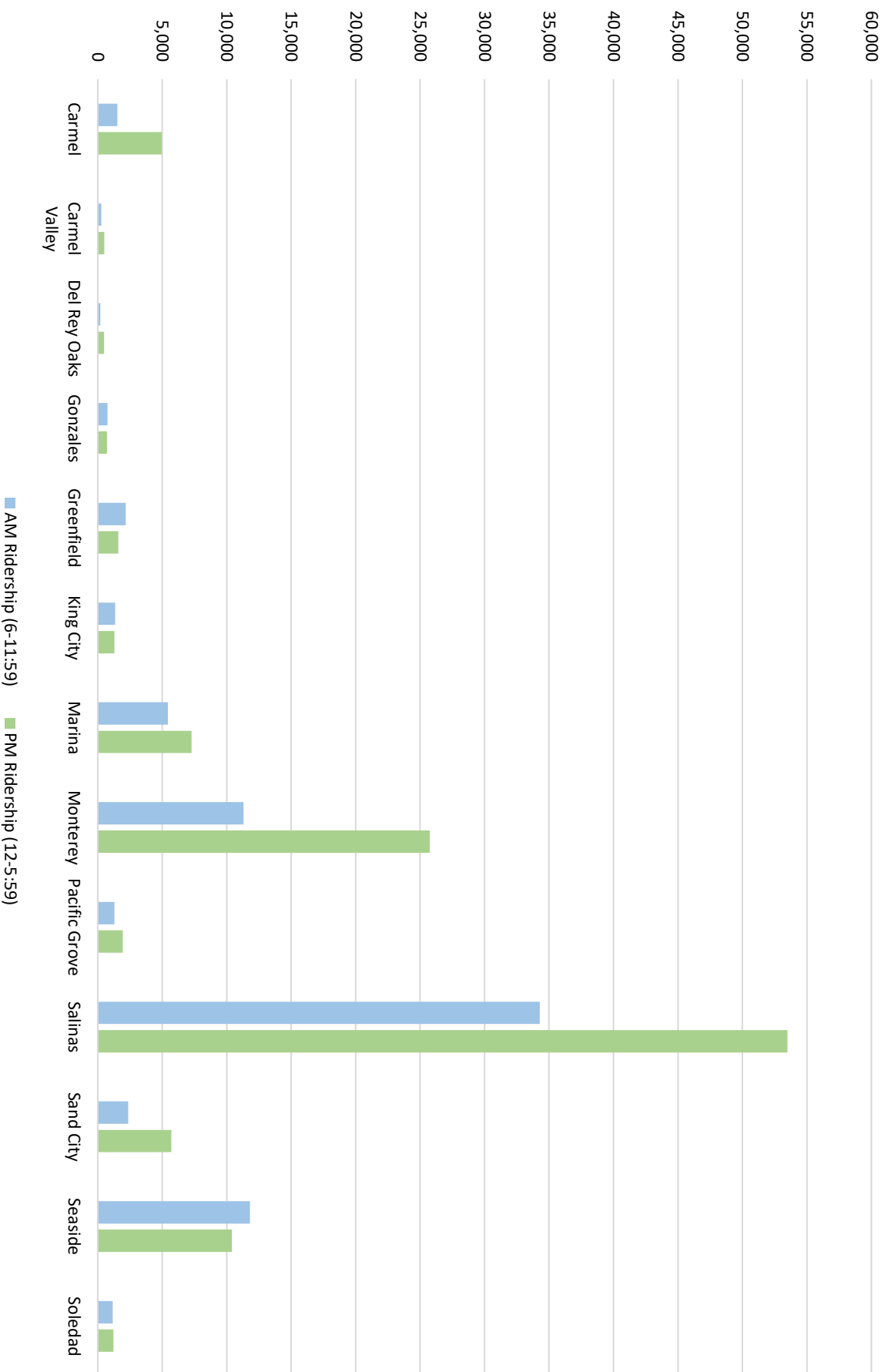
August 2023



On-Time Departures Total Departures

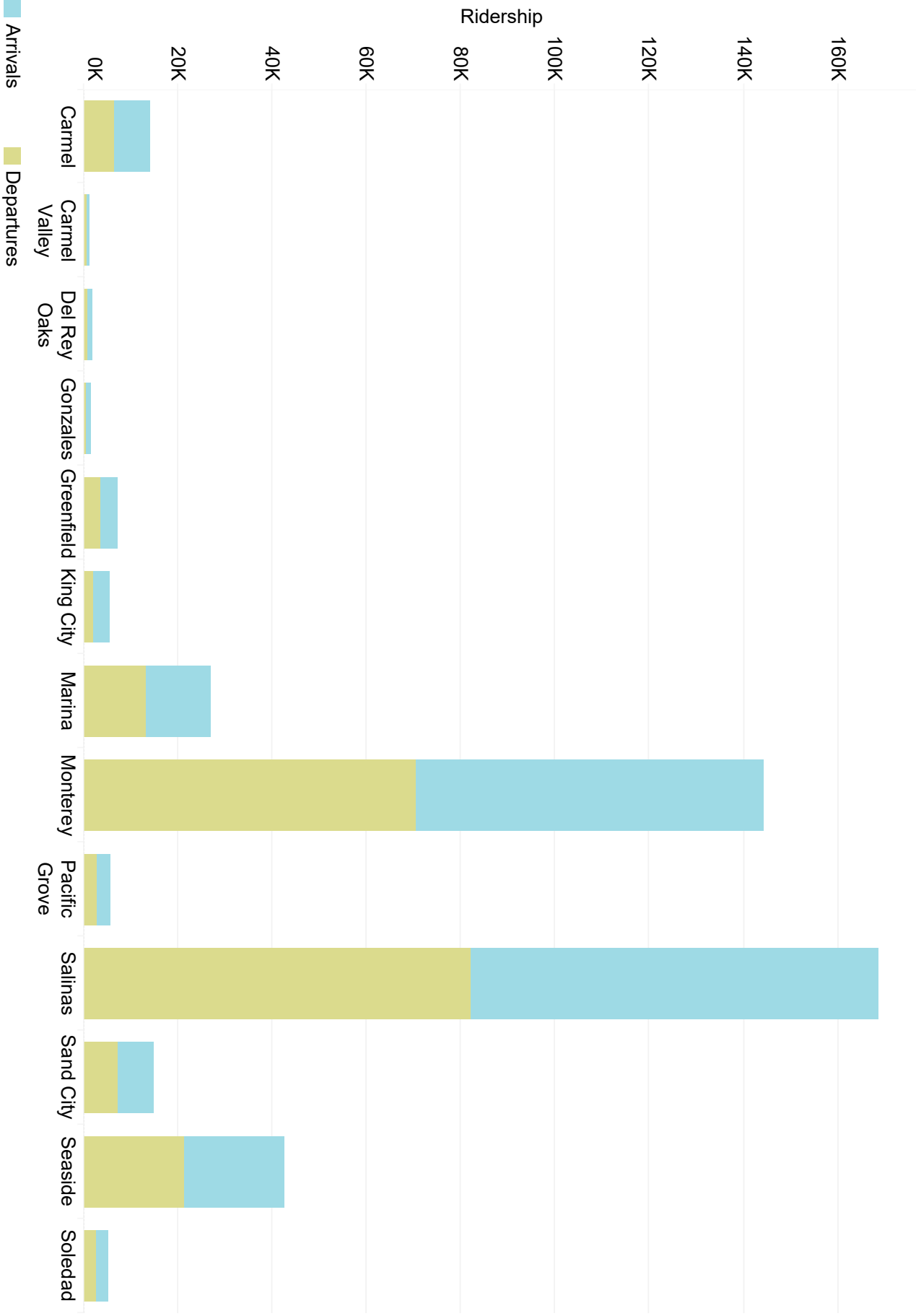
4. AM/PM Departures

August 2023



5. Arrivals and Departures by Jurisdiction








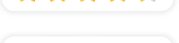


August 2023



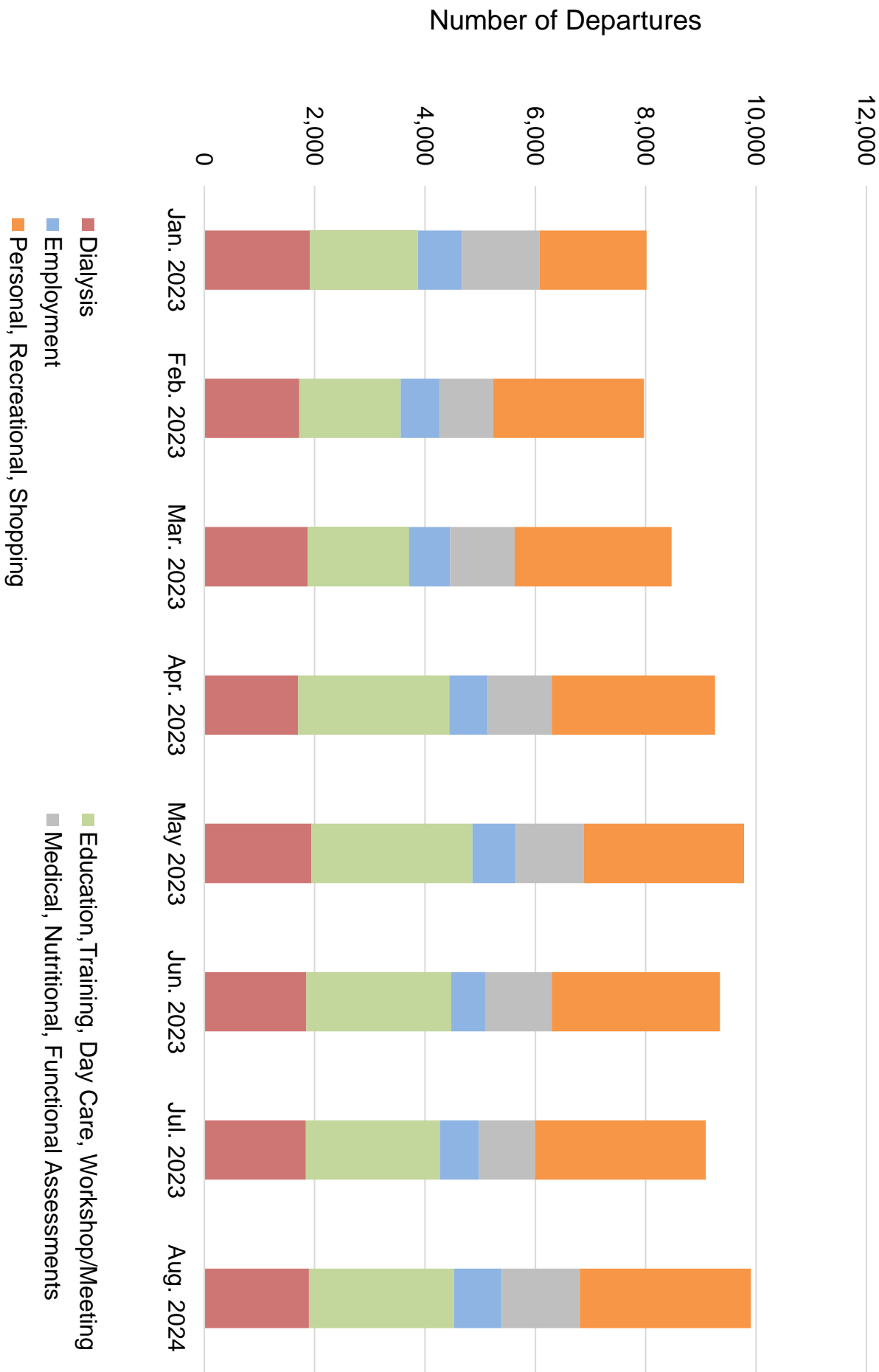
- B. People
b. MST Fixed-Route Ridership

6. MST Top 10

By Transit App Clicks – August 2023

Line		Rider Clicks	Rider Rating
B	JAZZ B Aquarium / Sand City via Broadway	21,004	
A	JAZZ A Aquarium / Sand City via Hilby	16,755	
20	Monterey – Salinas	13,816	
41	Salinas – Alisal – Northridge	7,670	
23	Salinas – King City	5,816	
18	Sand City – Marina via Monterey Road	5,049	
5	Monterey – Carmel Rancho	3,867	
17	Sand City – Marina via Gen Jim Moore	3,146	
49	Salinas – Santa Rita via North Main	2,519	
42	Salinas - Alisal	2,301	

1. RIDES Passenger Departures and Trip Purpose



2. RIDES On-Time Passenger Trips



- B. People
- d. MST in the News

1. MST in the News and Other Transit Stories

Published news stories include the following:

- a. "California Open-Loop" (Mobility Payments, 08/14/2023).
- b. "Salinas Valley News" (King City Rustler, 08/17/2023).
- c. "TAMC Board Approves" (TAMC, 08/23/2023).

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California Open-Loop Procurement Program Didn't Add New Transit Agencies During Q2, as Orange County Balks

The Southern California agency and another in California issued RFPs this year that appear to shun Cal-ITP's modular, all open-loop, approach.

Dan Balaban August 14, 2023 Open Loop Cal-ITP

The Orange County Transportation Authority, or OCTA, in Southern California, would seem to be exactly the type of transit agency that the state's open-loop procurement program, Cal-ITP, is targeting.

It's a small to mid-tier agency that accepts mostly cash for riders to pay for their 40 million annual trips. And among OCTA's top priorities for its fare-collection system is to be able to accept open-loop payments.

But OCTA is not going through Cal-ITP's "Mobility Marketplace," that is, it's not planning to buy the open-loop technology it needs from among six vendors with master service agreements (MSAs) with the state. Instead, OCTA earlier this year issued a [request for proposal](#) for a fully hosted account-based fare-collection system supporting both open- and closed-loop payments, along with mobile ticketing.

That is despite the fact that this procurement will likely end up costing the agency more—at \$14.5 million over five years—than going through the state program would have.

OCTA would not be in the market for new validators from Cal-ITP to begin with since the agency bought and installed nearly 500 validators on board its buses starting in 2016 to scan mobile tickets from the agency's OC Bus app. It hopes to use this hardware to also accept both closed- and open-loop payments. But the agency spokesman said there are other reasons OCTA is not going through the state program.

"OCTA needs to support reduced-fare programs, including students, seniors and passes; Cal-ITP MSAs do not support all reduced-fare options we would like to support," an OCTA spokesman told *Mobility Payments*. "(The) MSAs also don't address those customers without a bank account, or the so-called "underbanked."

Cal-ITP has, in fact, enabled agencies to support [concessionary fares](#) for seniors, with one small agency trialing it. More agencies plan to try it out and Cal-ITP plans to support other concession types, such as discounts for military veterans and students. But there have been usability issues and low adoption so far with the system.

In addition, to accommodate more underbanked people, Cal-ITP has proposed agencies promote use of nonbank open-loop payments programs, such as the Cash App from fintech Block, formerly known as Square. But use is low for this initiative, as well, so far. And some backers of the open-loop-only concept have acknowledged that agencies would have to continue to support cash acceptance for the foreseeable future.

No New Agencies

All of this further calls into question whether California's bold plan is working to encourage mainly small transit agencies—many of which accept cash and paper tickets for the most of their fares—to go primarily to open loop.

That approach relies on the modular approach to procurement, in which agencies separately hire validator and fare-calculation or "transit processor" suppliers, along with acquirers. The vendors are responsible for integrating their platforms with one another, usually for a fee.

But OCTA is not the only California transit agency in Cal-ITP's sweet spot that is not apparently going with the full state program. A smaller transit agency in California, Santa Cruz Metro, issued its own [RFP](#) June 30, for an account-based fare-collection system for its 96 fixed-route buses and more than 30 demand-responsive vehicles. Like OCTA, it asks for support for both open- and closed-loop payments, as well as mobile ticketing—though according to one source, the RFP is on hold.

In addition, *Mobility Payments* has obtained reports on the latest orders to vendors on the MSA contracts through the state of California.

They showed that through the second quarter of 2023, the Cal-ITP program had still attracted orders from just six agencies and one small group. That was the same number after the first year

Article Highlights

Key Takeaway:

Two transit agencies in California issued RFPs this year that appear to shun modular, all open-loop, approach of the California open-loop procurement program, Cal-ITP. Reports showed that the program vendor received no new orders for open-loop technology during the second quarter, though one source said projects were in the pipeline.

Key Data:

• Chart: Cal-ITP projects through Q2 2023

Organizations Mentioned:

- OCTA (Orange County, CA)
- Santa Cruz Metro
- Cal-ITP
- Metro (Los Angeles)
- MTC (San Francisco)
- Littlepay
- INIT
- Masabi

of the program, which ended in the first quarter of this year, as [Mobility Payments reported](#).

The new second-quarter reports show several of the same agencies ordered more EMV-enabled validators, totaling \$382,800 for the quarter. That increased total validator orders by just under 40% in the second quarter, bringing total validator orders for the 15 months of the Cal-ITP program to just under \$1.4 million (See chart above.)

And a source said there are projects in the pipeline, but declined to mention any names of agencies that have signed up.

TAP-Clipper Satellites

One of the problems for Cal-ITP said a backer is that many small agencies in Los Angeles County and the San Francisco Bay Area, are already part of closed-loop card programs owned by large transit authorities. These are TAP from Metro of Los Angeles and Clipper from MTC of San Francisco. Large fare-collection system provider Cubic Transportation Systems, which does not participate in the Cal-ITP program, manages and maintains both TAP and Clipper for the authorities.

Combined, around 50 transit agencies, most of them small, use TAP and Clipper, under agreements with the respective authorities. That has included restrictions in the past, including a memorandum of understanding from MTC [dating from 2010](#) that states transit agencies using Clipper "shall not establish other fare payment systems or fare policies that could deter or discourage these patrons' preference to use Clipper."

The two authorities are expected to eventually support open-loop payments—and they could include the satellite TAP and Clipper agencies when they do.

In addition, there was still only one transit agency—a city bus operator serving Myrtle Beach, South Carolina—procuring from the Cal-ITP program. Cal-ITP has made its Mobility Marketplace available to transit agencies throughout the U.S. And it has also encouraged a U.S. federal agency, the General Services Administration, or GSA, to [open its Multiple Award Schedule](#), MAS, procurement program to suppliers of EMV-enabled validators. It's not clear yet if any validator supplier has sold hardware through the GSA program.

Low Open-Loop Transactions Value So Far

Meanwhile, during the second quarter of this year, Littlepay, the only Cal-ITP-vetted "transit processor" to get orders as of June 2023, reported some revenue figures.

That indicates that the Cal-ITP projects are beginning to move out of the trial stage. But Littlepay only reported revenue of \$27,800 for the quarter, mainly for May and June. Of this amount, at least \$15,000 were fixed fees, for on-boarding and setup.

The remaining \$12,150 might be revenue from Littlepay's SaaS fare processing fee of 2.25% (It calls this its introductory rate). That includes Northern California commuter rail agency [Capitol Corridor](#), the largest agency that has bought open-loop technology through the Cal-ITP program and a "fiscal sponsor" of Cal-ITP.

But part of the \$12,150 might be a consultancy fee for Capitol Corridor. And the agency's open-loop project still remains in pilot. As [Mobility Payments reported](#) in May, the second phase and eventual rollout is to put validators and readers in all train cars, starting this summer. It will equip 75 train cars.

In any case, it would mean open-loop transactions are still low for the first two to three months for the five agencies or small groups for which Littlepay reported revenue—totaling at most \$540,000 in open-loop transaction value. But besides Capitol Corridor still being a trial, these transactions do not include any activity from Monterey-Salinas Transit, the first agency to pilot Cal-ITP and which this year installed all-new validators to roll out the service beyond the trial stage.

Requirement for Closed-Loop Cards

Littlepay integrates its platform with acquirer Elavon and Visa's Cybersource to handle the Cal-ITP program open-loop payments transactions. The OCTA spokesman said the agency might hire a "payment processor" from the California MSAs, which likely referred to Elavon. Elavon is the only acquirer left in the Mobility Marketplace, after Fiserv dropped out. But the OCTA spokesman said the agency is also considering such payments companies as Fiserv, CP Commerce and Paymentus to handle its project.

The agency added that the closed-loop cards will enable customers to use cash to reload at local retailers, "and they can continue to gain incentives for weekly and monthly passes." The new system will support fare capping, certainly with closed loop and mobile ticketing and likely with open loop. This would enable users to avoid having to buy daily, weekly or monthly passes, or all three, in advance.

Germany-based INIT provided all or most of the validators to OCTA from 2016 to 2018. The spokesman said it will be able to be use this hardware also accept both closed-loop and open-loop cards. "The existing validators have a maintenance contract, different from an upgrade. The RFP required any vendors to establish an API to work with all existing hardware," he said.

An industry observer, however, told *Mobility Payments* he doubts that the agency will be able to use the hardware for EMV payments without a significant upgrade.

INIT is one of the vendors with an MSA to supply validators through the Cal-ITP program, but OCTA will not be buying new ones.

Meanwhile, Santa Cruz Metro said in its RFP that it wants to be able to "customize" the closed-loop cards as reduced fare smart cards, possibly with the rider's name and photo and the name of the applicable reduced fare program, or concession.



Santa Cruz Metro does say it wants the new validators it buys to integrate with payments service provider Littlepay and acquirer Elavon. Since both have MSAs with the state, that could mean that the agency is planning to buy through the Cal-ITP program for at least some of the technology it needs.

The agency had originally planned an open-loop pilot for early 2022, working with UK-based Masabi, outside of the Cal-ITP program. That pilot didn't happen.

A spokesperson for Santa Cruz Metro, however, did not respond to questions about whether it plans to buy any technology through the state Mobility Marketplace or if its RFP has been put on hold.

Yet, both the RFPs from OCTA and Santa Cruz Metro, as written,

indicate that neither agency is buying into the concept of a purely modular system that accepts open-loop payments for all or nearly all of its transactions. This is contributing to Cal-ITP's slow start.

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King City Rustler

Local News

Salinas Valley News Briefs | Aug. 17, 2023

BY RYAN CRONK - August 17, 2023

90

BUS STOP

GONZALES — Monterey-Salinas Transit has introduced a new bus stop that departs from Fifth Street and Gabilan Court in Gonzales. The line 23 service to Salinas starts at 6:43 a.m. and continues every hour until the last trip at 7:43 p.m. For those used to catching a bus in front of the Gonzales Shopping Center, that service is only for line 23X, which departs at 5:49, 7:17 and 8:17 a.m. to Salinas. Visit mst.org for complete schedule information.



TRANSPORTATION AGENCY FOR MONTEREY COUNTY

www.tamcmonterey.org

HIGHLIGHTS

August 23, 2023

TAMC Board Approves \$10.5 Million to Fund Eight Road and Bikeway Projects

The Transportation Agency Board of Directors approved programming \$10.5 million in Regional Surface Transportation Program and Transportation Development Act 2% funds to projects of regional significance that improve safety, maintain existing facilities, and/or support the development of a multimodal transportation network utilizing the principles of Complete Streets. Fair geographic balance and cost effectiveness are also taken into consideration when awarding grant funds.

Following the recommendation of the grants review committee, the Technical Advisory Committee, and the Bicycle and Pedestrian Facilities Advisory Committee, the Board of Directors approved the following projects for funding:

- City of King City: US Highway 101/Broadway Street at San Antonio Drive Roundabout Improvement Project: \$3,519,000
- City of Marina: Del Monte Boulevard and Reservation Road Intersection Improvements: \$1,717,500
- City of Salinas: Harden Parkway Path and Safe Routes to School Project: \$1,556,000
- City of Soledad: West Street Road Diet and Complete Street Project: \$2,758,000
- Monterey-Salinas Transit: Countywide Bus Stop Project: \$425,000

The Board also approved grants for the following “Quick-Build Projects”, projects that use semi-permanent materials to test a concept that quickly addresses a safety need, continuously engages the community, measures progress and performance, and provides a foundation for potential permanent infrastructure:

- City of King City: Division Street Bike Lanes and Crosswalk Upgrades: \$117,380
- City of Monterey: Madison/Herrmann/Larkin Traffic Circle: \$119,120
- City of Salinas: East Market Street Cycle Track: \$326,000

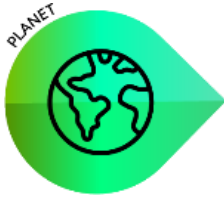
<https://www.tamcmonterey.org/files/9bed53daa/08-23-23+BOD+Mtg+-2023+Competitive+Grants+Program.pptx>

- B. People
- d. MST in the News

2. MST Press Releases

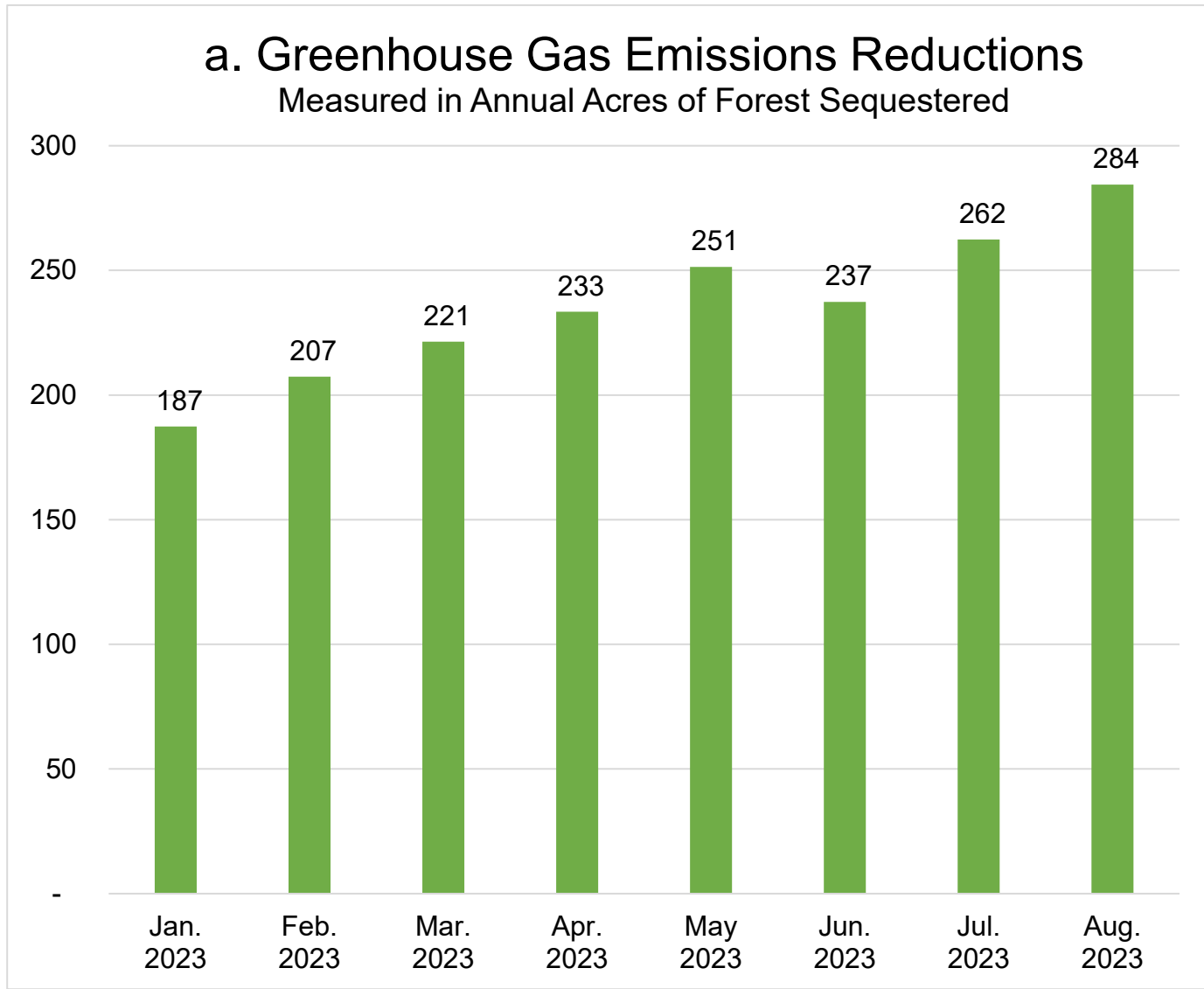
- “MST Bus Service on Labor Day” (8/29/2023).
- “MST Celebrates 50 Years of Providing Safe, Dependable, Friendly Service” (8/30/2023).

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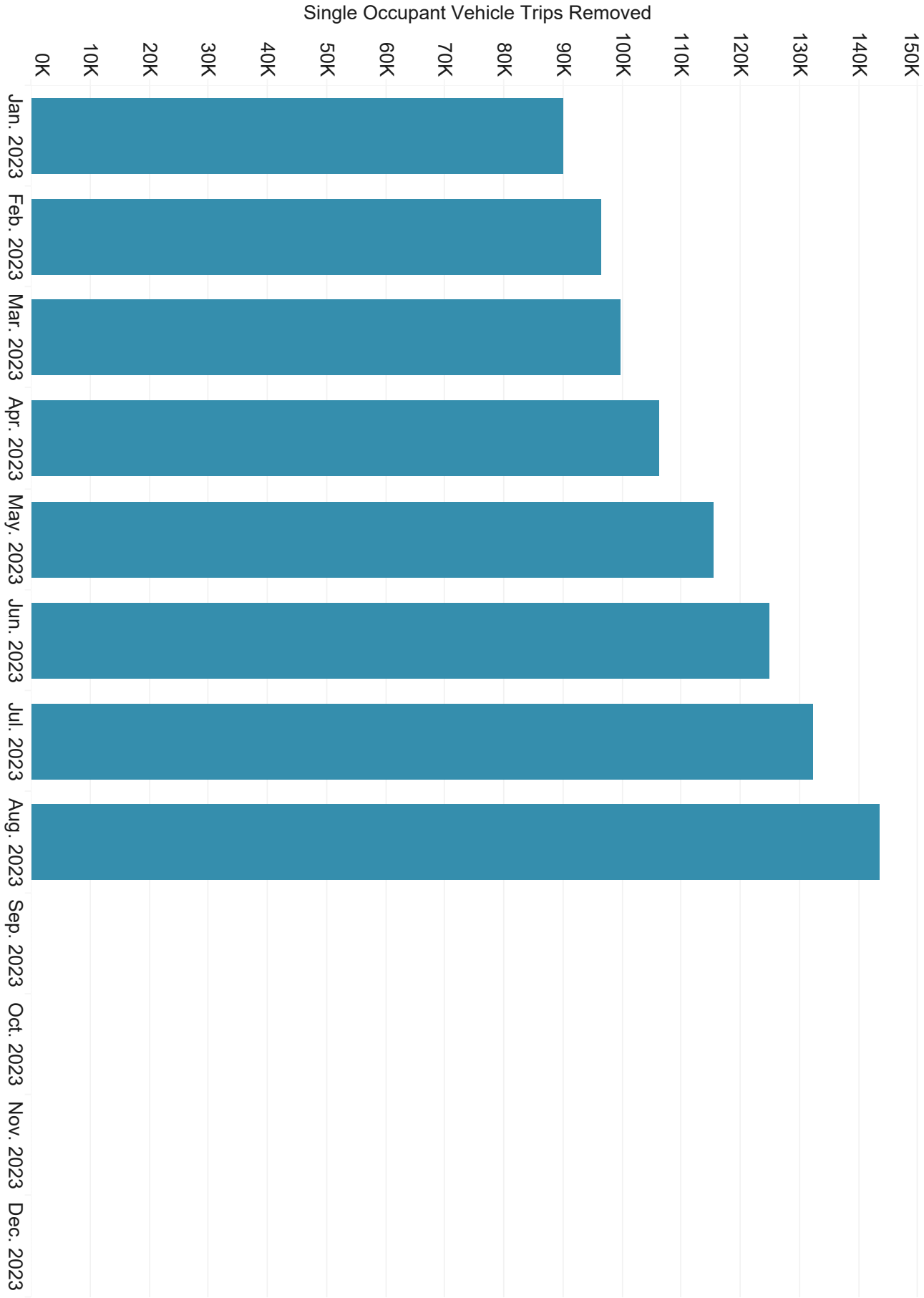
C: Planet

- a. Greenhouse Gas Emissions Reductions
- b. Single Occupant Vehicle Trips Removed
- c. Fleet Transition to Zero-Emissions
- d. Fuel Conversion from Diesel to Renewable

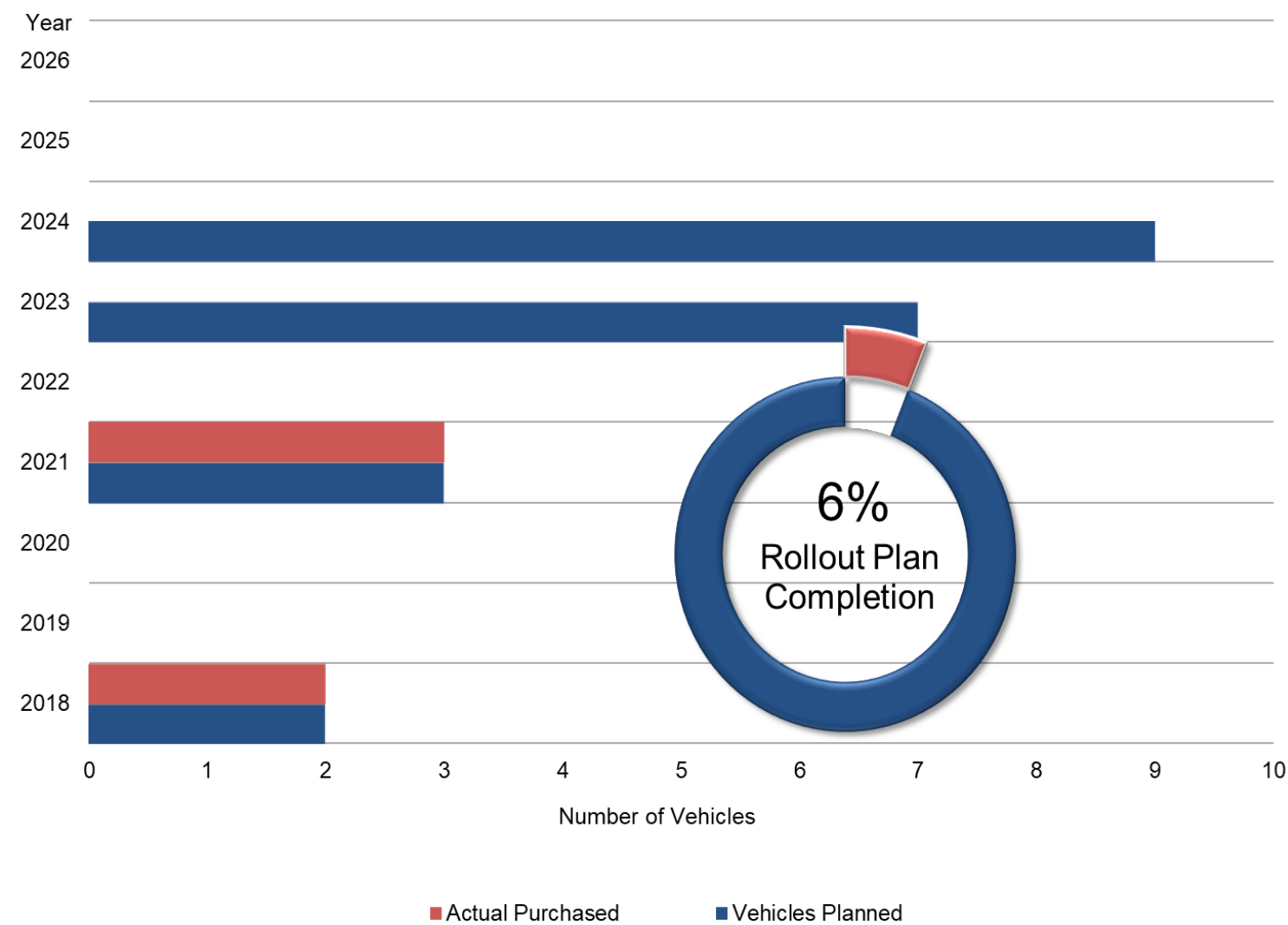


Note: Transit riders reduce greenhouse gas (GHG) emissions by an average of .51 lbs of CO₂ per passenger mile. This chart shows the positive impact MST passengers have in reducing GHG. Calculations are based on MST passenger miles and EPA's Greenhouse Gas Equivalencies Calculator.

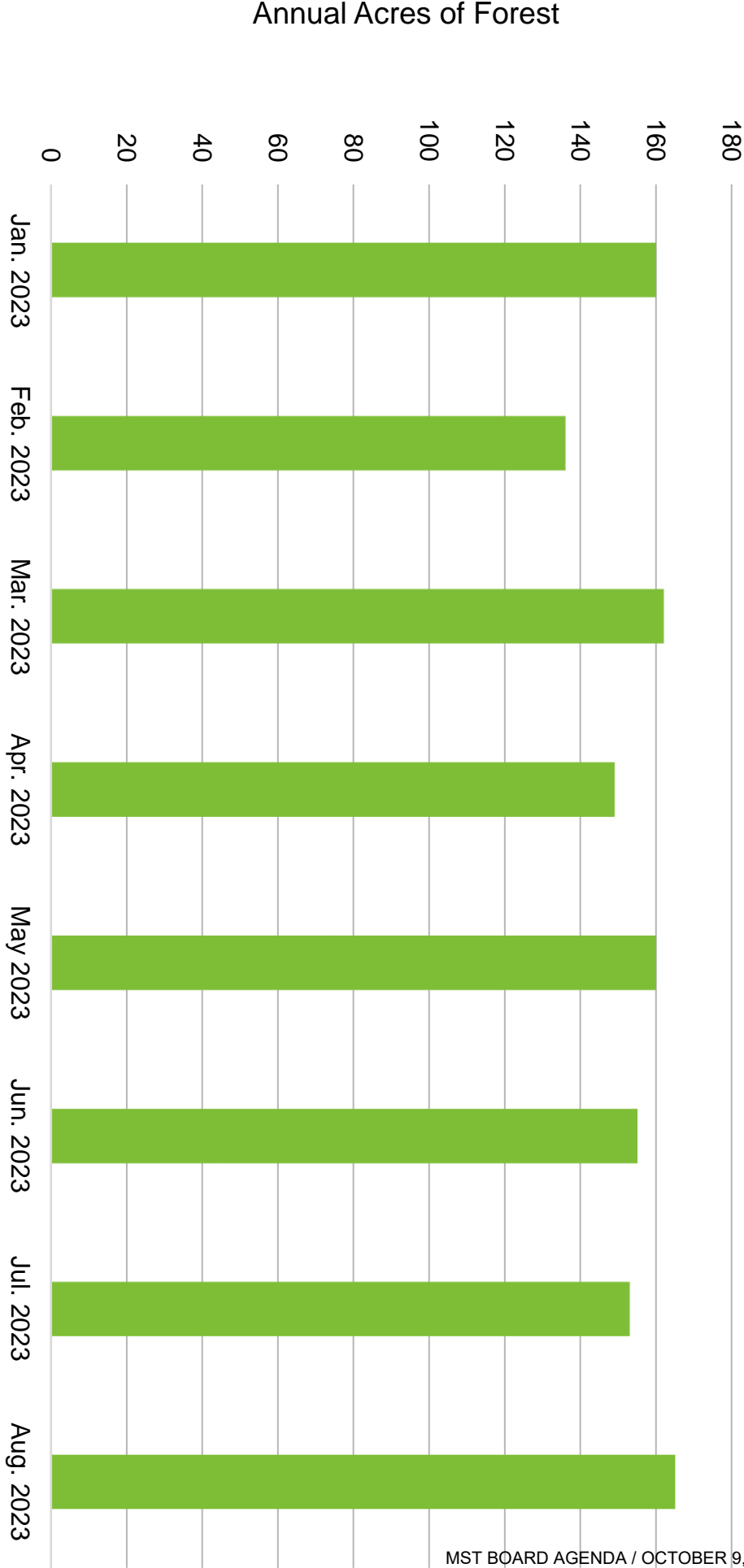
b. Single Occupant Vehicle Trips Removed



c. Fleet Transition to Zero-Emissions



d. Fuel Conversion from Diesel to Renewable As Measured in Annual Acres of Forest Sequestered



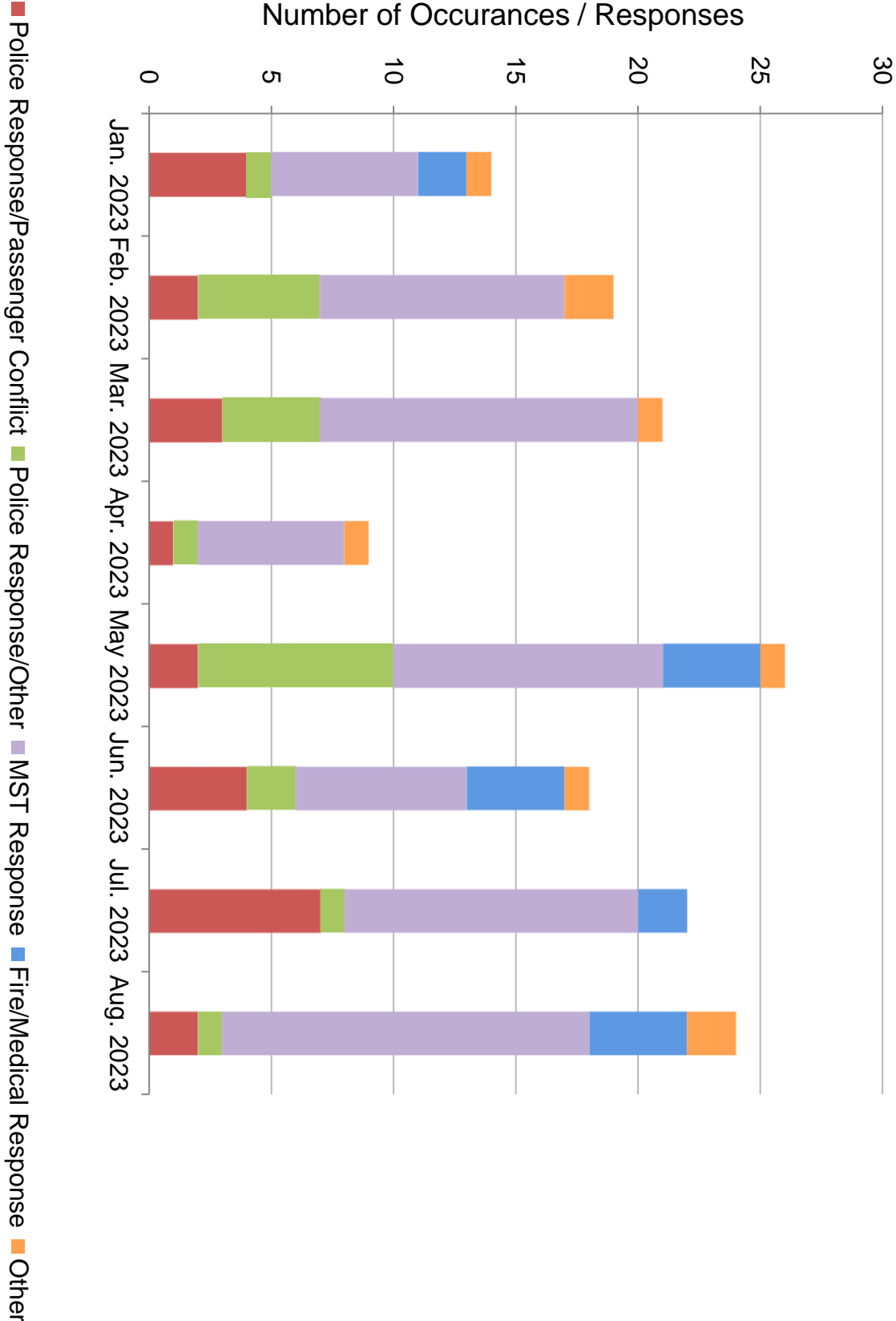
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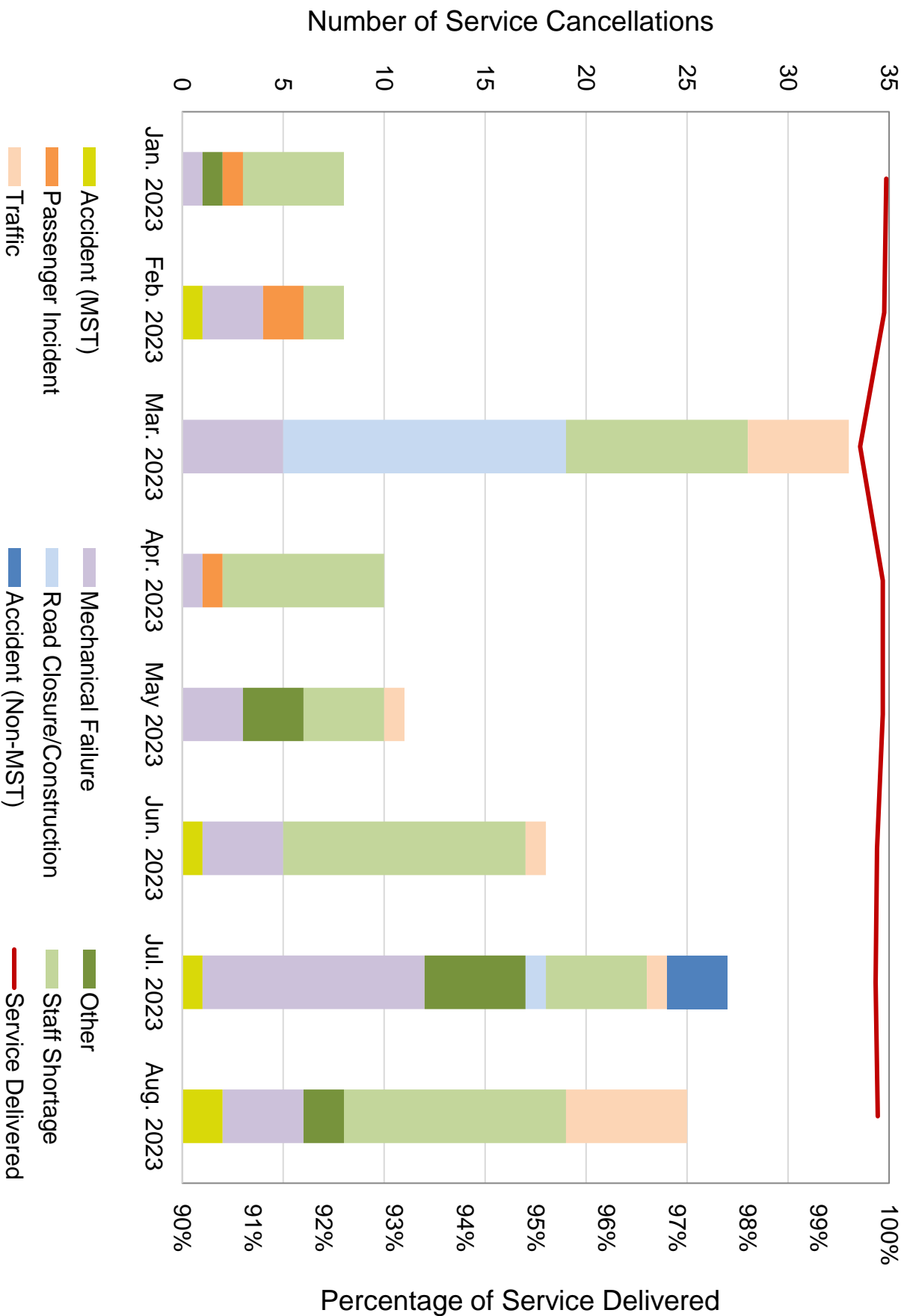
D. Performance

- a. Operations Department
- b. Maintenance of Fleet and Facilities
- c. Finance Department

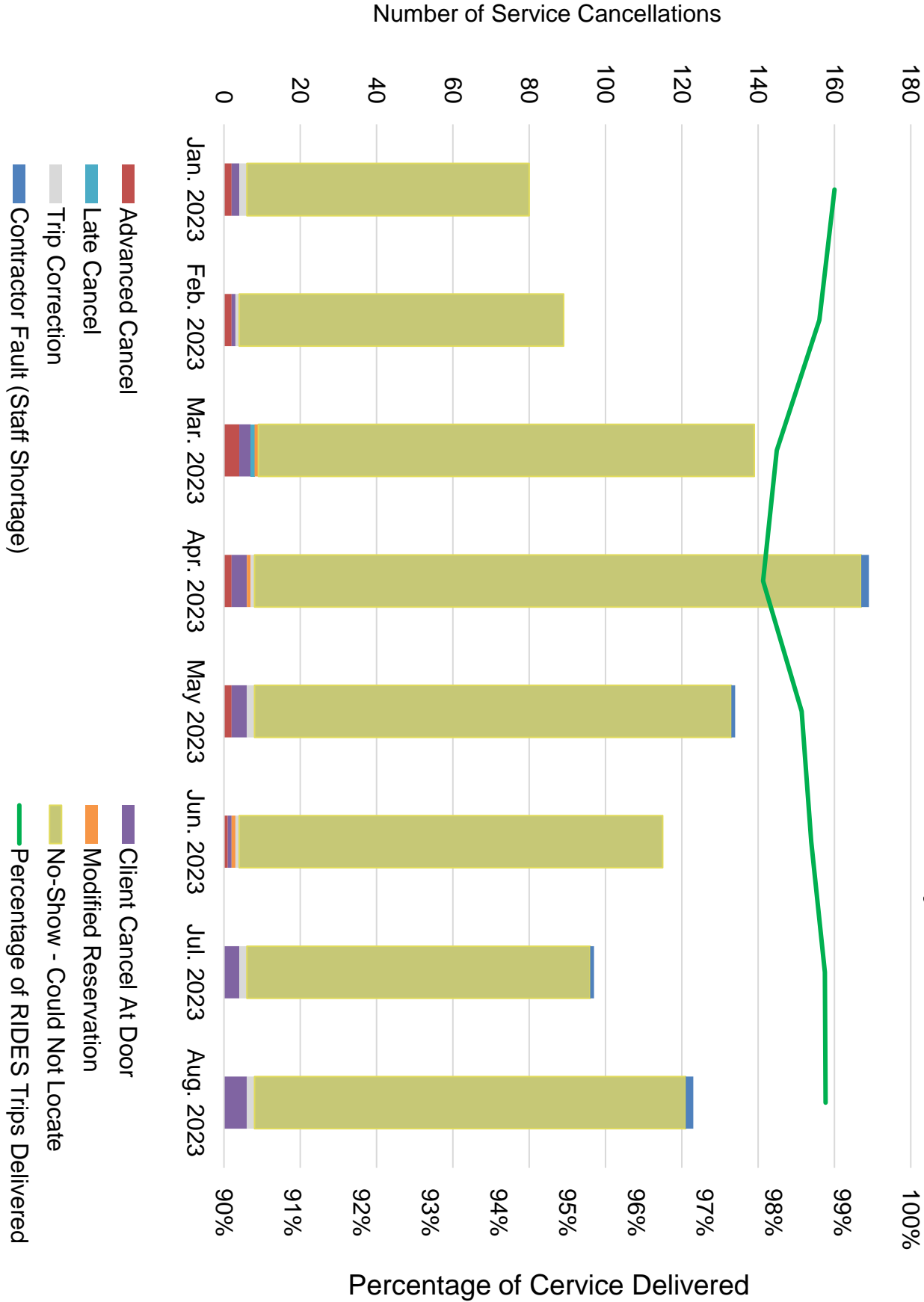
1. Unusual Occurrences and Responses



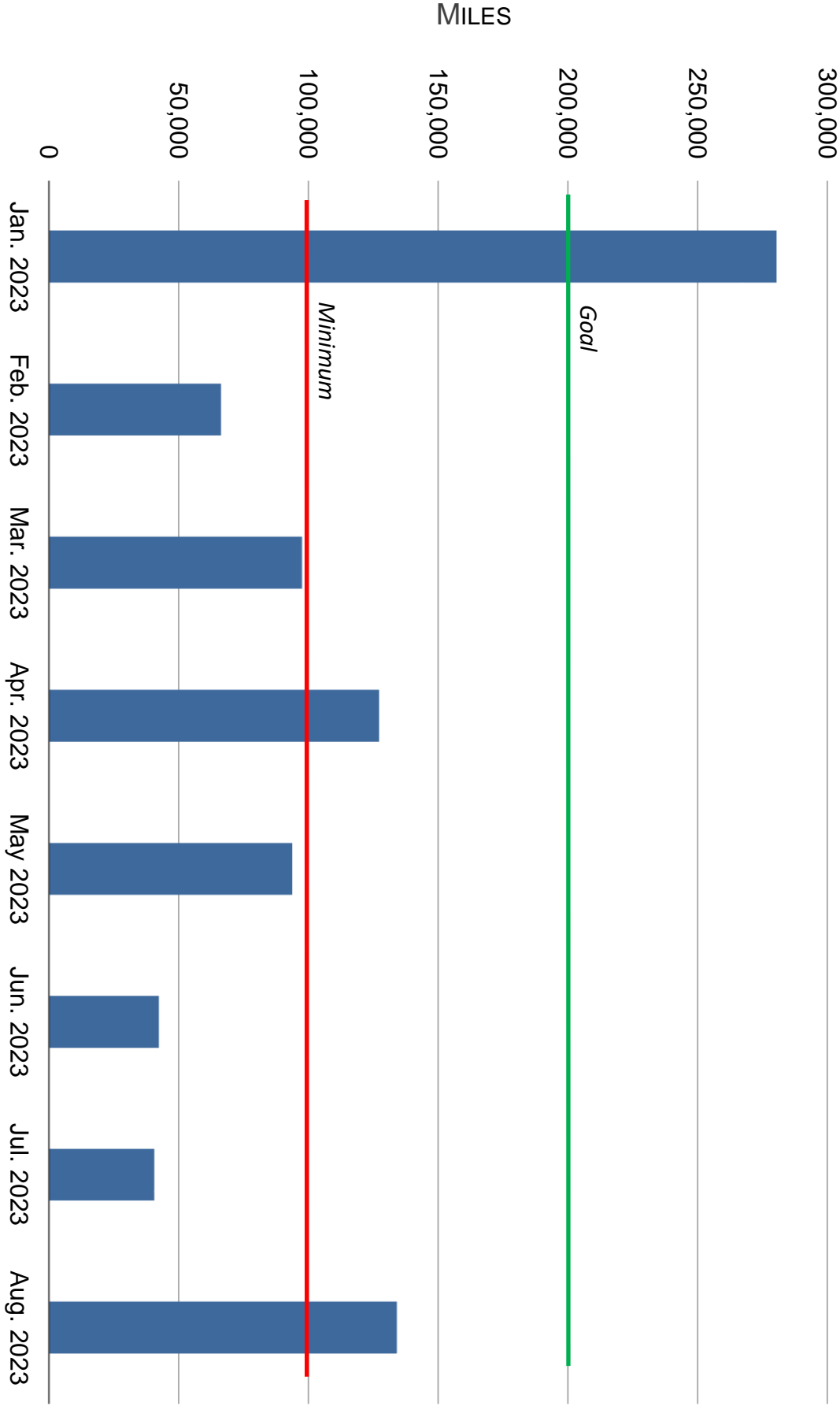
2. Fixed Route Service Cancellations by Reason



3. RIDES Service Cancellations by Reason

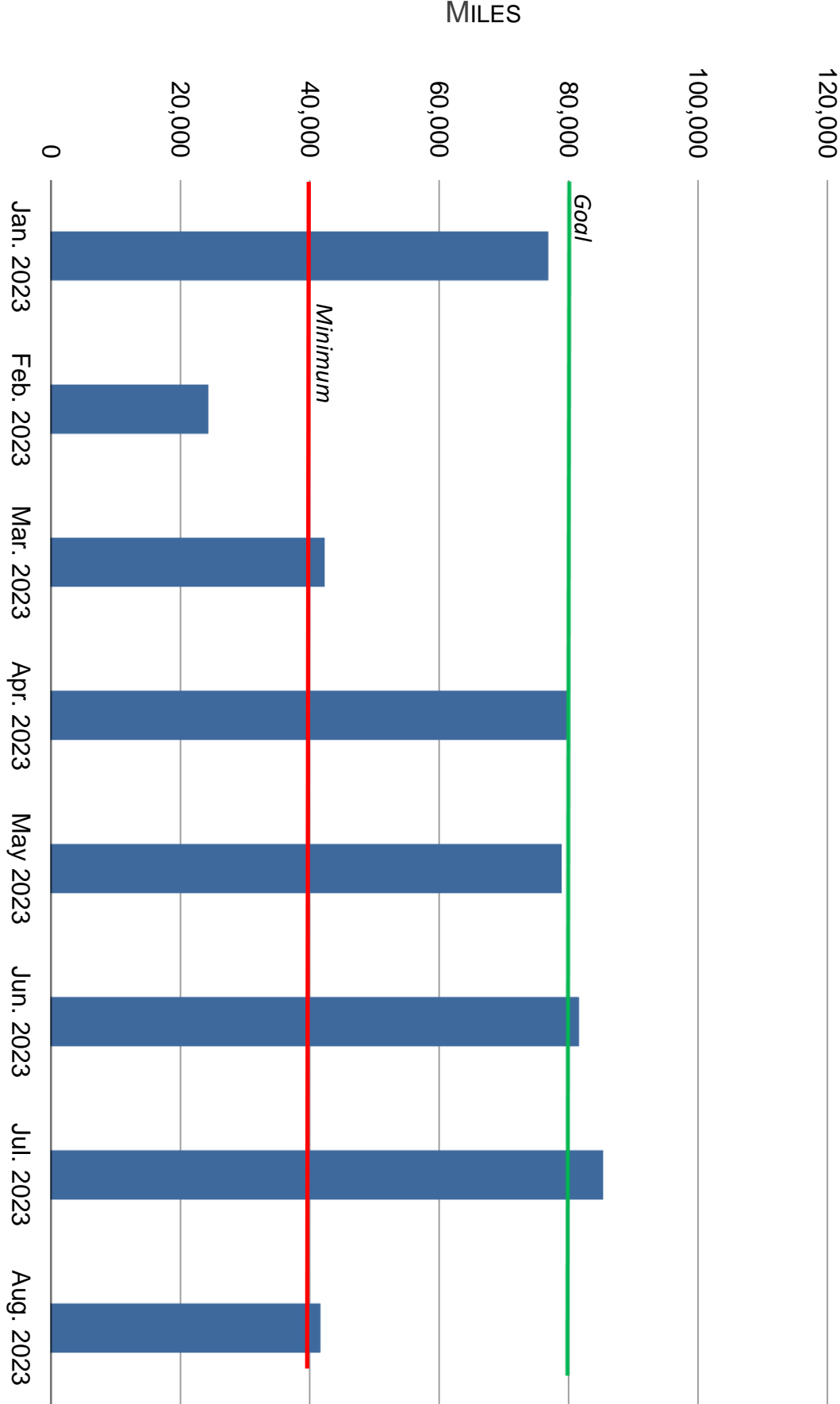


1. Fixed Route Miles Between Preventable Collisions



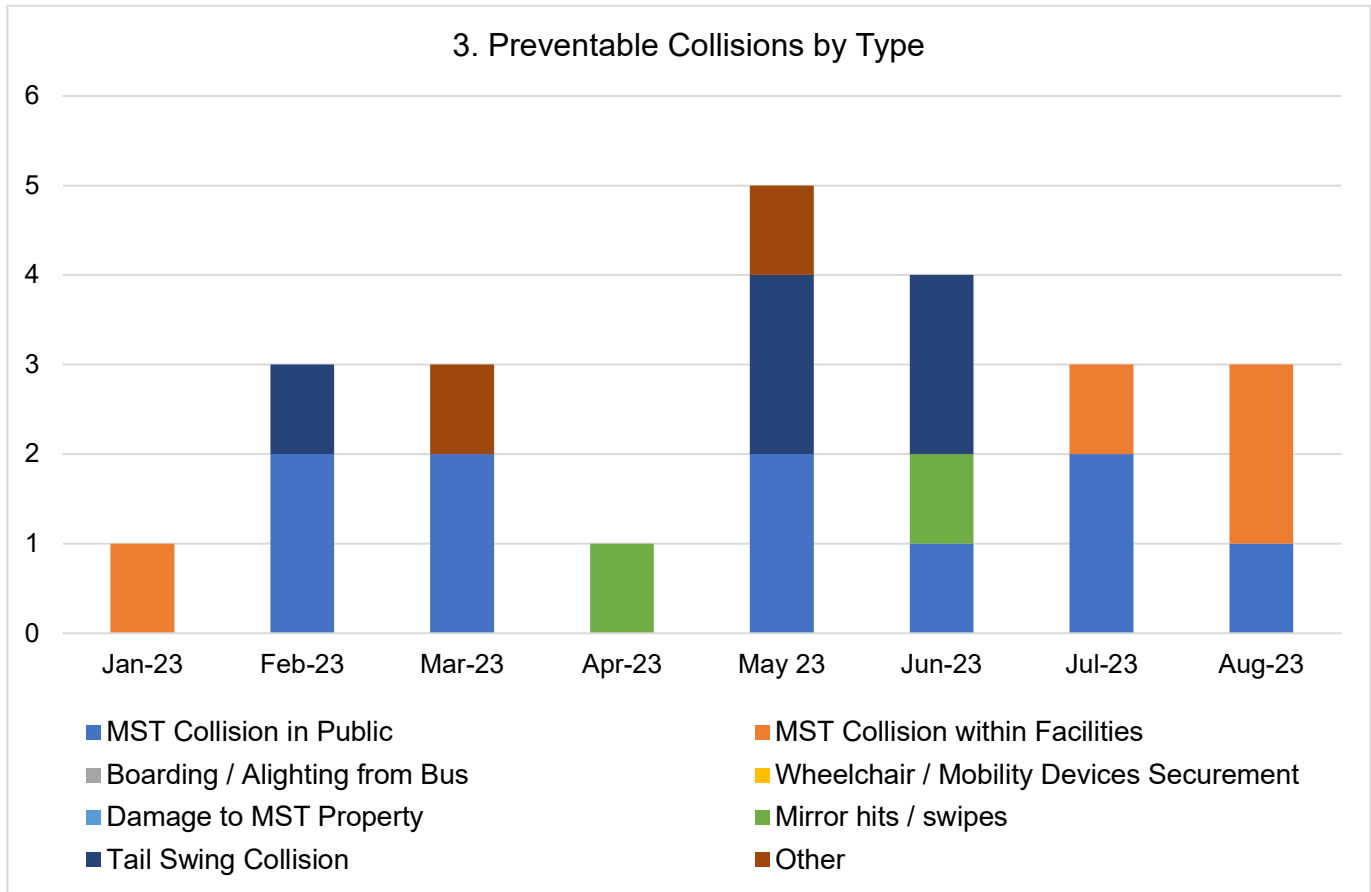
2. RIDES

Miles Between Preventable Collisions

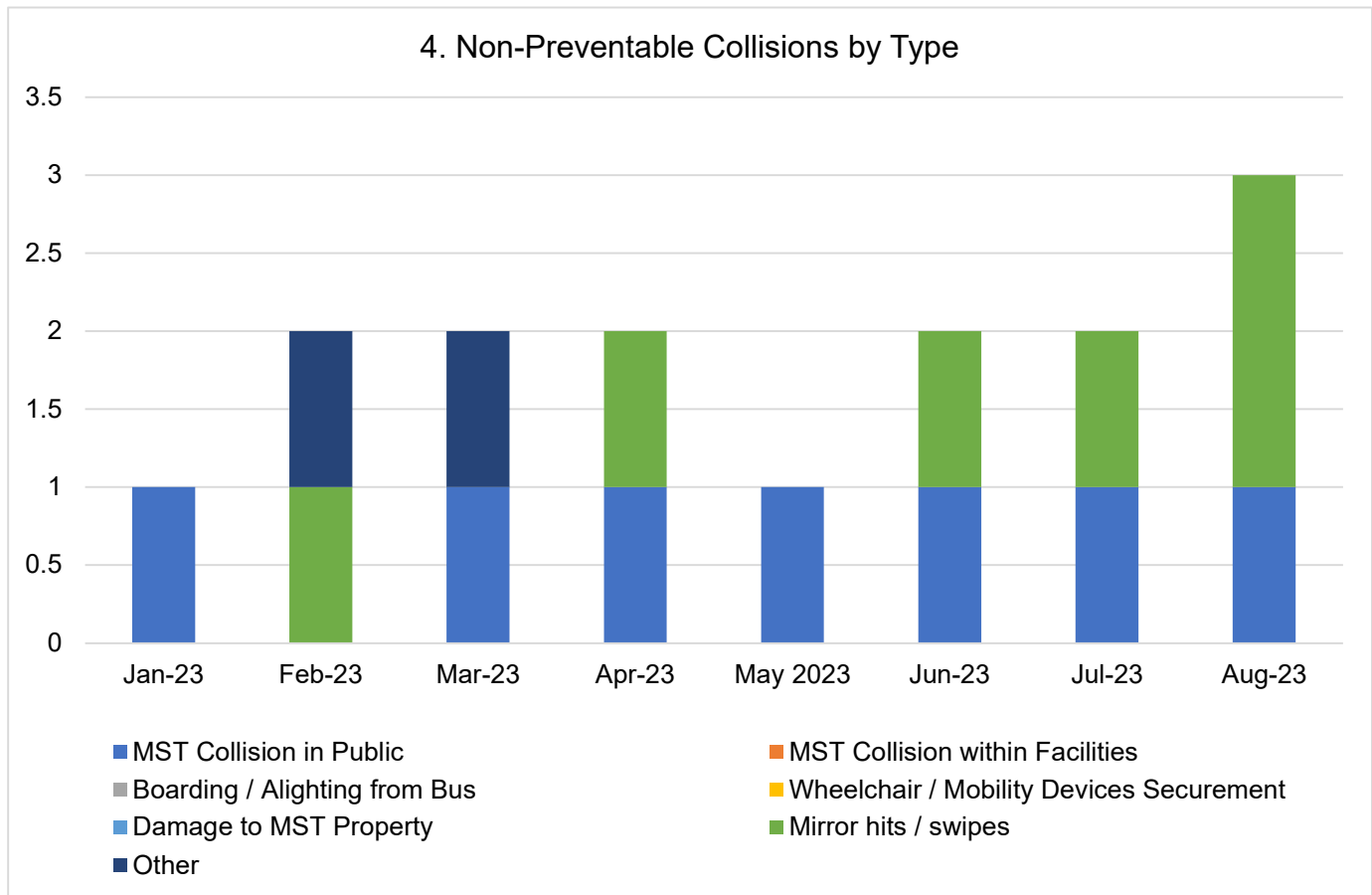


D. Performance

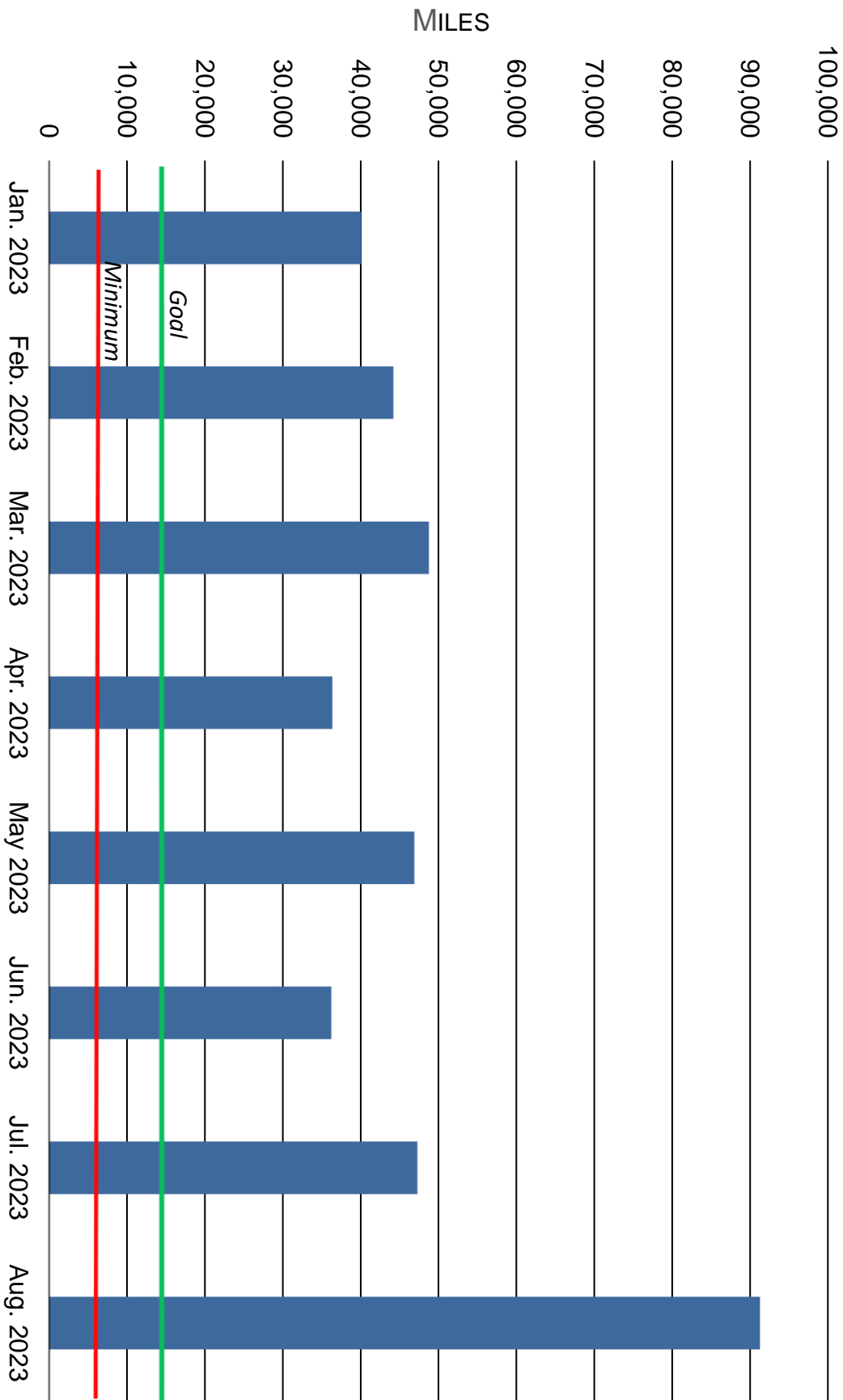
b. Maintenance of Fleet and Facilities



D. Performance
b. Maintenance of Fleet and Facilities

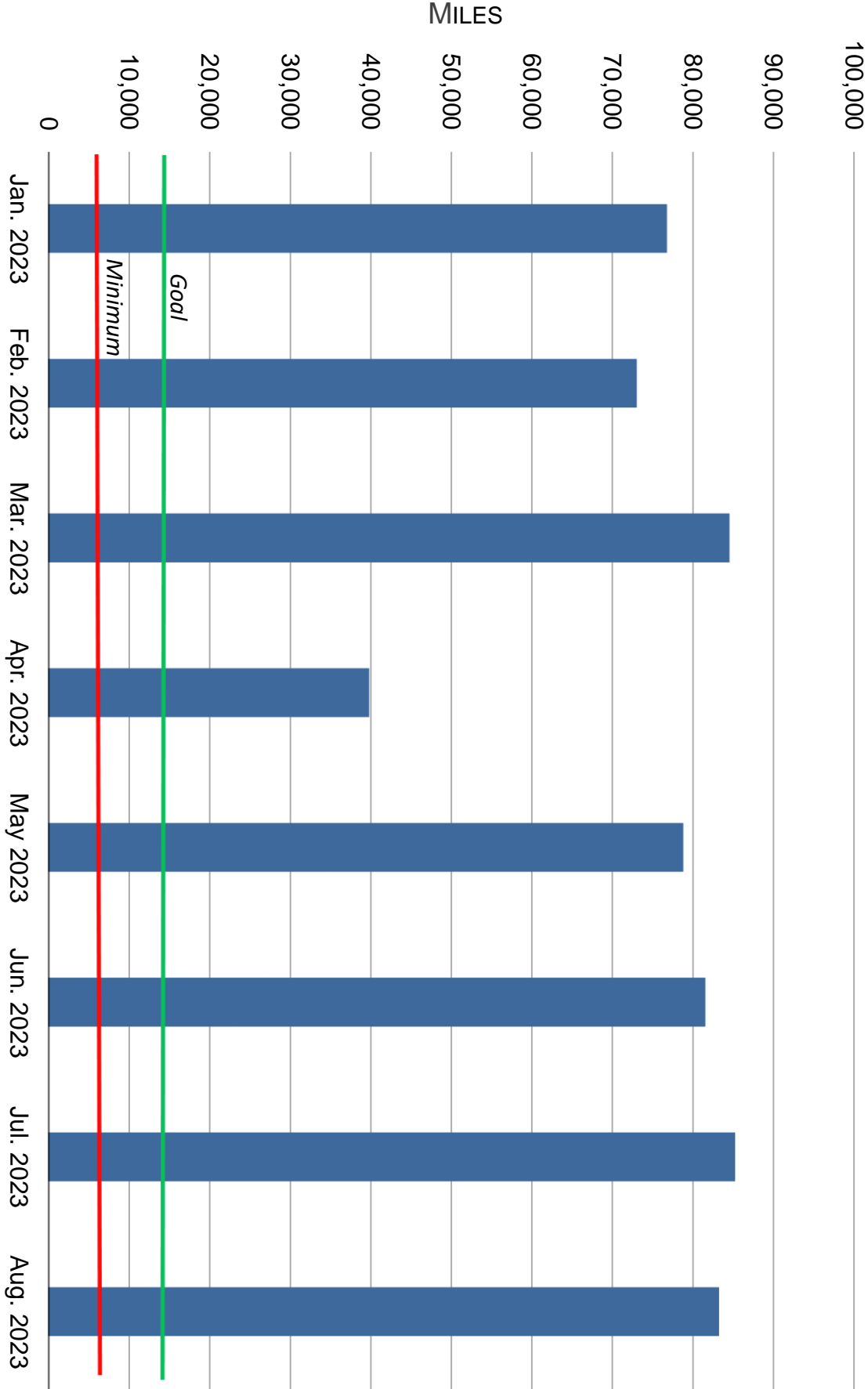


5. Fixed Route Miles Between Major Mechanical Road Calls

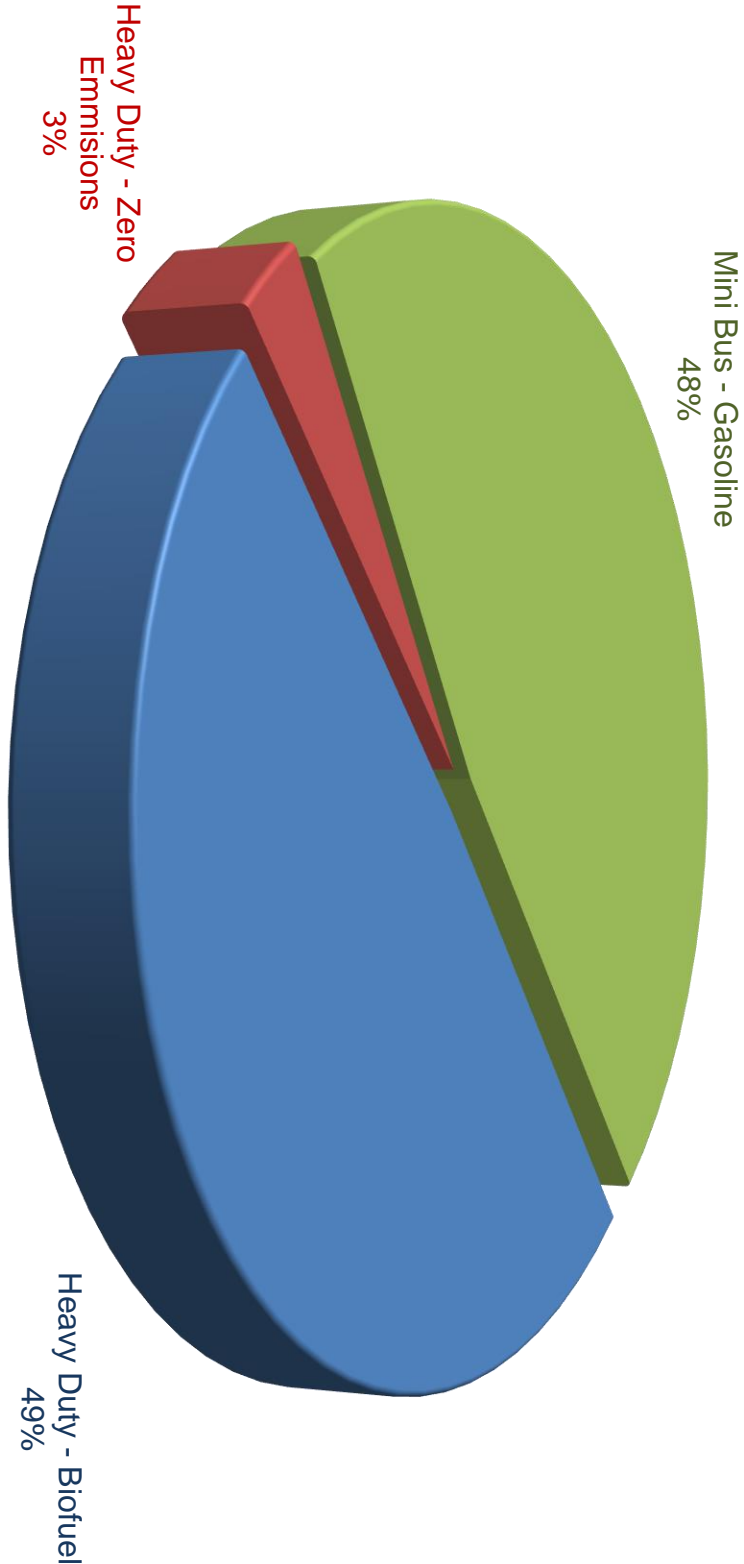


6. RIDES

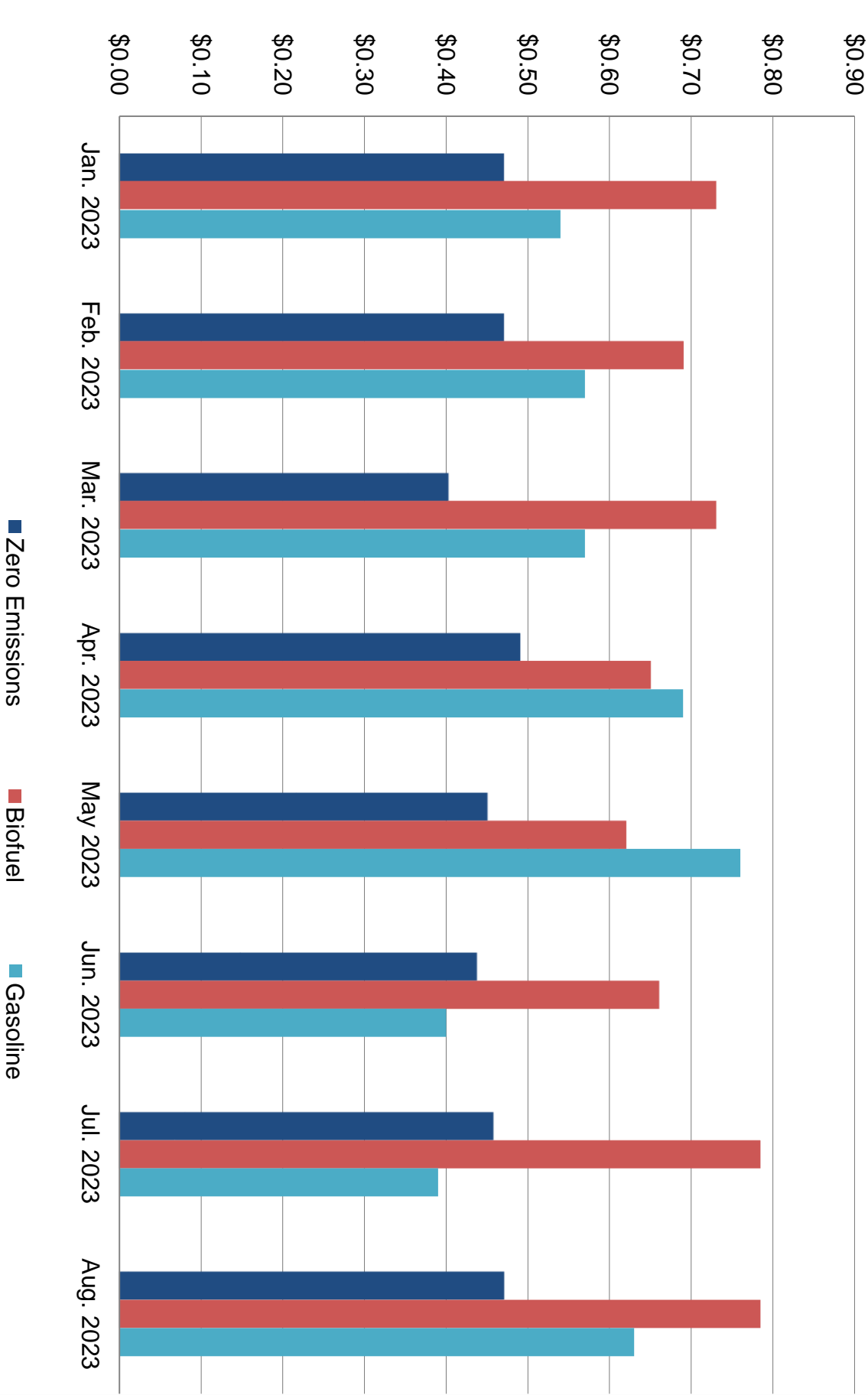
Miles Between Major Mechanical Road Calls



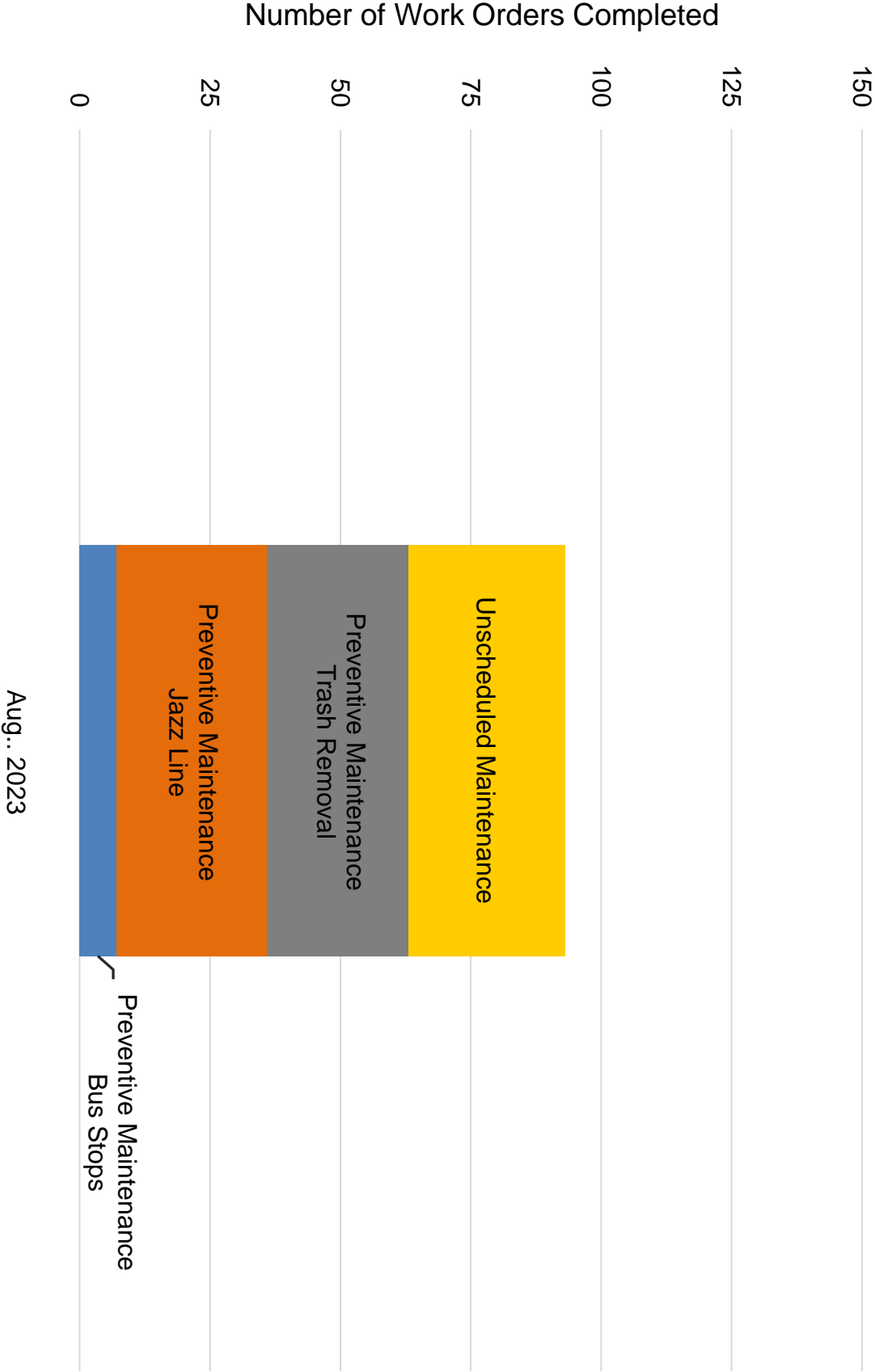
7. Bus Type by Fuel Source

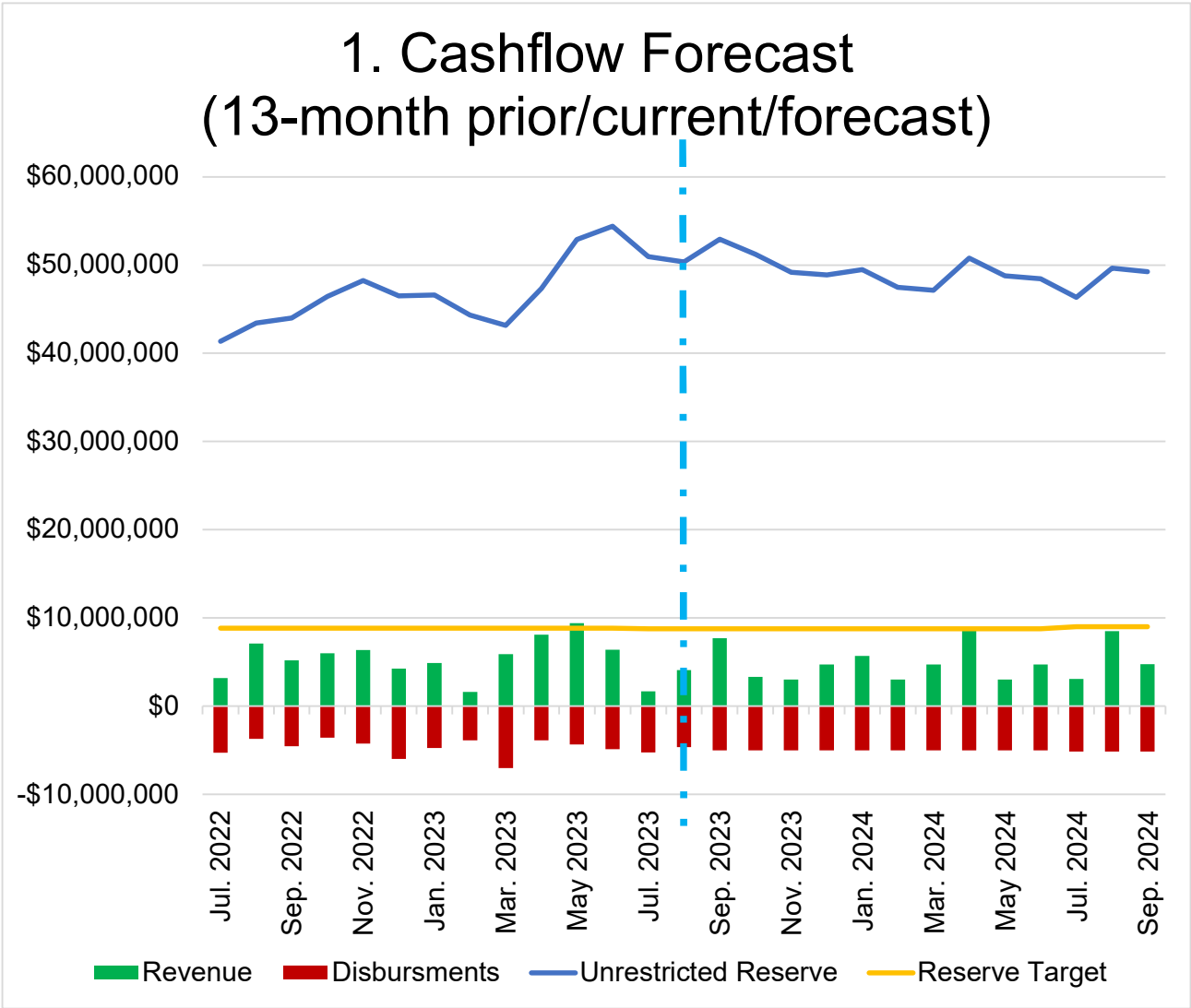


8. Average Cost Per Mile by Fuel Type



9. Maintenance of Bus Stops and Facilities





D. Performance
c. Finance Department

2. Fixed-Route: Revenue & Expense

MONTEREY-SALINAS TRANSIT DISTRICT

Period: 08/01/23..08/31/23

Fiscal Start Date: 07/01/23

G/L Budget Filter: FY24, Fund Filter: 001|004|005

All amounts are in USD.

Description	Cur Mo. Actual	Cur Mo. Budget	Cur Mo. Variance	YTD Actual	YTD Budget	YTD Variance
Revenue						
Passenger Fares	189,376	180,680	8,696	367,683	361,360	6,323
Special Transit	139,524	66,322	73,202	299,595	132,644	166,951
Cash Revenue	132,301	84,249	48,052	244,733	168,498	76,235
Cash Grants & Reimbursement	3,560,415	3,560,415	0	7,120,830	7,120,830	0
Total Revenue	4,021,617	3,891,666	129,951	8,032,841	7,783,332	249,509
Expenses						
Labor	1,447,697	1,566,754	(119,057)	2,854,488	3,133,508	(279,020)
Benefits	969,207	1,129,198	(159,991)	2,082,130	2,258,396	(176,266)
Advertising & Marketing	2,337	17,425	(15,088)	6,252	34,850	(28,598)
1 Professional & Technical	77,331	62,897	14,434	124,278	125,794	(1,516)
Outside Services	54,550	55,000	(450)	107,558	110,000	(2,442)
Outside Labor	125,444	188,042	(62,598)	233,266	376,084	(142,818)
Fuel & Lubricants	254,394	264,266	(9,872)	475,427	528,532	(53,105)
Supplies	56,495	105,131	(48,636)	104,350	210,262	(105,912)
Vehicle Maintenance	76,369	74,999	1,370	150,375	149,998	377
Marketing Supplies	6,008	2,417	3,591	6,468	4,834	1,634
Utilities	63,186	74,038	(10,852)	128,545	148,076	(19,531)
Insurance	125,722	122,041	3,681	243,421	244,082	(661)
Taxes	8,625	21,120	(12,495)	18,681	42,240	(23,559)
Purchased Transportation	395,090	480,584	(85,494)	845,014	961,168	(116,154)
Miscellaneous Expenses	33,383	59,070	(25,687)	78,097	118,140	(40,043)
Interfund transfers	0	(2)	2	0	(4)	4
Pass Thru/Behalf of Others	0	0	0	0	0	0
2 Interest Expense	36,490	9,167	27,323	41,022	18,334	22,688
Leases & Rentals	45,019	46,333	(1,314)	88,751	92,666	(3,915)
Total Operating Expenses	3,777,348	4,278,482	(501,134)	7,588,124	8,556,964	(968,840)
Operating Surplus (Deficit)	244,268	(386,816)	631,084	444,716	(773,632)	1,218,348

The following fixed-route expenses have negative variances of greater than 5% and have a monetary value greater than \$10,000:

1. Professional & Technical - This 22.9% negative variance is mainly attributed to consulting services for the Transit Oriented Development (TOD) Planning Study which extended into this FY. This work is 80% grant funded.
2. Interest Expense – This 298.1% negative variance was the result of timing in accordance with the federal (TIFIA) loan interest payment terms. Interest payments are made in January and July. This category is expected to be within budget by the end of the fiscal year. The July payment was reclassified from June 2023 and recorded in August.

D. Performance
c. Finance Department

3. RIDES: Revenue & Expense

MONTEREY-SALINAS TRANSIT DISTRICT

Period: 08/01/23..08/31/23

Fiscal Start Date: 07/01/23

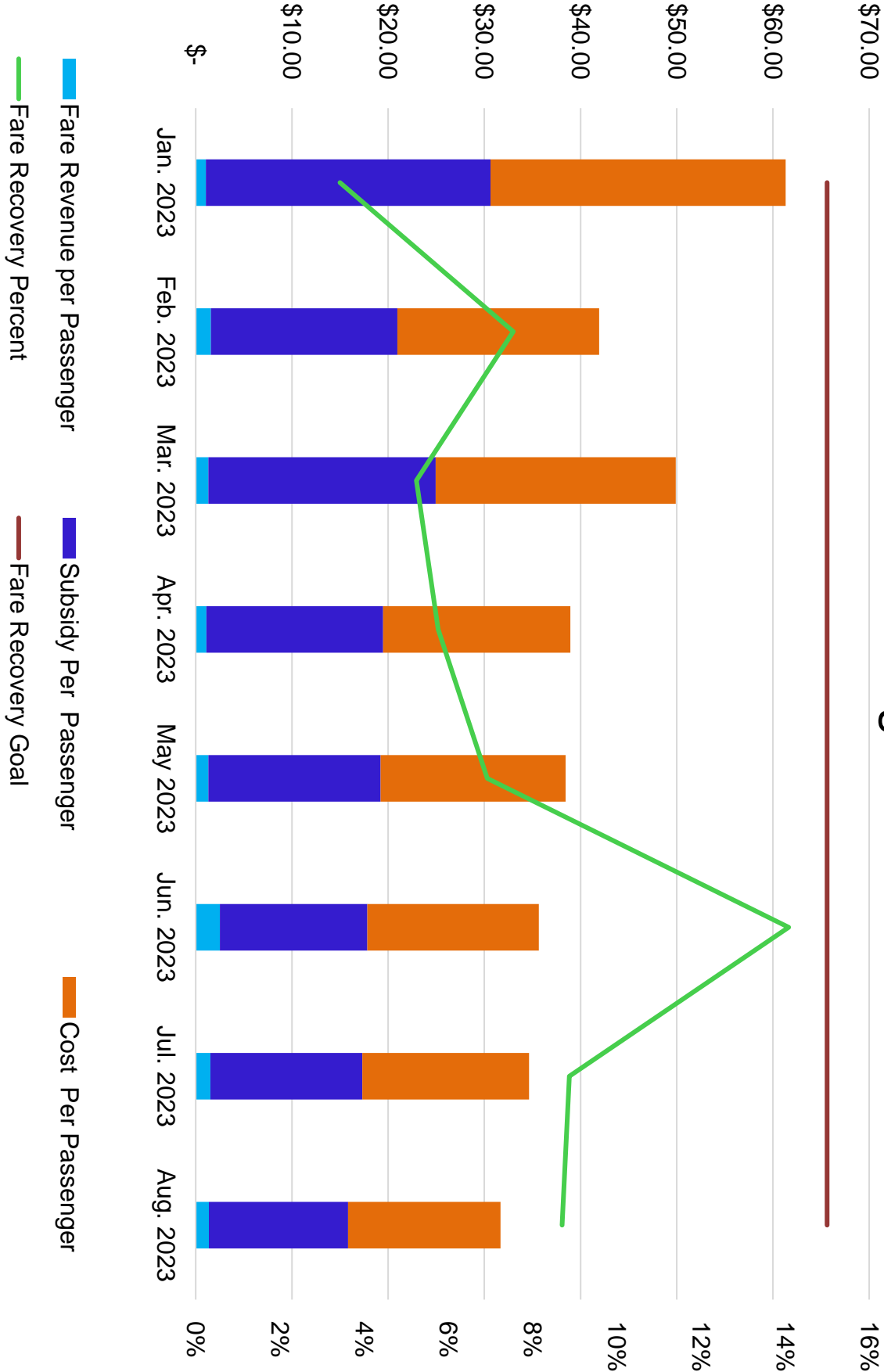
G/L Budget Filter: FY24, Fund Filter: 002

All amounts are in USD.

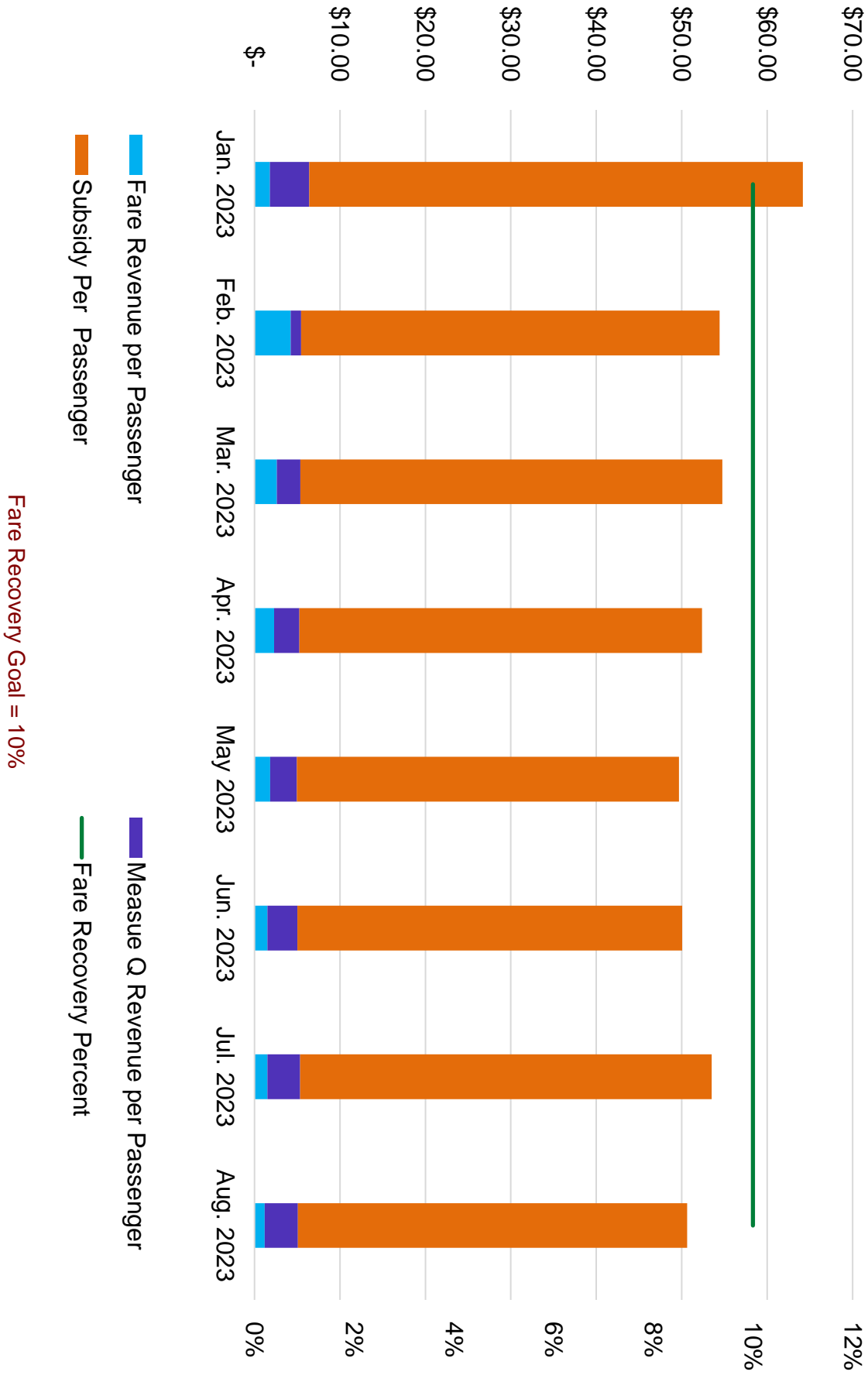
Description	Cur Mo. Actual	Cur Mo. Budget	Cur Mo. Variance	YTD Actual	YTD Budget	YTD Variance
Revenue						
Passenger Fares	8,714	15,000	(6,286)	22,500	30,000	(7,500)
Special Transit	3,001	0	3,001	3,001	0	3,001
Cash Revenue	0	0	0	0	0	0
Cash Grants & Reimbursement	583,053	583,053	0	1,166,106	1,166,106	0
Total Revenue	594,768	598,053	(3,285)	1,191,607	1,196,106	(4,499)
Expenses						
Labor	9,375	11,250	(1,875)	18,644	22,500	(3,856)
Benefits	5,568	6,387	(819)	11,618	12,774	(1,156)
Advertising & Marketing	0	417	(417)	0	834	(834)
Professional & Technical	0	417	(417)	0	834	(834)
Outside Services	0	0	0	0	0	0
Outside Labor	20	6,500	(6,480)	40	13,000	(12,960)
Fuel & Lubricants	61,577	66,667	(5,090)	117,575	133,334	(15,759)
Supplies	649	1,713	(1,064)	1,776	3,426	(1,650)
Vehicle Maintenance	0	0	0	0	0	0
Marketing Supplies	0	167	(167)	0	334	(334)
Utilities	75	120	(45)	135	240	(105)
Insurance	0	0	0	0	0	0
Taxes	0	0	0	0	0	0
Purchased Transportation	404,432	479,584	(75,152)	799,705	959,168	(159,463)
Miscellaneous Expenses	20,073	18,834	1,239	38,490	37,668	822
Interfund transfers	0	0	0	0	0	0
Pass Thru/Behalf of Others	0	0	0	0	0	0
Interest Expense	0	0	0	0	0	0
Leases & Rentals	0	0	0	0	0	0
Total Operating Expenses	501,769	592,056	(90,287)	987,983	1,184,112	(196,129)
Operating Surplus (Deficit)	92,999	5,997	87,002	203,625	11,994	191,631

The following RIDES expenses have negative variances of greater than 5% and have a monetary value greater than \$10,000:
None for the month of August.

4. Fixed Route Operating Cost / Revenue Per Passenger

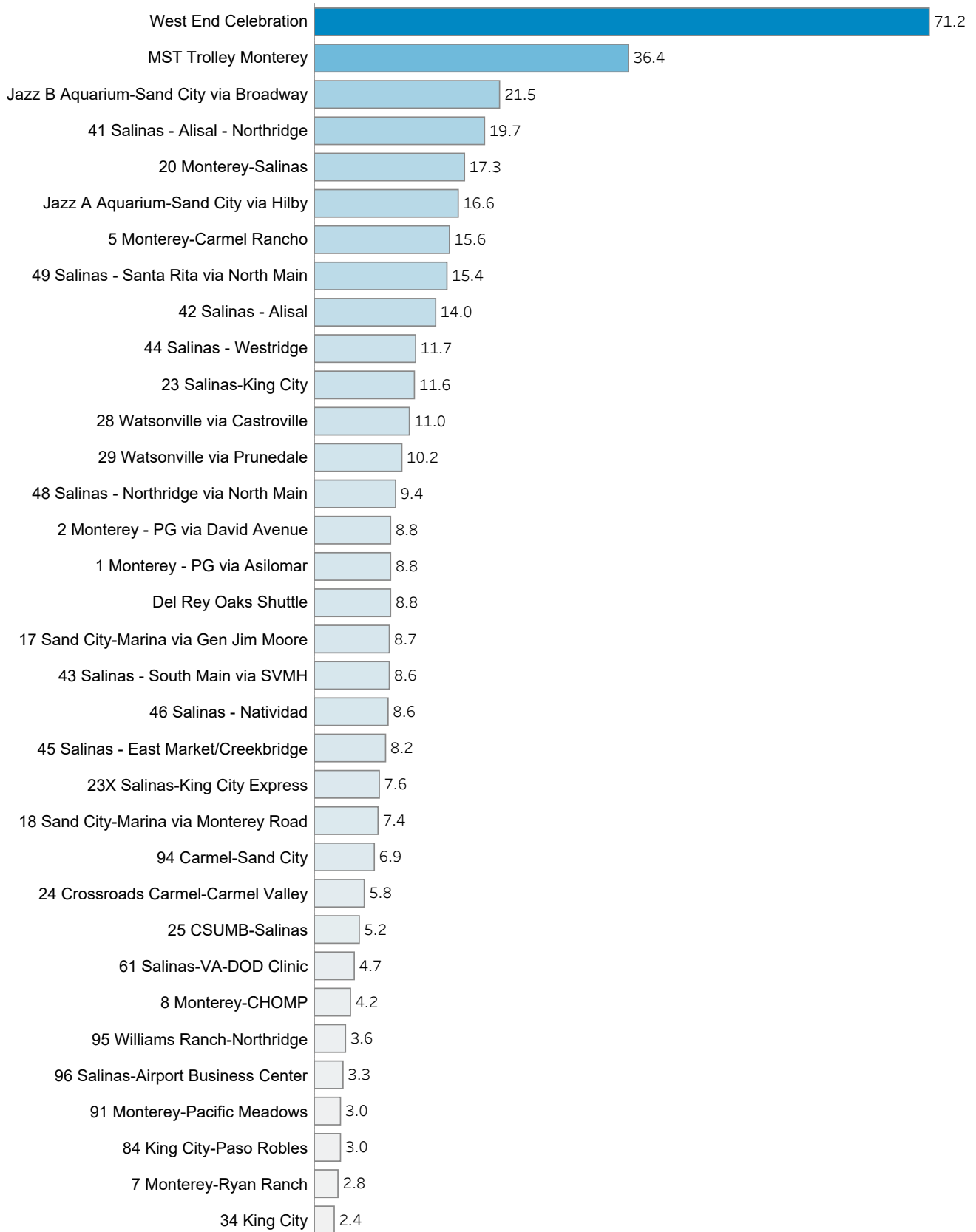


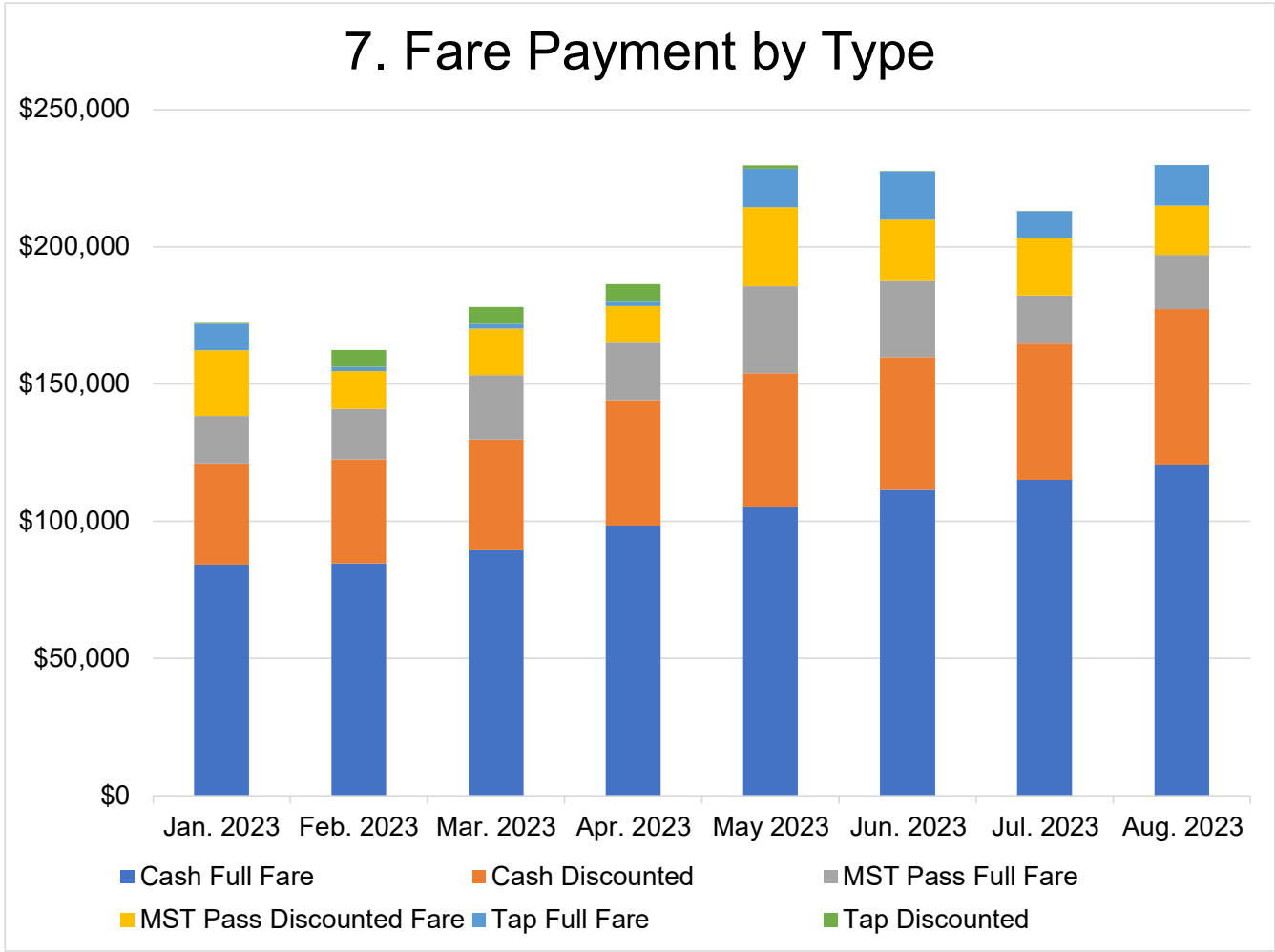
5. RIDES Operating Cost / Revenue Per Passenger



6. Productivity by Line

(Passengers/Hour)
August 2023

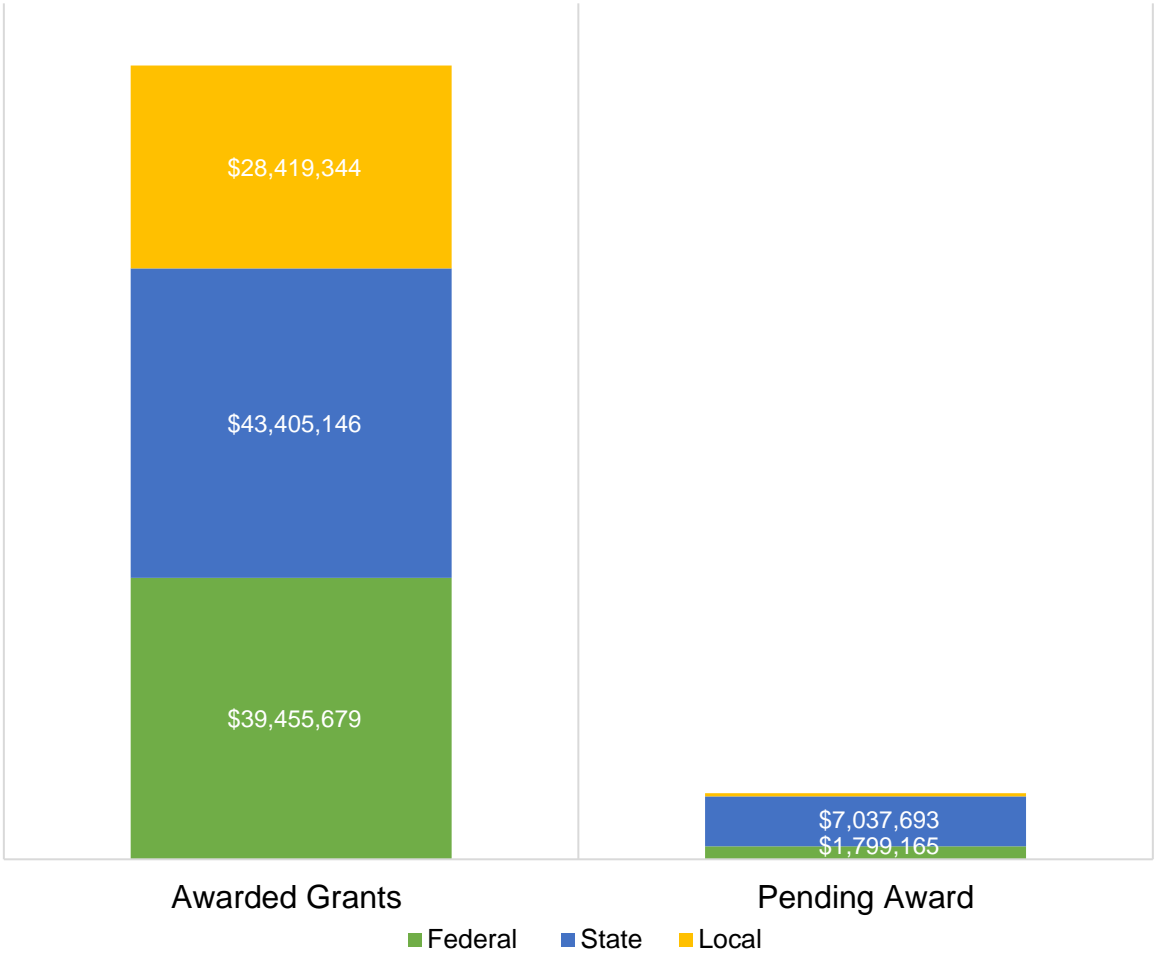




Excludes College EcoSmart Pass Program

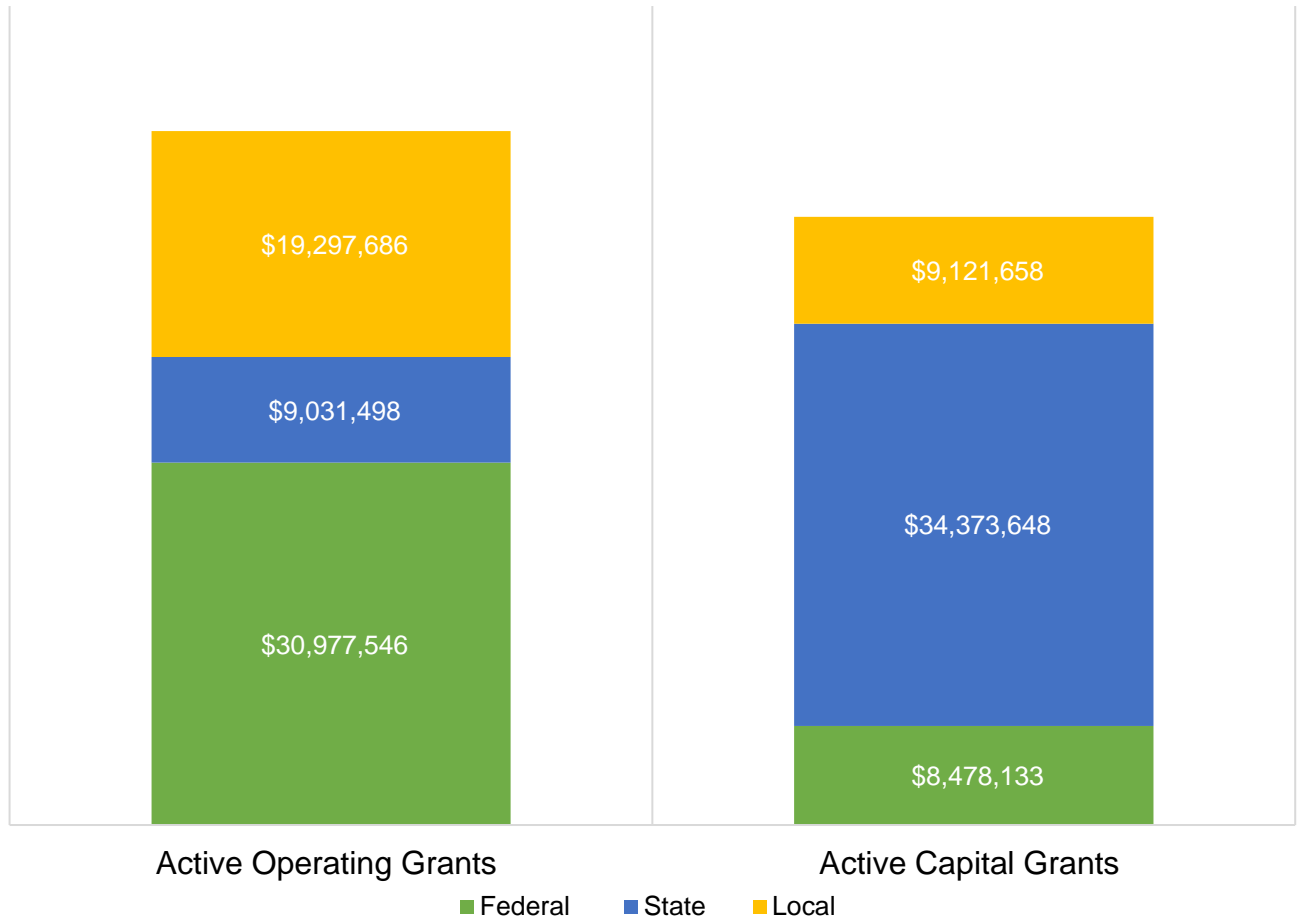
8. Awarded and Pending Grants

Quarterly Report as of June 30, 2023

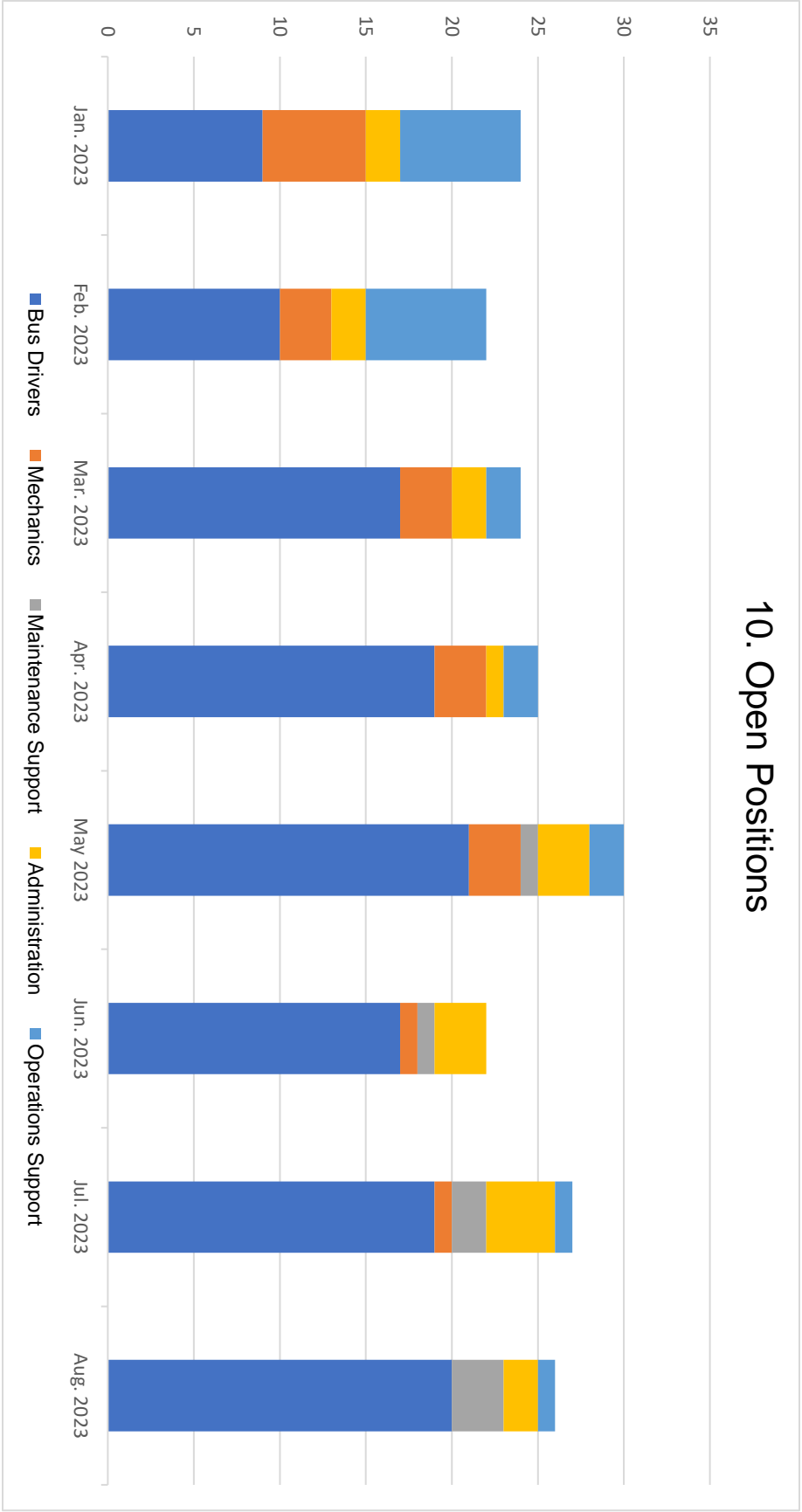


9. Active Capital and Operating Grants

Quarterly Report as of June 30, 2023



10. Open Positions



Thomas Walters & Associates, Inc.
Washington, DC

September 26, 2023

TO: Carl Sedoryk

FROM: Don Gilchrest

The following report summarizes actions taken on behalf of Monterey-Salinas Transit in September.

Appropriations Impasse

The distance between the House and Senate proposals for fiscal year 2024 appropriations legislation is growing as House Republicans are doubling down on their attempts to include significant spending reductions in this year's funding bills. However, House Republicans are far from united on what their strategy is for these negotiations, which is greatly complicating the effort to enact some sort of funding authority before the new federal fiscal year starts on October 1. As a result, the odds now favor this impasse resulting in a shutdown of the federal government.

Because none of the 12 annual appropriations bills have been signed into law yet, leaders in both the House and the Senate have been seeking a pathway to enact a short-term Continuing Resolution (CR) that would provide them with more time to finish up the process for the new fiscal year. Last week, a short-term Continuing Resolution was pulled from consideration in the House because Republicans did not have the necessary votes to proceed. Under the legislation, Republican leaders were proposing short-term spending authority through October 31, with some spending reductions and a Republican border security package. That package did not include the supplemental appropriations for Ukraine and disaster response that President Biden has requested. Several Republican members opposed the CR because they want additional spending cuts and assurances that overall spending will be reduced to the same level as that of fiscal year 2022, so House Leaders were not able to proceed with bringing the bill up. Since then, Speaker McCarthy (R-CA) has not been able to draft a CR that would receive the unanimous support of House Republicans that is needed to move forward since no Democrats in the House will be supporting these proposals.

Several other scenarios are being explored to move a CR, but there is very limited time to navigate the legislative process to get a bill enacted. Accordingly, federal agencies such as the Department of Transportation are planning for a likely shutdown.

Transportation Funding

Both the House and the Senate Appropriations Committees have drafted their versions of the *FY 2024 Transportation, Housing and Urban Development Appropriations Act*, which will provide the outlines for a possible final version to be negotiated if the overall appropriations impasse can be resolved. In this process, MST is advocating to preserve the transportation funding that was enacted in the Infrastructure Investment and Jobs Act of 2021 and supporting additional funding for these programs through the annual appropriations process. Both the House and Senate versions of the transportation funding legislation would continue the significant increases in transportation formula funding and grant opportunities that were enacted in the bipartisan infrastructure law. However, as currently drafted, the House bill would cut \$7 billion of annual appropriations from transportation grant programs compared to the funding they received in last year's appropriations bill. MST's local delegation has been advocating for transportation funding throughout the FY 2024 process, and we are continuing to work with them as the House and Senate consider this legislation.

Washington, DC, Advocacy Meetings

During your recent Washington, DC, advocacy trip with the California Transit Association, we arranged for you to brief the local House and Senate Delegation on MST's federal priorities and projects. We met with the transportation staff for Senator Feinstein, Senator Padilla, Representative Panetta, and Representative Lofgren. The SURF! Busway and BRT Project was included in President Biden's FY 2024 Budget Proposal, so we asked the local delegation to continue to support this funding as Congress finishes up the annual appropriations bills. We also discussed MST's Zero Emissions Bus Plan and the need for federal investment in these vehicles and the infrastructure required to support them. Our meetings were also an opportunity to update them on the need for a new MST facility to serve the Salinas Valley.

We also met with Roger Bohnert, the Director for Project Development at the Build America Building. The Bureau administers the Transportation Infrastructure Finance and Innovation Act program, which MST has used in the past to obtain credit assistance for the South County Operations and Maintenance Facility. Mr. Bohnert and his staff offered to work with MST to explore future opportunities to use this federal program to support MST projects.

Additional Lobbying Opportunities

We are continuing to consult with you regarding additional opportunities to advocate MST's 2023 federal agenda as Congress moves into the final legislative push for this year. We will continue to monitor the FY24 appropriations legislation and Bipartisan Infrastructure Legislation implementation for any issues that require virtual or in-person meetings.

September 25, 2023

TO: Board of Directors, Monterey-Salinas Transit District

FROM: Matt Robinson, Partner
Michael Pimentel, Legislative Advocate



RE: STATE LEGISLATIVE UPDATE – October 2023

Legislative Update

The Legislature adjourned the first year of the two-year 2023-24 Legislative Session for its interim recess on September 14. The Governor has until October 14 to act on any bills sent to his desk in the final weeks of the session. In the first year of the Session, the Legislature sent Governor Newsom approximately 800 bills. The Legislature will be on recess for just under four months, returning to Sacramento on January 3. As you may be aware, several bills introduced this year were made two-years bills by their authors or by committees. These bills can move in 2024 and several of these bills will have to move within the first month of the session. The Legislative Calendar, which sets the deadlines for the year can be viewed [here](#).

ACA 1/ACA 13 Pass Legislature

Two constitutional amendments that would significantly restructure the vote thresholds for local measures and measures attempting to increase vote thresholds passed the Assembly and Senate in the final days of the Legislative Session. Each of the measures required a two-thirds vote from each house to move to the ballot. Both measures will likely head to the November 2024 General Election ballot. ACA 1 would lower the voter threshold for local taxes for specific public infrastructure project categories (including projects that make “improvements to transit and streets and highways”), as well as for affordable housing, from a 2/3 to a 55% threshold. ACA 13 would establish the same voter threshold for higher threshold changes, requiring constitutional amendments that aim to increase voter approval to be approved by voters at the same threshold the measure is looking to implement.

New Senate Leader Emerges

On August 28, after months of speculation, Senate President Pro Tem Toni Atkins and Senate Majority Leader Mike McGuire [announced](#) that Senator McGuire secured the support of Senate Democratic Caucus to follow Senator Atkins as the next Pro Tem of the Senate. The transition will happen in 2024, but no firm date has been released. Senator McGuire represents a largely rural district, extending along the coast from Marin County all the way to the Oregon border.

Update on SB 125 Implementation

The FY 2023-24 Budget Act included [SB 125 \(Committee on Budget and Fiscal Review\)](#), which imposes new accountability and reform requirements on regions and their transit agencies to access the \$5.1 billion in funds authorized under AB 102 (Committee on Budget). SB 125 requires the California State Transportation Agency (CalSTA) to adopt guidelines that provide greater structure and specificity to these accountability and reform requirements by September 30. On September 1, CalSTA released the draft guidelines to implement SB 125. The final guidelines will govern access to the General Fund-supported Transit and Intercity Rail Capital Program and Zero-Emission Transit Capital Program. AB 102 appropriated \$4 billion in General Fund support to the TIRCP over the next two fiscal years as well as \$1.1 billion in Greenhouse Gas Reduction Fund and Public Transportation Account support to the Zero-Emission Transit Capital Program (ZETCP) over the next four years. Of the amounts noted above, Monterey County (TAMC) is expected to program approximately \$52.5 million.

Bills of Interest

SB 304 (Laird) MST Contracting Limits

This bill increases MST's streamlined procurement threshold for supplies, equipment, materials, and certain services from \$100,000 to \$150,000. The higher limit will allow MST to expeditiously enter into contracts for the aforementioned by seeking quotations from vendors (as opposed to running a more traditional, full-scale procurement process). ***This bill was signed by the Governor.***

SB 617 (Newman) Progressive Design-Build

Existing law authorizes certain local agencies authorized to provide for the production, storage, supply, treatment, or distribution of water to use the progressive design-build process for up to 15 public works projects in excess of \$5,000,000 for each project. This bill would additionally authorize a transit district, municipal operator, consolidated agency, joint powers authority, regional transportation agency, or local or regional agency to use the progressive design-build process. The bill would specify that the authority to use the progressive design-build process does not include inspection services for projects on, or interfacing with, the state highway system. ***This bill is on the Governor's Desk awaiting action.***

SB 747 (Caballero) Surplus Lands Act

This bill would amend the Surplus Lands Act (SLA) to respond to several concerns with SLA implementation raised by the California Transit Association and further amend the SLA to permit more economic development on transit properties. SB 747 will also create an administrative process for approving some parcels as exempt, allow more parcel disposals to be considered "exempt" surplus land, and clarify several existing exempt surplus land definitions to reflect past transactions. Importantly, SB 747 would define disposal and include both the sale of property and the lease of property. ***This bill is on the Governor's Desk awaiting action.***

AB 96 (Kalra) Autonomous Transit Vehicles

This bill would require a public transit agency to provide written notice to the exclusive employee representative of the workforce affected by autonomous transit vehicle

technology of its determination to begin, or its substantive progress toward initiating, any procurement process or a plan to acquire or deploy the technology for public transit services that would eliminate job functions or jobs of the workforce 10 months before commencing the process, plan, or deployment. The bill would require the public transit employer, following a written request by the exclusive employee representative, to engage in collective bargaining on subjects that include creating plans to train and prepare the affected workforce to fill new positions created by the technology. ***This bill is on the Governor's Desk awaiting action.***

AB 316 (Aguiar-Curry) Heavy Duty Autonomous Vehicles

This bill would prohibit the operation of an autonomous vehicle with a gross vehicle weight of 10,001 pounds or more on public roads for testing purposes, transporting goods, or transporting passengers without a human safety operator physically present in the autonomous vehicle at the time of operation and to provide deactivation and collision reports to the Department of Motor Vehicles. ***This bill was vetoed by the Governor.***

AB 463 (Hart) Electricity Prioritization for Public Transit Vehicles (MST SUPPORT)

This bill would provide transit agencies with priority access to electricity when facing grid disruptions caused by natural or man-made disasters, rolling blackouts, utility company "Public Safety Power Shutoffs" (PSPS), and increasing demand on California's electrical grid. ***This bill was held in the Assembly Appropriations Committee.***

AB 557 (Hart) Brown Act – Extension of Existing Authority (MST SUPPORT)

Beginning on January 1, 2024, this bill would extend the existing teleconferencing/remote-meeting authority that can be used when a declared state of emergency is in effect and would also extend the period for a legislative body to make the required findings related to the continuing state of emergency and social distancing from 30 days to 45 days after the first teleconferenced meeting, and every 45 days thereafter, in order to continue to meet. ***This bill is on the Governor's Desk awaiting action.***

AB 610 (Holden) Youth Transit Pass Pilot Program: Free Youth Transit Passes

This bill would, upon appropriation of moneys by the Legislature, create the Student Transit Pass Pilot Program for the purposes of awarding grants to transit agencies for the costs of creating, designing, developing, advertising, distributing, and implementing free student transit passes to persons attending public educational institutions, and persons 18 years of age or younger, providing free transit service to holders of those passes, and administering and participating in the program. Grants would be awarded based on the aggregate enrollment of students at eligible educational institutions within the county served by those transit agencies. The bill would authorize a transit agency to submit a grant application in partnership with one or more public educational institutions and would also authorize grant funds to be used to maintain, subsidize, or expand an existing fare free program. ***This is a two-year bill.***

AB 817 (Pacheco) Brown Act (MST SUPPORT)

The Brown Act casts a wide net when it comes to defining legislative bodies to include any "commission, committee, board, or other body of a local agency, whether

permanent or temporary, decision-making or advisory.” This bill would provide flexibility for advisory bodies that can take no action, or establish policy on behalf of a local elected body by allowing them to continue to meet remotely without having to follow the specific quorum, location notification, and accessibility requirements required by the Brown Act. **This is now a two-year bill.**

ACA 1 (Aguiar-Curry) Lower-Vote Threshold (MST SUPPORT)

This measure would authorize a local government, including a special district, to impose, extend, or increase a sales and use tax or transactions and use tax imposed, or a parcel tax, for the purpose of funding the construction, rehabilitation, or replacement of public infrastructure, defined to include improvements to transit and streets and highways and projects for the protection of property from the impacts of sea level rise, as well as for affordable housing, if the proposition proposing that tax is approved by 55% of its voters. ***This measure will appear on the November ballot.***