Board of Directors Regular Meeting

**Monday, August 18, 2008**

MST Conference Room
One Ryan Ranch Road, Monterey

10:00 a.m.

TRANSPORTATION: Ride the Peninsula DART to MST Office

1. **CALL TO ORDER**
   1-1. Roll call.
   1-2. Pledge of Allegiance.

2. **CLOSED SESSION**

   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.

   2-1. Conference with labor negotiators. (No enclosure)
       Agency designated representatives: H. Quinn, L. Owens
       MST Employee Association

3. **RETURN TO OPEN SESSION**

   3-1. Report on Closed Session and possible action.

4. **CONSENT AGENDA**

   4-1. Review highlights of Agenda. (Carl Sedoryk)

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Action Description</th>
<th>Responsible Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-3.</td>
<td>Disposal of property left aboard buses. (Danny Avina) (p. 3)</td>
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<tr>
<td>4-4.</td>
<td>Minutes of the regular meeting of July 14, 2008. (Sonia Bannister) (p. 5)</td>
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<tr>
<td>4-6.</td>
<td>Approve new check signing authority for LWP Claims Solutions, Inc. (Lyn Owens) (p. 31)</td>
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<td>4-7.</td>
<td>Approve MST Officers and Appointment. (Carl Sedoryk) (p. 33)</td>
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<td>4-8.</td>
<td>Reject Liability Claim. (Ben Newman) (p. 35)</td>
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<td>4-9.</td>
<td>Committee Assignments. (Carl Sedoryk) (p. 37)</td>
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<tr>
<td>4-10.</td>
<td>Award $41,891.85 contract to Gillig Corporation for purchase of coach operator seats. (Michael Hernandez) (p. 41)</td>
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<td>4-11.</td>
<td>Approve Revised Drug &amp; Alcohol Program. (Lyn Owens) (p. 43)</td>
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</tr>
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<td>4-12.</td>
<td>Directors and Officers, Employment Practices Liability Insurance. (Lyn Owens) (p. 45)</td>
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<td>4-13.</td>
<td>Adopt DBE goals. (Sandra Amorim-Ruiz) (p. 47)</td>
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<td>4-14.</td>
<td>Adopt Resolution 2009-04 supporting the State of California regarding construction of high speed rail. (Michael Gallant) (p. 49)</td>
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</tr>
<tr>
<td>4-15.</td>
<td>Authorize General Manager/CEO to sign ballot argument/rebuttal for the TAMC ½-cent sales tax. (Hunter Harvath) (p. 53)</td>
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</tbody>
</table>

End of Consent Agenda

### 5. SPECIAL PRESENTATIONS

<table>
<thead>
<tr>
<th>Item</th>
<th>Presentation Description</th>
<th>Responsible Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-1.</td>
<td>August Employee of the Month – Michael Cargile, Communications Systems Specialist. (Robert Weber)</td>
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<tr>
<td>5-2.</td>
<td>20 Years of Service – Rudy Mora, Coach Operator. (Michael Hernandez)</td>
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</tr>
</tbody>
</table>
6. **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 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.

7. **COMMITTEE REPORTS**

No action required unless specifically noted.

| 7-1. | MST RIDES Advisory Committee Minutes – May 19, 2008. (Bill Morris) (p. 55) |
| 7-2. | Facilities Committee Minutes – July 14, 2008. (Carl Wulf) (p. 59) |

8. **BIDS/PROPOSALS**

| 8-1. | Award $116,385.13 contract to Bergen Auto Upholstery for purchase of 35 passenger bus seats. (Michael Hernandez) (p. 61) |
| 8-2. | Award $143,074 contract to DRI Corporation / Twin Vision for purchase of electronic destination signs. (Michael Hernandez) (p. 63) |

9. **PUBLIC HEARINGS**

10. **UNFINISHED BUSINESS**

| 10-1. | Ratify Memorandum of Understanding with MST Employee Association (MSTEA). (Dave Laredo) (p. 65) |
| 10-2. | Accept proposal from Central Coast Alliance for Health. (Carl Sedoryk) (p. 67) |

11. **NEW BUSINESS**

| 11-1. | Taxi status update. (Tom Hicks) (p. 75) |

12. **REPORTS & INFORMATION ITEMS**

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

| 12-1. | General Manager/CEO Report. (p. 77) |

12-4. RIDES Vehicle Purchase – Information. (p. 103)

12-5. Board referrals. (p. 105)

12-6. Staff trip reports. (p. 107)

13. COMMENTS BY BOARD MEMBERS

13-1. Reports on meetings attended by Board members at MST expense (AB1234).

14. ANNOUNCEMENTS

15. ADJOURN

NEXT MEETING DATE: September 8, 2008 in MST Conference Room.

NEXT AGENDA DEADLINE: August 27, 2008

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 office at 1 Ryan Ranch Road, Monterey, CA during normal business hours.

Upon request, MST will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least 5 days before the meeting. Requests should be sent to Sonia Bannister, MST, One Ryan Ranch Road, Monterey, CA 93940 or srbannister@mst.org
WHEREAS, each month Monterey-Salinas Transit 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, Michael Cargile began his career with Monterey-Salinas Transit in April 1991 as a Coach Operator. In May 2006, he was promoted to the position of Communication Systems Specialist; and

WHEREAS, in July of 2008, Michael Cargile assumed the role as the Communication Center’s lead during the Red Bull Moto GP event. MST provided service to this special event over a 3-day period requiring the deployment of up to 24 additional MST coaches at its peak. He was responsible for briefing the 35 Coach Operators assigned to the event and coordinating with the Senior Operations Supervisor who was overseeing the overall operation. Michael’s performance in the Communications Center was exceptional; and

WHEREAS, with Michael’s normal duties as a Communication Systems Specialist, he has taken on several key projects within the department, each of which was completed on time while providing a superior work product.

THEREFORE BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit recognizes Michael Cargile as Employee of the Month for August 2008; and

BE IT FURTHER RESOLVED that Michael Cargile is to be congratulated for his excellent work at Monterey-Salinas Transit.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT PASSED AND ADOPTED RESOLUTION 2009-03 this 18th day of August 2008 by the following vote:

AYES: Armenta, Clark, Downey, Ford, Mancini, Sanchez, Sharp, Stilwell

NOES: None

ABSENT: None
To: Board of Directors

From: Danny Avina, Marketing and Customer Service Manager

Subject: Disposal of unclaimed property left on bus

St. Vincent De Paul (Seaside)

1 tote bag  3 cell phones
1 calculator  2 wallets
2 backpacks  3 books
3 eyeglasses
2 pair glasses
1 pair sunglasses
5 bikes (Boys & Girls Club)

To be disposed

2 sets of keys  1 pair socks
1 medication  1 note book
4 credit cards  1 baby shoe
3 documents
2 hats
1 wallet

$4.00 turned into accounting for deposit.

MST makes an attempt to contact the owners of Lost and Found items. If the items are unclaimed after 30 days, they are added to the above list.
1. CALL TO ORDER

Vice-Chair Mancini called the meeting to order at 10:01 a.m. in the Monterey-Salinas Transit Conference Room.

Present: Karen Sharp City of Carmel-By-The-Sea
        Kristin Clark City of Del Rey Oaks
        James Ford City of Marina
        Libby Downey City of Monterey
        Alan Cohen City of Pacific Grove
        Sergio Sanchez (10:07) City of Salinas
        Thomas Mancini City of Seaside
        Lisa Senkir City of Gonzales (Ex-Officio)

Absent: Fernando Armenta County of Monterey

Staff: Carl Sedoryk General Manager/CEO
       Hunter Harvath Asst. General Manager/Finance & Admin.
       Michael Hernandez Asst. General Manager/Chief Operations Officer
       Lyn Owens Director of Human Resources
       Robert Weber Director Transportation Services
       Sonia Bannister Office Administrator & Marketing/Sales Specialist
       Michael Gallant Planning Manager
       Mark Eccles Director of IT
       Tom Hicks CTSA Manager
       Zoe Smallwood Marketing Analyst
       Carl Wulf Facilities Manager
       Angelina Ruiz Human Resource Administrator

Others: Dave Laredo DeLay & Laredo
        Michael Laredo DeLay & Laredo
        Heidi Quinn DeLay & Laredo
        Eliseo Aromin Scheduling Assistant
        Mark Reitz Boyle Engineering
        Sydney Moe City of Seaside
        Lance Atencio MV Transportation

Apology is made for any misspelling of a name.
2-2. – 2-10. CONSENT AGENDA

The consent agenda items consisted of the following:


2-3. Adopt Resolution 2009-05 recognizing Elisio Aromin, Scheduling Assistant, as Employee of the Month for July 2008.

2-4. Disposal of property left aboard buses.


2-7. Authorize General Manager/CEO to sign lease for Monterey Mobility Management Center located at 150 Del Monte Avenue, Monterey.


2-9. Ratify reorganization as recommended by the HR Committee.

2-10. Approve American Public Transit Association dues in the amount of $26,000 for FY 2008-2009.

Director Senkir corrected the minutes to reflect she was not in attendance at the June Board meeting.

**Director Ford moved to approve the items on the consent agenda. Director Downey seconded and the motion carried unanimously.**

3. SPECIAL PRESENTATIONS

Director Sanchez arrived at 10:07 a.m.

Doris Martinez, Scheduling/Planning Analyst, introduced Eliseo Aromin, Scheduling Assistant, as Employee of the Month for July 2008. In the spring of 2006, Eliseo began a 3½ month effort to review all of MST’s 1200+ bus stops from King City to San Jose - a daunting task that has never been done before. This work included updating information on stop amenities, signage and photographing each stop and its surrounding location. From July 1, 2007 until June 30, 2008, he carried out surveys for the National Transit Database, a triennial federal mandate that requires random trip surveys every other day, effectively consuming more than 55% of his working time.
Due to Eliseo’s superior attendance and work ethic, not a single trip was missed over the course of the entire year.

4. PUBLIC COMMENTS

None.

5-1. – 5-2. COMMITTEE MINUTES

The Board accepted and filed the HR Committee Minutes – June 3, 2008; and the Legislative Committee Minutes – June 9, 2008.

6-1. TIRE CONTRACT

Leasing tires and associated support services is a standard practice in the transit industry. MST has been leasing tires from the Goodyear Tire and Rubber Company for the last 10 years. Goodyear provides one full-time tire technician to support MST’s fleet of 76 buses and 31 support vehicles. The bus fleet travels over 3 million miles annually and support vehicles accumulate approximately 325,000 miles annually. To support the fleet, the technician is responsible for a combined inventory of over 800 tires for buses, support vehicles, including spares.

Director Downey moved to: 1) award a three-year contract to Goodyear Tire and Rubber Company for the lease of revenue and support vehicle tires and a service technician. Estimated cost of $158,000 per year, based upon mileage projections for revenue and support vehicles over the contract period; and 2) authorize staff to extend the contract for up to two additional one-year periods. Director Clark seconded and the motion carried unanimously.

6-2. ARCHITECTURAL AND ENGINEERING SERVICES

On June 24, 2008 MST received the Best and Final Offer from Boyle Engineering for the design of the Frank J. Lichtanski division. This design is a replica of the Orange County Transit Authority (OCTA) facility that Boyle designed and engineered in 2001. MST staff toured the OCTA Operations and Maintenance Facility and were impressed with the layout and functionality. In conjunction, SJRTD also identified the OCTA design as their preferred building layout. MST and SJRTD have been working cooperatively on this forward thinking concept, where a best building design is utilized by multiple agencies to reduce time and cost.

MST staff has reviewed Boyle’s proposal and concluded that there is indeed significant savings. The cost is based on a building footprint of 162,896 s/f and a total project s/f of 871,200.

Director Downey suggested that staff pursue a minimum certification and a goal of silver LEED certification.
Director Downey moved to authorize MST to enter into a $3,113,000 contract with Boyle Engineering for Architectural and Engineering Services for the Frank J. Lichtanski, Monterey Bay Operations Center. Director Ford seconded and the motion carried unanimously.

6-3. BIO-FUEL CONTRACT

MST has a continuing need for diesel fuel and gasoline for buses and support vehicles. Prices for fuel have risen significantly in the past six months, and increasingly are taking a larger share of MST’s operation budget. In effort to offset fuel costs, and be more environmentally friendly, MST has made the decision to transition to Bio-Fuel (B20). In doing so, MST is eligible to receive a $1 per gallon, fuel rebate, which will offset costs, and help the environment.

Director Downey moved to: 1) award a $1,809,326 two-year contract to Coast Oil, LLC, to furnish Bio-Fuel (B20), Ultra Low Sulfur Diesel Fuel (ULSD) and Unleaded Gasoline; and 2) authorize staff to extend the contract for up to three one-year extensions under the same terms, conditions and prices provided the supplier has provided satisfactory service. Director Clark seconded and the motion carried unanimously.

6-4. UNIFORM/LINEN SERVICE CONTRACT

MST has continuing need for uniforms and cleaning linens to support the vehicle maintenance, facilities maintenance and bus cleaning functions. Uniforms are provided for mechanics, parts personnel, and bus cleaning and servicing employees as well as maintenance supervisors.

Director Clark moved to: 1) award a three-year contract to AmeriPride for uniform and linen services. This contract is estimated at $30,000 per year, based upon projections for the number of uniformed employees over the contract period; and 2) Authorize staff to extend the contract for up to two additional one-year periods. Director Sharp seconded and the motion carried unanimously.

7. PUBLIC HEARINGS

None.

8-1. REPROGRAM CAPITAL BUDGET

Mr. Sedoryk reported that MST utilizes 23 Type II Minibuses in providing MST RIDES ADA services. These types of vehicles have a life expectancy of at least 5 years and 150,000 miles. Of the 23 vehicles in the fleet, five of the vehicles have mileage ranging between 230,000 to 271,000 miles and six vehicles have mileage ranging between 148,000 and 195,000 miles. Some of the vehicles to be replaced are six and seven years old. As MST RIDES vehicles are used to transport
passengers who are often frail and elderly staff believes that it is critical that the equipment used for this service be reliable.

This action redirects $470,291 of funds from a variety of less critical capital projects to fund the replacement of eight MST RIDES vehicles.

**Director Sharp moved to reprogram $470,291 from MST’s Capital budget project funds. Director Downey seconded and the motion carried unanimously.**

### 8-2. MIXED-USE PHASE OF MARINA TRANSIT EXCHANGE

From 2000 to 2005, MST and the city of Marina had been in negotiations to build a new transit facility on MST’s 3.3-acre property at 280 Reservation Road that would include some mixed-use commercial/professional and residential structures. Gannett Fleming has a long history of project and construction management, architectural and engineering services around the country with a specialization in transit projects. Gannett Fleming Project Development Corp. focuses on public/private partnerships with emphasis on transportation/transit and mixed-use with workforce housing.

**Director Ford moved to authorize staff to enter into exclusive negotiations with Gannet Fleming Project Development Corp. and Urban Housing Communities for the development of the mixed-use phase of the Marina Transit Exchange. Director Clark seconded and the motion carried unanimously.**

### 8-3. ADVERTISING CAMPAIGN

In November of 2006, staff conducted a brainstorming session with the Marketing Committee to identify better ways to promote the MST brand, services and image. Four areas were determined as the main categories for brainstorming session to focus on: product, place, price and promotion. Direction was given to find a way to double the marketing budget to better communicate with the public. It was anticipated that fares from the increased ridership that would result from an expanded advertising campaign would more than pay for the increased cost to the marketing budget.

In December of 2007, a draft marketing plan was presented to the Marketing Committee, which outlined general strategies and target audiences. The media campaign is expected to begin in Fall 2008 and to include local cable and broadcast TV ads, local newspaper ads and bus posters.

Director Sanchez suggested using more radio to get the word out to target the Hispanic community and encourage them to use public transit.

**Director Downey moved to authorize staff to expend $147,950 on MST’s FY 2009 image and advertising campaign to be coordinated by Wash Creative. Director Clark seconded and the motion carried unanimously.**
9. NEW BUSINESS

For several years, representatives of MST, the City of Salinas and Hartnell College have been discussing the possibility of implementing a trolley route in downtown Salinas in order to reduce congestion, improve air quality, provide an alternative mode of transportation to single occupancy vehicles and spur economic development in the Oldtown business district. The Trolley route would connect the Hartnell College campus with the heart of downtown Salinas along Main Street and include stops at the train depot, government offices, the Steinbeck Center, and the Salinas Transit Center.

The proposed Line 12 NPS Express represents an innovative partnership between MST and the armed forces to improve transit access between the Naval Postgraduate School and residential areas in La Mesa and on the former Fort Ord. In addition, this service would be open to the public, with some connections to the Dunes at Monterey Bay shopping center and Monterey Transit Plaza. And, fixed-route service would return to the Department of Defense building on Gigling Road, which is currently served by MST OnCall Marina dial-a-ride.

Funding for Line 12 is being made possible through the federal TIP program developed by the Navy to help government employees save money, conserve gas, reduce traffic and parking congestion, and improve the environment by not taking single occupancy vehicles to work.

Director Sanchez moved to: 1) approve the Downtown Salinas Trolley demonstration project; and 2) approve the new Line 12 Naval Postgraduate School (NPS) Express demonstration project. The Salinas Trolley is funded by the Monterey Bay Unified Air Pollution Control District and the federal Congestion Mitigation Air Quality program in the amount of $426,000. Line 12 NPS Express is funded by the federal Transportation Incentive Program (TIP) benefit of Naval Postgraduate School students, faculty and/or staff in the amount of $132,000 per year. Director Downey seconded and the motion carried unanimously.

10-1. – 10-8. REPORTS & INFORMATION ITEMS

The reports consisted of the General Manager/CEO Report; TAMC Highlights – June 25, 2008; Washington DC Lobbyist Report – June 27, 2008; and Sacramento Lobbyist report – July 1, 2008; Report from Senator Feinstein re: funding shortfalls; Triennial Performance Audit results; Board referrals; and Staff trip reports.

11. COMMENTS BY BOARD MEMBERS

Director Downey commented that she was pleased with the service to the Naval Postgraduate School.
12. ANNOUNCEMENTS

Tentative ribbon cutting for Bus Stop Shop, 150 Del Monte Avenue, Monterey – August 11, 2008.

13. CLOSED SESSION

The Board adjourned to Closed Session to meet with legal counsel regarding conference with labor negotiators.

Upon returning to open Session, General Counsel Laredo provided a status report on the negotiations. No reportable action was taken by the Board.

14. ADJOURNMENT

There being no further business, Vice-Chair Mancini adjourned the meeting at 11:55 a.m.

Prepared by: ______________________________

Sonia AR Bannister
To:    Board of Directors

From: H. Harvath, Assistant General Manager for Finance & Administration


RECOMMENDATION:

1. Accept report of July cash flow presented in Attachment #1

2. Approve July disbursements listed in Attachment #2

3. Accept report of July treasury transactions listed in Attachment #3

FISCAL IMPACT:

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Beginning balance July 1, 2008</td>
<td>$ 5,817,674.23</td>
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<tr>
<td>Revenues</td>
<td>633,769.31</td>
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<tr>
<td>Disbursements</td>
<td>&lt; 2,093,192.17 &gt;</td>
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<tr>
<td>Ending balance July 31, 2008</td>
<td>$ 4,358,251.37</td>
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</tbody>
</table>

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.

Prepared by: ______________________  Reviewed by: ___________________

Hunter Harvath                   Carl Sedoryk
TREASURY TRANSACTIONS
FOR JULY 2008

<table>
<thead>
<tr>
<th>Date</th>
<th>Account</th>
<th>Confirm #</th>
<th>Bank</th>
<th>Deposit</th>
<th>Withdrawal</th>
<th>Balance</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td>Balance Forward at 06/30/08 $ 5,689,566</td>
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<tr>
<td>July 2</td>
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<td>1176971</td>
<td>WF</td>
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<td>July 13</td>
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<td>INTEREST</td>
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<td>WF</td>
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<td>July 31</td>
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<td>LAIF</td>
<td>1182761</td>
<td>FNB</td>
<td>70,000</td>
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<td>3,748,522</td>
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</tbody>
</table>

Local Agency Investment Fund: (Earned 2.894% for June 2008) $ 3,748,522

Treasury Balance at 07/31/08: $ 3,748,522
To: Board of Directors

From: L. Owens, Director of Human Resources

Subject: Check Signing Authority

RECOMMENDATION:

Approve check signing authority for LWP Claims Administrators for worker’s compensation expenses.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

No change to current approved authorities.

DISCUSSION:

Your Board has an approved policy for signature authority for expenditures by staff. LWP Claims Administrators will use the following controls for check signing for Monterey-Salinas Transit commencing September 1, 2008.

- Single signature, manual or electronic for all checks under $1500.
- Second signature, which is manual, will be required by an LWP signer for checks $1500 and above.
- All expenditures from $5,000 up to $24,999 be reported to MST via e-mail for advance approval and to assure that the account has sufficient funds.
- Expenses $25,000 and over will require Board Approval.

PREPARED BY: __________________  APPROVED BY: __________________

Lyn Owens  Carl G. Sedoryk
To: Board of Directors
From: C. Sedoryk, General Manager/CEO
Subject: Officers and Appointments

RECOMMENDATION:

Accept the appointments shown in Attachment #1.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

None.

DISCUSSION:

The revised appointments reflect the current staff.

SUBMITTED BY: ______________________________
Carl Sedoryk

Attachment(s): 1. MST Officers and Appointments
MST Officers and Appointments
As of August 18, 2008

Officers elected by the Board:

Chair
Fernando Armenta
Vice-Chair
Tom Mancini

Non-elected officers and appointments:

Secretary to the Board
Carl G. Sedoryk
Deputy Secretary to the Board
Sonia A. R. Bannister
Treasurer
Carl G. Sedoryk
Deputy Treasurer
Hunter Harvath
General Counsel
David C. Laredo
Representative to TAMC
Carl G. Sedoryk
Alternate to TAMC
Hunter Harvath
Representative to FORA
Hunter Harvath
Alternate to FORA
Carl G. Sedoryk
Representative to California Transit Insurance Pool (CalTIP)
Carl G. Sedoryk
Alternate to CalTIP
Lyn Owens

August 18, 2008 Board Meeting
To:       Board of Directors

From:    Ben Newman, Risk Manager

Subject: Liability Claim Rejection

RECOMMENDATION:

   Reject claims by the claimants below.

FISCAL IMPACT:

   Unknown

POLICY IMPLICATIONS:

   None.

DISCUSSION:

   An MST passenger, Ms. Ekaterina Alessandra, claims an injury to her neck, from an incident that occurred on May 22, 2008 when the bus braked suddenly to avoid a collision.

   After conducting a preliminary investigation, it is determined that Monterey-Salinas Transit has no liability in this claim and recommends it be rejected in its entirety.

   The above claim is 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: __________________

   Ben Newman                                                      Carl Sedoryk
To:        Board of Directors

From:      C. Sedoryk, General Manager/CEO

Subject:   Proposed Board Committee and Meeting Dates

RECOMMENDATION:

Adopt revised board committees and proposed meeting dates.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

Your Board has established six committees with each Board member serving on at least two committees. The Chair and Vice-Chair serve on three committees.

DISCUSSION:

For planning purposes, staff has developed a proposed schedule of Board Committee meetings for the next several months. The proposed dates are tentative as committee meetings may be added or deleted based on need and Board member availability. Periodically Board committee assignments are changed based on Board member requests, Board member availability, and to provide Board members the opportunity to focus on different areas of MST policy.

The committees, their mission statements, committee members and proposed meeting dates are attached.
### MST Committee Assignments

As of August 18, 2008

<table>
<thead>
<tr>
<th></th>
<th>Facilities</th>
<th>Finance</th>
<th>Legislative</th>
<th>Marketing</th>
<th>Human Resources</th>
<th>Planning/Operations</th>
</tr>
</thead>
<tbody>
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<tr>
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*Chair and Vice-Chair are each assigned to 3 committees. All other Board members are assigned to 2 committees.
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<td>Marketing Committee</td>
<td>Oversees and recommends policies to the Board regarding public information and marketing plans to include DART, RIDES, and The WAVE, as well as exterior bus advertising policies.</td>
<td>Ford, Stilwell, Armenta, Senkir</td>
<td>August 18, 2008 9:00am MST Boardroom</td>
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<tr>
<td>Legislative Policy Committee</td>
<td>Recommends to the Board strategies and actions regarding legislative initiatives.</td>
<td>Armenta, Clark, Sanchez,</td>
<td>September 8, 2008 9:00am MST Boardroom</td>
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<tr>
<td>Finance Committee</td>
<td>Oversees MST financial matters and recommends to the Board policies, practices, and efficiencies, which maximize service and ensure a financially solvent organization.</td>
<td>Armenta, <strong>Ford</strong> Sharp</td>
<td>October 13, 2008 9:00am MST Boardroom</td>
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<tr>
<td>Human Resources Committee</td>
<td>Recommends policies to the Board concerning the effective use of human resources and compensation/benefits/recognition systems.</td>
<td>Mancini, Sharp, Stilwell</td>
<td>November 10, 2008 9:00am MST Boardroom</td>
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<tr>
<td>Facilities Committee</td>
<td>Recommends to the Board policies which best allows utilization of facilities and other tangible assets to meet organizational growth and development needs</td>
<td>Downey, Mancini, <strong>Sanchez</strong></td>
<td>December 8, 2008 9:00am MST Boardroom</td>
</tr>
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To: Board of Directors

From: M. Hernandez, Assistant General Manger/COO

Subject: Authorize the Replacement of Coach Operator Seats

RECOMMENDATION:

Approve the purchase of twenty-one coach operator seats from Gillig Corporation.

FISCAL IMPACT:

$1,994.95 per seat, for a total project cost of $41,891.85. Funding is available in the Capital Budget as part of the 1100 Gillig Mid-Life Rebuild Project.

POLICY IMPLICATIONS:

Your Board approves contracts and expenditures over $25,000.

DISCUSSION:

MST’s model year 2000 Gillig Phantom Transit buses have an average of 381,000 miles, which is the highest in the fleet. This fleet is scheduled for refurbishment work to include the replacement of passenger/driver seats, destination signs, replacement of major components and other work. Refurbishing the fleet is intended to maximize the life of these vehicles beyond the typical 12 year, 500,000 miles.

This portion of the rehab project will replace coach operator seats on twenty-one buses. These seats receive a high amount of wear given they are typically in use 12-15 hours per day. Freedman/USSC seats are standard driver seats in our fleet. The seats on these older buses are in need of replacement. The new seats will provide a more comfortable ride for coach operators and help reduce back strain and work related injuries. The competitive price quote from Freedman Seating is $2,080 per seat, or $43,680 total project cost. Staff recommends approving the Gillig price quote of $41,891.85.

PREPARED BY: ____________________  REVIEWED BY: ____________________

Michael Hernandez          Carl G. Sedoryk
To: Board of Directors

From: L. Owens, Director of Human Resources

Subject: Revised Drug and Alcohol Policy

RECOMMENDATION:

Approve the revised Anti-Drug Abuse and Alcohol Misuse Program Policy.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

Your Board approves policy changes. This action complies with Federal Transit Administration (FTA) regulations and enables MST to receive federal funds.

DISCUSSION:

FTA requires Monterey-Salinas Transit to amend the Anti-Drug Abuse and Alcohol Misuse Program Policy once changes are made to the program, get approval from the Board of Directors and distribute to all members of the Agency.

Your Board approved an amended Drug and Alcohol Policy in February 2008 for a trial period of six months. The amended policy affected the post-accident testing criteria. MST would use the Federal Transportation Administration Guidelines for post accident testing only during this period of time. The purpose of this trial was to determine if the changes to the post-accident testing criteria would have a negative impact on the frequency of accidents. Currently MST has gone a total of 83 days with only one minor incident that is considered non-chargeable to the employee. With your approval, staff will continue to utilize the FTA criteria for post-accident testing. The revised policy is available for review in Human Resources at any time.

PREPARED BY: Lyn Owens

REVIEWED BY: Carl G. Sedoryk
Monterey-Salinas Transit

ANTI-DRUG ABUSE &
ALCOHOL MISUSE PROGRAM

IN

COMPLIANCE WITH THE

UNITED STATES

DEPARTMENT OF TRANSPORTATION

Federal Transit Administration (FTA)

(CFR 40 and 655)

September 1, 2001
AMENDED August 18, 2008
I. POLICY STATEMENT

Monterey-Salinas Transit recognizes that drug abuse and alcohol misuse in today’s society is a very serious problem, which has also found its way into the workplace. Monterey-Salinas Transit also recognizes the significant threat that a drug and/or alcohol-impaired “EMPLOYEE,” as defined in CFR 40 and Part 655, working in the transportation industry can pose to the safety “of him/herself”, of his/her co-workers and the general public.

Purpose:

In order to address the safety threat presented by the problem of drug abuse and/or alcohol misuse in the transportation industry, the Department of Transportation has established extensive regulations requiring drug and alcohol testing under certain circumstances. In light of the above, Monterey-Salinas Transit has adopted this Anti-Drug Abuse & Alcohol Misuse Program to specify the circumstances under which drug and/or alcohol testing will be required, the procedures for conducting such testing and the methods and procedures for complying with Department of Transportation, rules and regulations.

All EMPLOYEE (S) listed in Section III, are EMPLOYEE (S) that are considered to be in safety sensitive positions. EMPLOYEE (S) in these positions are required to participate in this program as part of employment conditions with Monterey-Salinas Transit.

Objective:

Monterey-Salinas Transit's Program is designed to create an alcohol/drug-free workplace. This Program has been developed in compliance with Department of Transportation rules and regulations in a manner that ensures accurate and reliable test results, and thereby eliminates the possibility of any “false positives.” This Program also contains procedures designed to recognize and respect the dignity and privacy of all our EMPLOYEES. Monterey-Salinas Transit also has information to appropriate resources designed to help those individuals who are desirous of treating such problems.

General:

Alcohol, when consumed in quantity producing physical or mood altering effects it becomes substance abuse. Alcohol has the following effects on operating a vehicle: Slurred speech, Aggressiveness, Blackouts, Tunnel vision, Slowed reaction time, Impaired judgment, Nausea, Hostility, Drowsiness, Coma, Increased Tolerance Levels, Distorted Sense of Time and Distance, Memory Loss, Unsteadiness, Odor of Alcohol, Incoherent, Short Attention Span, Blurred or Distorted Vision. Signs and symptoms of alcohol use and misuse are very similar to other prohibited drugs.
II. DEFINITION OF TERMS

A. MST means a person or business entity operating under the authority of Monterey-Salinas Transit.

B. CONTRACTOR means any individual or business entity with whom MST contracts to perform an operating function as regulated by CFR 40 and Part 655, for MST as an independent CONTRACTOR or SUBCONTRACTOR. Both CONTRACTOR and the CONTRACTOR’S EMPLOYEES are deemed EMPLOYEES of MST. Except where specifically referred to as CONTRACTOR, the term “MST” shall mean MST and the CONTRACTOR.

C. CONTRACTOR, acknowledges under the authority of CFR 40 and Part 655 that MST remains responsible for ensuring that the requirements of CFR 40 and Part 655 are complied with; and that the CONTRACTOR must allow MST access to all property and records for the purpose of monitoring the CONTRACTOR’S compliance with the requirements, thereby ensuring MST’s compliance with the Department of Transportation.

D. MEDICAL REVIEW OFFICER, (MRO), means a licensed physician responsible for receiving laboratory results generated by MST’s drug testing plan who has knowledge of substance abuse disorders and has appropriate medical training to interpret and evaluate an individual’s confirmed positive test result together with his/her medical history and any other relevant information.

E. REPORTING OF TEST RESULTS means that the MRO shall communicate test results to MST by contacting the Drug and Alcohol Program Manager.

F. DEPARTMENT OF TRANSPORTATION, (DOT), means the United States Department of Transportation.

G. DOT PROCEDURES, means the “Procedures for Transportation Work Place Drug Testing Programs” published by the Office of Secretary of Transportation in Part 40 of 49 CFR.

H. DOT REGULATIONS, means the Alcohol and Controlled Substances Testing Regulations published by the Office of the Secretary of Transportation.


J. SUBSTANCE ABUSE PROFESSIONAL, (SAP), means Substance Abuse Professional, licensed physician, medical doctor or doctor of Osteopathy, or a licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission) with knowledge of and clinical
experience in the diagnosis and treatment of alcohol and controlled substances related disorder.

K. **DRUG AND ALCOHOL PROGRAM MANAGER, (DAPM),** means Drug and Alcohol Program Manager, the primary individual who is in charge of the Drug and Alcohol Program for MST.

### III. SCOPE

#### A. SAFETY SENSITIVE EMPLOYEES UNDER THIS PROGRAM

“SAFETY SENSITIVE” means an EMPLOYEE who is required by their job description to have a Class "B" Commercial Driver's License (CDL); operates a motor vehicle weighing over 26,000 pounds; and/or is designed to carry 16 passengers or more including the driver; or carries a hazardous placard. SAFETY SENSITIVE EMPLOYEES are regulated by CFR 40 and Part 655. This individual may be engaged by MST, be a CONTRACTOR engaged by MST, or be employed by the CONTRACTOR. Thus, all contract personnel, including SUBCONTRACTORS and anyone employed by a SUBCONTRACTOR, who performs safety sensitive work, comes within the EMPLOYEE definition.

1. To simplify, the following positions are subject to drug & alcohol testing as outlined in the Program:

   Any EMPLOYEE who is required by their job description to have a Class "B" Commercial Driver's License (CDL); operates a motor vehicle weighing over 26,000 pounds; that operates a motor vehicle and/or is designed to carry 16 passengers or more including the driver; or drives a motor vehicle displaying a hazardous placard, and/or;

   Performs the following “safety sensitive” functions as part of their job description and/or duties:

   - Operate revenue service vehicles including when not in revenue service.
   - Operate non-revenue service vehicles that require drivers to hold Commercial Driver's Licenses.
   - Dispatch or control revenue service vehicles.
   - Maintain revenue service vehicles equipment used in revenue service, except for contractors to section 18 (49 U.S.C. 5331) transit agencies
   - Provide security and carry a firearm.
   - Supervisors who perform any of the above functions.
The following is a list of Safety-Sensitive job functions at Monterey-Salinas Transit.

Chief Operating Officer
Director of Transportation Services
Communications Systems Manager
Communication Systems Specialist
Operations Analyst
Senior Operations Supervisors
Operations Supervisors
Coach Operators
DOT Instructors
Contract Services Manager
Risk & Security Manager
Safety/Training Officer
Fleet Manager
Facilities Supervisor
Sr. Utility Service Persons
Maintenance Supervisors
Mechanics
Utility Service Persons
ITS Technician

All EMPLOYEES will be provided with a copy of the Program at the time they are hired. MST will also make copies of the Program available to any employee upon request.

2. CONTRACTOR COMPLIANCE

All CONTRACTOR (S) shall maintain compliance with CFR 40 and Part 655 and the basic content of this document and shall be inspected semi-annually by MST’s Program Manager. Where the CONTRACTOR (S) own policy differ, it must still maintain the minimum requirements of the CFR 40 AND PART 655.

B. PROHIBITED DRUGS

The presence in the body, possession, use, distribution, dispensing, and/or unlawful manufacture of prohibited drugs is prohibited while conducting MST business; while in work areas; in MST vehicles on or off MST premises. No EMPLOYEE will work under the influence of prohibited drugs.

Prohibited drug means any of the following substances:

Marijuana (THC)  Amphetamines  Cocaine
Opiates  Phencyclidine (PCP)
Any EMPLOYEE in violation of these prohibitions shall be immediately relieved from duty and shall be subject to appropriate disciplinary action in accordance with Section IX, DISCIPLINE.

C. PRESCRIBED MEDICATION

EMPLOYEE (S) need not reveal any medication that he/she may be taking or may have recently taken, however, the EMPLOYEE may provide that information to the MRO as part of the medical interview following a positive report from the Laboratory to the MRO. As part of the medical interview, the MRO may request the EMPLOYEE identify the physician prescribing the medication and authorize the MRO to communicate with that physician about the medication, it’s possible side effects, the condition requiring taking the medication, and the medication’s relationship to the ability to safely perform his/her job. Prior to making a final decision to verify a positive test result, the EMPLOYEE will have the opportunity to discuss the use of the medication with the MRO.

In the event it is determined by the MRO that an EMPLOYEE is taking or is under the influence of a prescribed medication that will reasonably impair the ability to safely and adequately perform his/her job, the EMPLOYEE will be placed on a medical leave of absence until the condition requiring the taking of the medication is resolved or the EMPLOYEE is no longer taking the medication.

D. REFUSAL TO SUBMIT TO TESTING, means any EMPLOYEE or applicant who: (1) refuses to take a required drug and/or alcohol test; (2) without a legitimate reason fails to report to the Collection Site; (3) without a medical reason fails to provide an adequate specimen of a minimum amount of 45 milliliters or an adequate breath sample for alcohol testing; or (4) fails to cooperate with collection process at the Collection Site; or (5) fails to arrive within the allotted time to the Collection Site.

E. FAIL A DRUG OR ALCOHOL TEST OR TEST POSITIVE, means that the Confirmation Test result shows positive evidence of the presence of a prohibited drug or blood alcohol concentration, in the or applicant’s system. See Section IV, A, 2., PROHIBITED BEHAVIOR, for specific alcohol tolerance levels.

F. PASS A DRUG OR ALCOHOL TEST OR TESTS NEGATIVE, means that initial testing or performance by the Substance Abuse & Mental Health Services Agency (SAMHSA, formerly National Institute of Drug Abuse, NIDA) certified lab, which is Federally Registered & approved, does not show evidence of the presence of a prohibited drug in the / applicant’s system.

For Alcohol Testing: this means the initial or confirmation test shows a blood alcohol concentration or less than .02 BAC. See Section IX, H. for specific alcohol tolerance levels.
IV. QUALIFICATIONS FOR EMPLOYMENT AND PROHIBITED BEHAVIOR

A. PROHIBITED BEHAVIOR

1. The DOT under the Federal Transit Administration, prohibits MST or a CONTRACTOR from using any EMPLOYEE, CONTRACTOR, or an EMPLOYEE of the CONTRACTOR, or a SUBCONTRACTOR of the CONTRACTOR whom: Fails a drug test which is confirmed as positive by the MRO, or who refuses to take a drug test, or knowingly allows the use, sale, possession, manufacture or distribution of prohibited drugs by its EMPLOYEES at any time.

Further, no EMPLOYEE may work under the influence of prohibited drugs.

2. ALCOHOL CONCENTRATION – No EMPLOYEE:

- shall report to work or remain on duty in a safety sensitive position or function while having an alcohol concentration of .04 or greater.
- having an alcohol concentration of .02 or greater but less than .04 must not perform any safety sensitive functions for a minimum of 24 hours.
- shall remain on duty or operating a commercial motor vehicle while the EMPLOYEE possesses any alcohol except if the alcohol is manifested and is being transported as part of a shipment.
- shall use or consume alcohol while performing a safety sensitive function
- shall use or consume alcohol within eight * (8) hours before performing a safety sensitive function
- required to take a post-accident alcohol shall not consume alcohol after eight* (8) hours after an accident, or until the EMPLOYEE has taken the post-accident test, which ever occurs first.
- shall remain on duty or perform any safety sensitive functions if that EMPLOYEE has tested positive for alcohol

* Pursuant to MST’s choice and authority.

See Section IX. H., for specific tolerance levels.

B. DISQUALIFICATION

Any EMPLOYEE who tests positive or refuses to submit to any chain of custody collection procedure, drug or alcohol testing will be immediately relieved from duty without pay and is subject to discipline up to and including termination.
V. **DRUG AND ALCOHOL TEST(S) REQUIRED**

A. **PRE-EMPLOYMENT**

All applicants for initial employment, subsequent re-employment, or temporary employment in safety-sensitive positions with MST (see Section III. A.) must successfully pass a Pre-Employment Drug Test prior to working in a safety-sensitive position. All applicants will be notified at the time they complete a job application, that they will be required to submit to a drug test, if they are considered otherwise qualified for employment and that they will submit to the terms and conditions of this Program if they are ultimately hired.

All current EMPLOYEES transferring or being transferred from a non-safety-sensitive position to a safety-sensitive position must successfully pass a Pre-Employment Drug Test prior to assuming a safety-sensitive position. MST may not use any EMPLOYEE hired by a CONTRACTOR who does not pass a Pre-Employment drug test.

No applicant or transferring EMPLOYEE will be hired into a safety-sensitive position unless he/she passes a Pre-Employment Drug Test (see Section IX, A, PRE-EMPLOYMENT).

B. **POST-ACCIDENT**

As soon as possible, but no later than 32 hours for drugs and 8 hours for alcohol, after an accident, MST will test each EMPLOYEE or supervisor whose performance either contributed to an accident or cannot be completely discounted as a contributing factor to the accident.

All reasonable steps will be taken to obtain a urine specimen for drugs from an EMPLOYEE after an accident. In the case of a conscious but hospitalized EMPLOYEE, MST will request that the hospital or medical facility obtain a specimen, following proper Chain-of-Custody and, if necessary, MST will refer the hospital or medical facility to the DOT Drug Testing Requirements provided in CFR 40.

If an EMPLOYEE is unconscious and otherwise unable to evidence consent to a Post-Accident Drug Test, after the condition is stabilized, the hospital or medical facility shall collect a specimen in compliance with the Chain-of-Custody and guidelines provided in CFR 40, and the hospital or medical facility shall retain the specimen, preferably in frozen storage, until the EMPLOYEE has regained consciousness.

If an EMPLOYEE who is subject to Post-Accident Drug & Alcohol testing is conscious, able to urinate normally (in the opinion of a medical doctor/physician)
and refuses to be tested, that EMPLOYEE shall be relieved from his/her safety-sensitive position and shall be subject to discipline according to Section IX., C., POST-ACCIDENT.

For purposes of this Program and in compliance with the Federal Transit Administration, an accident/collision is defined as one of the following:

Must perform a DOT post-accident test when there is an occurrence associated with the operation of a mass transit vehicle, if as a result:

(1) An individual dies; or

(2) An individual suffers bodily injury and immediately receives medical treatment away from the scene of the accident; or

("individual" refers to a transit employee, pedestrian, passenger on the mass transit vehicle or person in the other vehicle(s))

(3) A vehicle (including non-transit vehicle) incurs disabling damage the result of the occurrence and a vehicle is transported away from the scene by a tow truck or another vehicle.

An EMPLOYEE required to take a post-accident alcohol test shall not consume alcohol after eight (8) hours after an accident, or until the EMPLOYEE has taken the post-accident test, which ever occurs first.

The EMPLOYEE may be but on leave but not due to waiting the results of the drug test.

MST POLICY
If the accident (collision/incident) does not meet the FTA (DOT) testing criteria, MST reserves the right to perform a non-FTA (DOT) test on any safety sensitive or non safety sensitive EMPLOYEE after any accident/collision regardless of the severity of the accident.

C. RANDOM

All EMPLOYEES, including temporary, limited and seasonal, who perform work for MST in a safety-sensitive position will be subject to Random Drug and/or Alcohol Testing at any time with no advance notice. The random selection process will ensure each EMPLOYEE the same fair and equal chance of being selected.

MST or its agents will perform the random selections and transmit this information to the MST’s Drug and Alcohol Program Manager. The MST’s Program Manager then selects the day and time for the EMPLOYEE is to be tested. Upon notification, the EMPLOYEE shall report to the Collection Site immediately.
To ensure the selection process is completely random, all full-time, part-time, temporary, limited and seasonal EMPLOYEES will be in a common pool. EMPLOYEES will be selected for Random Drug and/or Alcohol Testing by an anonymous, objective selection criteria (computer-based random number generator) matched with a social security number, and all EMPLOYEES will have an equal chance of being selected. Because each random sampling selects from the total pool of EMPLOYEES, it is conceivable that an EMPLOYEE could be tested more than once each year. The random computer selection procedure will be by the social security number.

Random Drug Testing will be administered for the year at a rate equal to 25 percent of the total pool of EMPLOYEES. The number of EMPLOYEES to be tested for each month will be calculated by taking the total number of EMPLOYEES in the pool dividing that number by 25% and dividing that subsequent number by 12 for the monthly selection for testing.

Random Alcohol Testing will be administered for the year at a rate equal to 10 percent of the total pool of EMPLOYEES. The number of EMPLOYEES to be tested for each month will be calculated by taking the total number of EMPLOYEES in the pool dividing that number by 10% and dividing that subsequent number by 12 for the monthly selection for testing.

The selection procedure will exceed the required testing percentage for the twelve-month period in order to reach the appropriate testing level during each test period.

EMPLOYEES are to be randomly drug and/or alcohol tested when they are scheduled to work, Generally, this means just before the EMPLOYEE is to perform, while the EMPLOYEE is performing, or just after the EMPLOYEE has ceased performing such functions that day.

On Duty Time is defined as: All the time from the time the driver begins to work or is required to work or is required to be in readiness for work until he/she is relieved from work and all the responsibility for performing work. On Duty Time shall include all the time spent providing a breath sample or urine sample, including travel time to and from the collection site, in order to comply with the random, reasonable suspicion, post accident or follow up testing required to.

EMPLOYEES will not be tested whenever not scheduled to work that day which includes those who are on scheduled vacation or have reported in sick.

If an EMPLOYEE tests positive in a Random Drug Test, his/her discipline will be handled according to Section IX., D., RANDOM.

See Section IX.,H., for specific alcohol tolerance levels.
D. REASONABLE SUSPICION

MST will require a Reasonable Suspicion drug & alcohol test for an EMPLOYEE when there is a reasonable and articulated belief that the EMPLOYEE is using or under the influence of a prohibited drug on the basis of specific, contemporaneous physical, speech, behavioral or performance. An EMPLOYEE displaying unusual behavior, speech or alcohol odors are indicators of probable alcohol use.

These observations must be made just preceding, during, or just after the period of the workday that the employee performed a safety-sensitive function.

For instance, evidence of repeated errors on the job regulatory or MST rule violations, unsatisfactory attendance or punctuality patterns, if coupled with a specific contemporaneous event that indicates probable drug and/or alcohol use, could provide Reasonable Suspicion to test an EMPLOYEE. Any MST supervisor trained in a reasonable suspicion class as outlined by the FTA, in a confidential manner, order the EMPLOYEE to submit to reasonable suspicion drug and alcohol test.

The EMPLOYEE shall be immediately relieved from their safety sensitive positions/functions for any Reasonable Suspicion Drug and Alcohol testing.

A written report describing the condition will be completed, dated and signed by the supervisor who substantiated this Reasonable Suspicion report. Copies of the report must be made available to the EMPLOYEE upon request.

Third party reports that an EMPLOYEE is impaired in his duties due to the possible use of prohibited drugs and/or consumption/use of alcohol, shall not constitute Reasonable Suspicion, but may be cause for the observation of the EMPLOYEE. MST will transport the EMPLOYEE to an appropriate Collection Site facility as soon as possible, but within two (2) hours and await the completion of the collection procedure. MST will exercise a variety of methods to ensure that the EMPLOYEE does not drive to his/her home. Failure by the EMPLOYEE to cooperate in the Reasonable Suspicion procedures will result in disciplinary actions up to and including termination.

While waiting for the drug test results, that EMPLOYEE must be relieved from his/her safety-sensitive position until the drug test results are confirmed negative for prohibited drugs. If the EMPLOYEE cannot be placed in a non-sensitive position during this time, the EMPLOYEE will be off work with pay.

Alcohol test results will be known immediately. An alcohol test must be performed and the test result is below .02, before the EMPLOYEE can return to perform in a safety sensitive function. See Section IX., H., for specific alcohol tolerance levels.
If the EMPLOYEE tests positive, his/her discipline shall be subject to disciplinary action in accordance with, Section IX., B., REASONABLE SUSPICION.

If the EMPLOYEE tests negative, the EMPLOYEE may return to work in a safety-sensitive position.

E. RETURN TO DUTY TEST (Not applicable under MST’s current Zero Tolerance rule established and approved by the Board of Directors on May 13, 2002).

A Return to Duty drug & alcohol test is required for an EMPLOYEE when he/she has been previously tested positive for using a prohibited drug or alcohol misuse. If the EMPLOYEE tests positive, the employee will not be allowed to return to work and will be terminated from employment. If the EMPLOYEE tests negative, the EMPLOYEE may return to work in a safety-sensitive position. See Section IX., H., for specific alcohol tolerance levels.

F. FOLLOW UP (Not applicable under MST’s current Zero Tolerance rule established and approved by the Board of Directors on May 13, 2002).

Follow Up testing for drug and/or alcohol is required for an EMPLOYEE when he/she has been previously tested positive for using a prohibited drug or alcohol misuse.

Follow Up Testing is determined by the SAP and if necessary with the MRO, as described in Section VIII. If the EMPLOYEE tests positive at any time during the follow up testing, he/she will be immediately relieved and will be terminated from employment. See section IX, E., FOLLOW UP. See Section IX, H., for specific alcohol tolerance levels.

G. REFUSAL TO SUBMIT/INSUBORDINATION

Any EMPLOYEE who refuses to submit to any drug and/or alcohol test required under this Program would be treated as if he/she had tested positive in any such test. The discipline shall be subject to Section IX., E., REFUSAL TO SUBMIT/INSUBORDINATION.

Refusal to submit shall include: (1) Failure of EMPLOYEE to report to Collection Site without a legitimate reason; (2) Failure to provide an adequate specimen/breath sample, without a legitimate medical reason; (3) refusal of MST’s initial request to submit to any required drug and/or alcohol testing; and (4) refusal to provide a specimen and/or breath sample, and/or cooperate with the collection process at the Collection Site.
1. **FAILURE OF EMPLOYEE TO REPORT TO COLLECTION SITE**

   If an EMPLOYEE fails to appear for a scheduled collection, the Collection Site Personnel shall immediately notify MST’s Program Manager by telephone, who in turn shall immediately contact the supervisor.

   The Supervisor shall initiate appropriate disciplinary action in accordance with Section IX., E., REFUSAL TO SUBMIT/INSUBORDINATION.

2. **EMPLOYEE REFUSAL TO PROVIDE SPECIMEN AND/OR A BREATH SAMPLE, AT THE COLLECTION SITE**

   In the event an EMPLOYEE refuses to provide a specimen and/or a breath sample, the following procedures shall apply:

   a. The EMPLOYEE shall be informed by the Collection Site Personnel that:
      
      (1) MST’s Program Manager or designate will be contacted; and  
      (2) He/She is to report back to the work site supervisor and await further instructions.

   b. The Collection Site Personnel shall immediately notify MST’s Program Manager by telephone and document the refusal in writing on the Chain-of Custody form and/or Breath Alcohol test form.

   c. The Drug and Alcohol Program Manager shall notify the supervisor of the refusal to provide specimen and/or a breath sample at the collection site. The supervisor shall initiate appropriate disciplinary action in accordance with Section IX., E, REFUSAL TO SUBMIT/INSUBORDINATION.

3. **FAILURE OF EMPLOYEE TO PROVIDE AN ADEQUATE SPECIMEN**

   If the EMPLOYEE fails to provide a sufficient quantity of urine, at least 45 milliliters, the following procedures shall apply:

   a. The EMPLOYEE shall remain at the Collection Site and be given a reasonable period of time to provide a specimen. As a standard rule, the EMPLOYEE will be allowed up to three (3) hours from the time the 1st specimen is collected. No more than 40oz of fluids over the three-hour period, whichever is later.

   b. Employees shall be instructed to drink fluids to facilitate urination. During the waiting period, the EMPLOYEE will remain at the Collection Site under supervision at all times.
c. If at the end of the waiting period if the EMPLOYEE still cannot provide a specimen of sufficient quantity, this inability shall be recorded by the Collection Site Personnel on the Chain-of-Custody form as failure to provide a specimen. Collection personal will contact the authorized company representation for instructions.

d. A physician (not the MRO) will evaluate the employee for possible physical reasons for not providing an adequate urine specimen for drug testing – and will notify the company representative of the evaluation.

e. A physician (not the MRO) will evaluate the employee for possible physical reasons for not providing an adequate breath sample for alcohol testing – and will notify the company representative of the evaluation.

f. If the physician finds no possible physical reasons for the EMPLOYEE not providing an adequate urine specimen drug testing, and/or breath sample for alcohol testing. MST’s Program Manager shall contact the supervisor. The supervisor shall initiate appropriate disciplinary action in accordance with Section IX., E., REFUSAL TO SUBMIT/INSUBORDINATION.

4. EMPLOYEE REFUSAL TO SUBMIT TO TESTING

a. Any EMPLOYEE who refuses MST’s initial request to submit to any required drug and/or alcohol test is in violation of this policy and will be considered the same as testing positive.

b. The EMPLOYEE will be immediately removed from his/her safety-sensitive position and shall be subject to disciplinary action in accordance with Section IX., E., REFUSAL TO SUBMIT/INSUBORDINATION.

VI. SPECIMEN COLLECTION PROCEDURES

A. URINE SPECIMEN COLLECTION

Any EMPLOYEE instructed to undergo a drug test will be required to provide a urine specimen at a designated Collection Site. In order to ensure integrity of the specimen collection procedure, a standard Urine Custody and Control form will be used. This form shall be checked and completed by the EMPLOYEE and the Collection Site Personnel. The form will be forwarded along with the urine specimen to a designated laboratory, which will conduct the actual drug test. The Laboratory will then forward a copy of the Urine Custody and Control form to the MRO, who will review it when analyzing test results. MST will retain a copy of the Urine Custody and Control form for each drug test it conducts. Every person who
handles or otherwise comes into contact with the urine specimen shall complete the Chain-of-Custody portion of the Urine Custody and Control form.

All urine will be collected in a clean, single-use specimen bottle that is securely wrapped until filled with the specimen. A clean single-use collection container (e.g., disposable cup or sterile urinal) that is securely wrapped until used may also be employed. If urination is directly into the specimen bottle, the specimen bottle shall be provided to the EMPLOYEE still sealed in its wrapper or shall be unwrapped in the presence immediately prior to its being provided. If a separate collection container is used for urination, the collection container shall be provided to the EMPLOYEE still sealed in its wrapper or shall be unwrapped in the presence immediately prior to its being provided; and the Collection Site Person shall unwrap the specimen bottle in the presence of the EMPLOYEE at the time the urine specimen is presented.

B. COLLECTION PROCEDURES

1. DESIGNATED COLLECTION SITES

MST will utilize an approved Collection Site, which will have the personnel, materials, equipment, facilities, and supervision necessary to provide for the collection, security, temporary storage, and shipping of urine specimens to a DHHS-certified laboratory for testing, in a manner consistent with the requirements of the CFR, Part 40.

See Attached Collection site listing.

2. ALTERNATIVE COLLECTION SITES

If one of MST’s designated Collection Site facilities cannot be used to collect a specimen (e.g., a Post-Accident test in a distant location), MST and/or the EMPLOYEE will attempt to use another Collection Site facility which is familiar with collection procedures under CFR 40. In the event an alternative Collection Site familiar with requirements of CFR 40 is not available, the urine specimen must still be collected in a secure manner, described below:

a. Procedures shall provide for the Collection Site to be secure. If a Collection Site facility is dedicated solely to urine collection, it shall be secure at all times. If a facility cannot be dedicated solely to drug testing, the portion of the facility used for testing shall be secured during drug testing.

b. A facility normally used for other purposes, such as a public rest room or hospital examining room, may be secured by visual inspection to ensure other persons are not present and undetected access (e.g., through a rear door not in the view of the Collection Site Person) is not possible. Security during collection may be maintained by effective restriction of access to collection materials and specimens. In the case of a public rest room, the
facility must be posted against access during the entire collection procedure to assure privacy to the EMPLOYEE and eliminate any distractions of the Collection Site Person.

c. If it is impractical to maintain continuous physical security of a Collection Site from the time the specimen is presented until the sealed mailer is transferred for shipment, the following minimum procedures in the collection of a urine specimen shall apply. The specimen shall remain under the direct control of the Collection Site Person from delivery to its being sealed in the mailer, maintained in secure storage, or remain until mailed under the personal control of the Collection Site Person.

3. INDIVIDUAL PRIVACY

Collection procedures allow urine specimens to be provided by the EMPLOYEE in private, unless there is reason to believe that the EMPLOYEE may alter or substitute the specimen, as set forth below:

a. CIRCUMSTANCES REQUIRING DIRECT OBSERVATION

A second specimen of urine will be obtained as soon as possible under the direct observation of a same gender Collection Site Person whenever there is reason to believe that a particular donor has altered or substituted the specimen under the following circumstances:

(1) The donor has presented a specimen which falls outside the allowable temperature ranges (32.5 to 37.7 degrees Celsius or 90.5 to 99.8 degrees Fahrenheit), and

(a) The donor declines to provide a measurement of oral body temperature, or

(b) The donor’s oral body temperature varies by more than 1 degree Celsius or 1.8 degrees Fahrenheit, from the temperature of the specimen.

(2) The Collection Site Person observes donor conduct clearly and unequivocally indicating an attempt to substitute or adulterate the specimen.

When it is necessary to collect a second specimen of urine, the donor may find it difficult to immediately give another specimen. In such cases, the donor is to remain at the designated Collection Site (in no event longer than three hours or until the EMPLOYEE has provided a specimen. The EMPLOYEE will be given fluid to drink. No more than 40oz. over a three (3) hour period.
b. **CIRCUMSTANCES WHEN DIRECT OBSERVATION OF COLLECTION WILL BE OPTIONAL**

Under certain circumstances collection of a second specimen of urine may be required. A collector of the same gender as the donor will observe this second collection of urine if a higher-level supervisor of the Collection Site Person, MRO, or a designated MST management official have reviewed and concurred in advance with any decision by the Collection Site Person to obtain a specimen under direct observation. The circumstances are as follows:

1. the last urine specimen provided by the donor on a previous occasion was determined by the NIDA certified laboratory to have a specific gravity of less than 1.003 and a creatinine concentration below .2 g/L, or

2. the donor has tested positive in a prior drug test and the particular test being conducted was either a Return-to-Duty Test or an unannounced Follow-Up Test (post-rehabilitation).

### 4. SPECIMEN INTEGRITY AND IDENTITY

MST, the EMPLOYEE and the Collection Site shall take appropriate precautions to preserve the integrity and identity of the urine specimen by ensuring that it is not adulterated or diluted during the collection procedure and that the urine specimen tested is that of the Person from whom it was collected. Collection Site Personnel will be responsible for maintaining the integrity of the specimen collection and transfer process, but EMPLOYEES shall cooperate with Collection Site Personnel.

To deter the dilution of specimens at the Collection Site, toilet-bluing agents shall be placed in toilet tanks wherever possible, so the reservoir of water in the toilet bowl always remains blue. Where practicable, there shall be no other source of water (e.g., no shower or sink) in the enclosure where urination occurs. If there is another source of water in the enclosure, it shall be effectively secured or monitored to ensure it is not used to dilute the specimen.

When an EMPLOYEE arrives at the Collection Site, the Collection Site Personnel shall ensure that the EMPLOYEE is positively identified as the EMPLOYEE selected for testing through presentation of photo identification. If the individual's identity cannot be established, the Collection Site Personnel shall not proceed with the collection. If the EMPLOYEE requests, the Collection Site Personnel shall show his/her identification to the EMPLOYEE.

### 5. COLLECTION CONTROL

The Collection Site Person shall keep the individual's specimen bottle within sight both before and after the EMPLOYEE has urinated. After the specimen is collected, it shall be properly sealed and labeled. The Urine Custody and Control
form shall be used for maintaining control and accountability of each specimen from the point of collection to final disposition of the specimen.

The date and purpose shall be documented on an approved Chain-of-Custody form each time a specimen is handled or transferred and every EMPLOYEE in the chain shall be identified. Every effort shall be made to minimize the number of persons handling specimens.

6. **TRANSPORTATION TO LABORATORY**

Collection Site Personnel shall arrange to ship the collected specimens to the Drug Testing Laboratory. The specimens shall be placed in a container designed to minimize the possibility of damage during shipment (e.g., specimen boxes and/or padded mailers), and those containers shall be securely sealed to eliminate the possibility of undetected tampering. On the tape sealing the container, Collection Site Personnel will enter the date the specimen was sealed in the containers for shipment. The Collection Site Person shall ensure that the Chain-of-Custody documentation is attached to each container sealed for shipment to the Drug Testing Laboratory.

7. **FAILURE TO COOPERATE**

If the EMPLOYEE refuses to cooperate during the collection process (e.g., refusal to provide a complete specimen, complete paperwork, initial specimen etc.), the Collection Site Person shall inform MST and shall document the non-cooperation on the Urine Custody and Control form.

Any EMPLOYEE required to provide a urine specimen shall complete any necessary forms required by the Collection Site or MST, including those authorizing the disclosure of test results to MST. Failure or refusal to do so will result in the EMPLOYEE being relieved from his/her safety sensitive position and be subject to disciplinary action in accordance with Section IX., E., **REFUSAL TO SUBMIT/INSUBORDINATION**.

8. **EMPLOYEES REQUIRING MEDICAL ATTENTION**

If the specimen is being collected from an EMPLOYEE in need of medical attention (e.g., as part of a Post-Accident test given in an emergency facility), necessary medical attention will not be delayed in order to collect the specimen. For additional information on collection procedures for injured EMPLOYEES, see Section V., B., **POST-ACCIDENT**.
B. **ALCOHOL TESTING**

Alcohol testing shall be conducted using an Evidentiary Breath Testing (EBT) device as approved by the National Highway Traffic Safety Administration (NHTSA) and listed on their Conforming Products List. Two breath tests are required to determine if a person has a prohibited alcohol concentration.

A screening test is conducted first. Any result with alcohol concentration less than 0.02 are considered a "negative" test and no further testing is required.

Alcohol concentration of .02 or greater requires that a second test (confirmation test) must be conducted fifteen (15) minutes after the initial test. The confirmation test must be conducted using a EBT device that prints the test results, date and time the procedure was performed. The EBT also prints a sequential test number along with the name and serial number of the EBT. This information is provided to ensure the integrity and reliability of the results under which NHTSA has approved a quality assurance program submitted by the device manufacturer.

The Breath Analysis Technician (BAT) conducts and reports the test results to the employer. A BAT is defined as a person trained in using the breath analysis device.

VII. **TESTING METHODOLOGY**

A. **APPROPRIATE LABORATORIES**

All urine specimens to be tested for the presence of prohibited drugs must be analyzed by the NIDA Laboratory certified under the DHHS Mandatory Guidelines for Federal Work Place Drug Testing Programs. All drug tests required by MST will therefore be shipped for analysis to the laboratories listed below:

MEDTOX
402 West County Road D
Saint Paul, MN 55112

B. **INITIAL TEST**

All urine specimens will be initially tested for the use of prohibited drugs by an immunoassay test, which will eliminate negative urine specimens from further consideration. Any positive test results in an initial test will be subject to confirmation through an additional, more precise, and accurate testing methodology.
The cut-off levels set forth below will be used for the initial testing of specimens to determine whether they are negative for the following drugs.

1. Marijuana metabolites 50 ng/ml
2. Cocaine metabolites 1000 ng/ml
3. Opiate metabolites 1000 ng/ml
4. Phencyclidine 25 ng/ml
5. Amphetamines 1000 ng/ml

C. CONFIRMATORY TESTS

Any urine specimen identified as positive on the initial test will be confirmed by a second analytical procedure independent from the initial test and which uses a different chemical technique and procedure. MST will use gas chromatography/mass spectrometry to confirm initial positive test results. The cut-off levels set forth below will be used to establish the existence of a “confirmed positive” test result:

1. Marijuana metabolites 15 ng/ml
2. Cocaine metabolites 150 ng/ml
3. Opiates
   Codeine 2000 ng/ml
   Morphine 2000 ng/ml
4. Phencyclidine 25 ng/ml
5. Amphetamines
   Methamphetamine 500 ng/ml
   Amphetamine 500 ng/ml

   (1)Delta 9-tetrahydrocannabinol-9 carboxylic acid; (2) Benzoylecgonine; (3) Specimen must also include amphetamine at a concentration greater than or equal to 200 ng/ml; (4) Laboratories must report quantitative values for morphine or codeine at 15,000 ng/ml or above.

Any initial positive result, which is not confirmed as positive under the above cut-off levels, will be deemed negative.

C. REPORTING PROCEDURES

Before the Laboratory reports any test results, it will first review the results of the initial test, confirmatory test or any relevant quality control data to certify that the test result is accurate. The Laboratory will then report the test results to MST’s MRO within five (5), working days after the receipt of the specimen and will also forward the original Urine Custody and Control forms to the MRO. Any specimen which was negative on an initial or confirmatory test will be reported as negative. The only specimens reported as positive will be those, which have been confirmed as positive through gas chromatography/mass spectrometry. Test results may not be reported verbally to the MRO by telephone. Additionally, the Laboratory will not
report any test results to MST, but only to its MRO. The Laboratory and MST will ensure that the data transmission is confidential and will secure and limit access to its data transmission storage and retrieval system.

The MRO may request from the Laboratory and the Laboratory will provide quantification of test results. The MRO will then report to MST's Drug and Alcohol Program Manager whether the test is positive or negative and may also report the identity of the drug(s) for which there was a positive result. The MRO will not however, disclose the quantification of test results to MST unless disclosure of the same to MST, EMPLOYEE, or decision-maker is necessary in a lawsuit, grievance, or other proceeding initiated by or on behalf of the EMPLOYEE arising from a verified positive drug test.

D. SPECIMEN RETENTION

Specimens that yield positive results on confirmation must be retained by the Laboratory in properly secured, long-term, frozen storage for at least 365 days as required by DOT, Rules and Regulations. Within this 365 day period, the EMPLOYEE or his representative, MST, or MST’s representative, the DOT, Administrator, or, if MST is subject to the jurisdiction of a state agency, may request that the Laboratory retain the specimen for an additional period. If within the 365-day period the Laboratory has not received a proper written request to retain the specimen for a further reasonable period specified in the request, the specimen may be discarded following the end of the 365-day period.

E. RETEST PROCEDURES

If the MRO determines there is no legitimate medical explanation for a confirmed positive test result other than the unauthorized use of a prohibited drug, the original specimen must be retested if the EMPLOYEE makes a written request for retesting within 72 hours of receipt of the final test result from the MRO. The EMPLOYEE may specify retesting to be done by the original laboratory or by a second laboratory certified by the Department of Health and Human Services. The retest will be at the expense unless the retest is negative, at which time the EMPLOYEE will be reimbursed for his/her costs.

If the EMPLOYEE specified retesting is done by a second laboratory, the original laboratory must follow approved Chain-of-Custody procedures in transferring a portion of the specimen.

Since some substances may deteriorate during storage, detected levels of the drug below detection limits established in the DOT Procedures, but equal to or greater than the established sensitivity of the assay, must, as technically appropriate, be reported and considered corroborative of the original positive results.
VIII. REVIEW OF DRUG TEST RESULTS

A. MEDICAL REVIEW OFFICER QUALIFICATIONS

All confirmed positive test results will be reported by the Laboratory to MST’s MRO prior to any decision regarding an qualification for continued employment due to the results of a drug test. The MRO will be a licensed physician with knowledge of substance abuse disorders. The MRO will review and consider possible alternate medical explanations for the positive test result, as well as the Chain-of-Custody to ensure that it is complete and sufficient on its face. MST’s MRO is:

Medical Review Officer
Stuart B. Hoffman, M.D., F.A.C.P.
Choice Point MRO Services
480 Quadrangle Drive Ste D
Boling Brook, IL 60440
(888) 794-6574

B. MRO DUTIES

The MRO will perform the following functions for MST:

1. Review the results of drug testing before they are reported to MST.

2. Review and interpret each confirmed positive test result to determine if there is an alternative medical explanation for the confirmed positive test result by:
   a. Conducting a medical interview with the EMPLOYEE tested;
   b. Reviewing the medical history and any relevant biomedical factors;
   c. Reviewing all medical records made available by the EMPLOYEE tested to determine if a confirmed positive test resulted from legally prescribed medication;
   d. requiring, if necessary, that the original specimen be reanalyzed to determine the accuracy of the reported test results; and
   e. verifying that the Laboratory report and assessment are correct.

C. ACTION ON POSITIVE TEST RESULTS

Prior to making a final decision to verify a positive test result for an EMPLOYEE, the MRO will give the EMPLOYEE an opportunity to discuss the test result. The MRO will therefore contact the EMPLOYEE directly on a confidential basis, to determine whether the EMPLOYEE wishes to discuss the test result. A staff person under the MRO’s supervision may make the initial contact and a medically licensed or certified staff person may gather information from the EMPLOYEE. Except as provided below, the MRO will talk directly with the EMPLOYEE before verifying a test as positive.
If, after making and documenting all reasonable efforts to contact the EMPLOYEE, the MRO is unable to reach the EMPLOYEE directly, the MRO will contact MST’s Drug and Alcohol Program Manager, who will direct the EMPLOYEE to contact the MRO as soon as possible. If it becomes necessary to reach the EMPLOYEE through the Drug and Alcohol Program Manager, the DAPM will utilize procedures to ensure, to the maximum extent practicable, the requirement that the EMPLOYEE contact by the MRO is held in confidence.

If, after making all reasonable efforts, MST is unable to contact the EMPLOYEE, MST will place the EMPLOYEE on temporary medically unqualified status or on medical leave of absence.

The MRO may verify a test as positive without having communicated directly with an EMPLOYEE if:

1. the EMPLOYEE expressly declines the opportunity to discuss the test;
2. the Drug and Alcohol Program Manager has successfully made and documented a contact with the EMPLOYEE and instructed him/her to contact the MRO, and more than five (5) days have passed since the EMPLOYEE was successfully contacted; or
3. other circumstances provided for in DOT Drug Testing Regulations are affected

If a test is verified as positive because of a failure to contact the MRO (number 2 above), the EMPLOYEE will have the opportunity to provide the MRO with evidence documenting the serious illness, injury, or other circumstances that unavoidably prevented him/her from timely contacting the MRO. The MRO on the basis of such information may reopen the verification and allow the EMPLOYEE to present information concerning a legitimate explanation for the confirmed positive test. If the MRO concludes that there is a legitimate explanation, the MRO will declare the test to be negative.

D. MRO DETERMINATION

If the MRO determines, after appropriate review, that there is a legitimate medical explanation for the confirmed positive test result other than the unauthorized use of prohibited drugs, the MRO will conclude and report the test to be negative.

If the MRO determines, after appropriate review, that there is no legitimate medical explanation for the confirmed positive test result other than the unauthorized use of prohibited drugs, the MRO shall confirm and report the test as positive and refer the EMPLOYEE tested to MST for further proceedings in accordance with the Program.

If the MRO determines, based upon his/her review of the Laboratory’s Inspection Reports, quality assurance and quality control data, and other drug test results, that
a particular drug test result is scientifically insufficient for further action, the MRO will conclude that the test is negative.

E. DISCLOSURE OF INFORMATION

The MRO will not disclose to any third party medical information provided by the EMPLOYEE to the MRO as a part of the testing verification process, except as provided below:

1. The MRO may disclose such information to the MST, a government agency, or a physician responsible for determining the medical qualification of the EMPLOYEE under an applicable DOT regulation, as applicable, only if:
   a. An applicable DOT regulation permits or requires such disclosure;
   b. In the MRO’s reasonable medical judgment, the information could result in the EMPLOYEE being determined to be medically unqualified under a DOT rule; or
   c. In the MRO’s reasonable medical judgment, in a situation in which there is no DOT rule establishing physical qualification standards applicable to the EMPLOYEE, the information indicates that continued performance by the EMPLOYEE in his/her safety-sensitive position could pose a significant safety risk.

2. Before obtaining medical information from the EMPLOYEE as part of the verification process, the MRO will advise the EMPLOYEE that the information may be disclosed to third parties as provided above and of the identity of any parties to whom the information may be disclosed.

MRO REPORT OF A NEGATIVE DILUTE SPECIMAN

If the MRO informs MST that a negative drug test was dilute, the employee will be required to take another test immediately. In some cases the MRO may require the retest to be performed under direct observation.

Employees directed to take another test will be given minimum advance notice that he/she must go to the collection site to take another test.

The result of the second test, not that of the first test, becomes MST’s final result of record. Any employee who takes a second test and the result of the second test is also negative dilute will not be required to take a third test.

Any employee who is directed to take another test and the employee declines to do so, shall be considered “refusal to test” as stated in this policy and as required in the DOT regulations.
F. **SUBSTANCE ABUSE PROFESSIONAL** (Any reference to returning to work after a positive test result is not applicable under MST’s Zero Tolerance rule established and approved by MST’s Board of Directors on May 13, 2002.)

1. Determines whether an **EMPLOYEE** who refused to take or did not pass a drug test administered under DOT Procedures may be returned to duty.

2. Determines a schedule of unannounced Follow-Up Drug Testing, in consultation with MST, for an **EMPLOYEE** who is scheduled to return to duty.

MST has a contract with;
Richard Kiskis
1071 Pajaro
Salinas, CA
(831) 449-9002

G. MST

1. Ensures that an **EMPLOYEE** has been drug tested in accordance with the DOT Procedures.

IX. **DISCIPLINE**

The following discipline will be taken in the event of a positive test result:

A. **PRE-EMPLOYMENT**

Any applicant who tests positive as a result of a Pre-Employment, Post Offer Drug test or refuses to submit to the same, will be disqualified from further consideration for employment and may not reapply for a period of one (1) year.

Any current **EMPLOYEE** transferring from a non-safety-sensitive position to a safety-sensitive position who tests positive as a result of a conditional offer of transfer, or refuses to submit to a Drug Test will not be hired into the safety-sensitive position. The **EMPLOYEE** will be given a one-time opportunity for rehabilitation at the employee’s expense. The employee must be evaluated by a Substance Abuse Professional. The SAP may concur with the MRO when the **EMPLOYEE** may return to the safety sensitive position and on a plan for return to duty testing and on follow up testing.

A current **EMPLOYEE** with a verified positive urine drug test will be terminated in accordance with MST’s Zero Tolerance Rule as established and approved by MST’s Board of Directors on May 13, 2002.
B. **REASONABLE SUSPICION**

Any EMPLOYEE who tests positive as a result of a Reasonable Suspicion Drug Test will be relieved from his/her safety sensitive position immediately. The EMPLOYEE will be on leave without pay. The EMPLOYEE will be given a one-time opportunity for rehabilitation at the employee’s expense. The employee must be evaluated by a Substance Abuse Professional.

See this section, “H” for alcohol conditions/circumstances, requirements and discipline.

C. **POST-ACCIDENT**

Any EMPLOYEE who tests positive as a result of a post-accident drug will be relieved from his/her safety sensitive position immediately. The EMPLOYEE will be on leave without pay.

A current EMPLOYEE with a verified positive urine drug test after a post accident/collision will be terminated in accordance with MST’s Zero Tolerance Rule as established and approved by MST’s Board of Directors on May 13, 2002.

D. **RANDOM**

Any EMPLOYEE who tests positive as a result of a Random Drug Test will relieved from his/her safety sensitive position immediately. The EMPLOYEE will be on leave without pay. The EMPLOYEE must be referred and evaluated by a Substance Abuse Professional.

A current EMPLOYEE with a verified positive urine drug test after a Random Drug Test will be terminated in accordance with MST’s Zero Tolerance Rule as established and approved by MST’s Board of Directors on May 13, 2002.

See this section, “H” for alcohol conditions/circumstances, requirements and discipline.

E. **FOLLOW UP – (this section is not applicable under MST’s Zero Tolerance rule as established and approved by MST’s Board of Directors on May 13, 2002)**

F. **REFUSAL TO SUBMIT/INSUBORDINATION**

Any EMPLOYEE who refuses to take a required drug or alcohol test, refuses to provide a specimen/breath sample at the Collection Site, refuses to cooperate during the collection process, refuses to complete any relevant documentation, such as the Urine Custody and Control form or any other paperwork, fails to properly cooperate with Collection Site Personnel, engages in any conduct which creates reason to believe a urine specimen has been altered or substituted, fails to report to the Collection Site without a legitimate reason, and fails to provide an
adequate specimen/breath sample without a medical basis will be taken off his/her safety sensitive position. The EMPLOYEE will be subject to disciplinary action up to and including termination of employment.

G. VOLUNTARILY COMES FORWARD

Any EMPLOYEE who voluntarily comes forward with a drug or alcohol problem will be taken off his/her safety sensitive position immediately. The EMPLOYEE will be on leave without pay. The EMPLOYEE will be given a one-time opportunity for rehabilitation at the employee’s expense. The employee must be evaluated by a Substance Abuse Professional. The SAP may concur with the MRO when the EMPLOYEE may return to the safety sensitive position and on a plan for return to duty testing and on follow up testing.

An EMPLOYEE who voluntarily comes forward and who has returned to duty and has a verified positive urine drug and or alcohol test will be terminated.

H. ALCOHOL TESTS RESULTS AND DISCIPLINE

Any EMPLOYEE who tests positive for a Reasonable Suspicion, Post-Accident, or Random Alcohol test results are greater than .02 BAC but less than .04 will be relieved from his/her safety sensitive position immediately for 24 hours and will be taken to their residence. The EMPLOYEE will be on leave without pay.

Any EMPLOYEE who tests positive for a Reasonable Suspicion, Post-Accident, or Random Alcohol test results are greater than .04 will be relieved from his/her safety sensitive position immediately and will be taken to their residence.

The EMPLOYEE will be on leave without pay. The EMPLOYEE must be referred to and evaluated by a SAP.

The EMPLOYEE will be terminated in accordance with MST’s Zero Tolerance Rule as established and approved by MST’s Board of Directors on May 13, 2002.

X. EMPLOYEE EDUCATION, TRAINING, AND ASSISTANCE PROGRAM

A. EMPLOYEE EDUCATION

MST will provide an education program for its EMPLOYEES, which will include the following:

1. Display and distribution of informational material on substance abuse;

2. Display and distribution of a community service hot-line telephone number for EMPLOYEE assistance; and
3. **Display and distribution of MST’s Anti-Drug Abuse & Alcohol Misuse Program regarding the use of prohibited drugs and alcohol misuse.**

**B. SUPERVISOR TRAINING**

Any supervisory personnel responsible for determining whether an **EMPLOYEE** must be drug and alcohol tested based on Reasonable Suspicion will be required to complete at least 120-minute session of training on the specific contemporaneous physical, behavioral, and performance indicates of probable drug use/abuse or alcohol use/misuse.

Supervisory positions to receive training under this Program are:

- OPERATIONS SUPERVISORS
- COMMUNICATIONS SYSTEMS SPECIALISTS
- MAINTENANCE SUPERVISORS
- FLEET MANAGER
- DRUG AND ALCOHOL PROGRAM MANAGER

Training will be provided by the:

Safety/Training Officer  
Monterey-Salinas Transit  
One Ryan Ranch Road  
Monterey, CA  93940  
(831) 758-3563

**C. EMPLOYEE ASSISTANCE PROGRAM**

In addition to the Employee Education and Supervisor Training programs described above, MST also will have available an Employee Assistance resources to which **EMPLOYEES** may refer for additional consultation and referral. See Appendix B.

**XI. CONFIDENTIALITY**

Information regarding drug and alcohol test results will only be released upon the written consent of the **EMPLOYEE**, except that such information must be released to the DOT, Administrator or the representative of a state agency upon request as part of an accident investigation.

Statistical data related to drug and alcohol testing that is not name-specific and training records must be made available to the DOT Administration or the representative of a state agency upon request.
MST’s contract with its Laboratory requires it to maintain all EMPLOYEE test records in confidence. However, the Laboratory will disclose information related to a positive drug test of an EMPLOYEE to the EMPLOYEE, MST, or the decision-maker in a lawsuit, grievance, or other proceeding initiated by or on behalf of the EMPLOYEE and arising from a certified positive drug test.

Any EMPLOYEE who is the subject of a drug and alcohol test conducted under this program shall, upon written request, have access to any records relating to his/her drug and alcohol test and any records relating to the results of any relevant certification, review, or revocation-of-certification proceedings.

To maintain confidentiality, written requests regarding the drug and alcohol records will be stored in locked containers. The drug and alcohol testing records will not be made a part of the personnel file.

XII. BLIND PERFORMANCE TEST PROCEDURES

In order to further ensure the accuracy of test results and test procedures, MST will utilize blind testing quality control procedures. Under these procedures, MST or his agent will submit three blind performance test specimens for each 100 EMPLOYEE specimens it submits, up to a maximum of 100 blind performance test specimens to be submitted per quarter.

MST or his agent may submit blind performance test specimens as follows:

(1) Approximately 80 percent of the blind samples submitted by MST or its agent will be blank and the remaining samples will be positive for one or more drugs per sample in a distribution such that all the drugs to be tested are included in approximately equal frequencies of challenge. The positive samples will be spiked only with those drugs for which MST is testing; or

(2) MST may also submit only blank samples; or

(3) MST may submit two separately labeled portions of a specimen from the same Non-Safety Sensitive Employee.

In the event of a false positive error on a blind test, which is determined to be due to an administrative error (e.g., clerical, samples mix-up, etc.), MST will promptly notify DHHS. DHHS and MST will then require the Laboratory to take corrective action to minimize the occurrence of the particular error in the future, and if there is reason to believe the error could have been systemic, the DHHS may also require review and re-analysis of previously run specimens.

In the event of a false positive error on a blind test, which is determined to be due to a technical or methodological error, MST will instruct the Laboratory to submit all quality control data from the batch of specimens, which included the false positive
specimen to DHHS. In addition, the Laboratory will be required to retest all specimens analyzed positive for that drug or metabolite from the time of final resolution of the error back to the time of the last satisfactory performance test cycle. This retesting must be documented by a statement signed by the individual responsible for the day-to-day management of the Laboratory’s urine drug testing.

XIII. RECORD KEEPING

MST shall keep the following records for the periods specified and permit access to the records as provided in Section XI:

A. Records of EMPLOYEE drug and/or alcohol test results that show that EMPLOYEE failed any drug and/or alcohol test, and the type of test failed (e.g., Post-Accident), and records that demonstrate rehabilitation, if any, will be kept for at least five (5) years.

B. Records of EMPLOYEE drug test results that show EMPLOYEES passed a drug and/or alcohol test will be kept for at least one (1) year.

C. A record of the number of EMPLOYEES tested, by type of test (e.g., Post-Accident), will be kept for at least five (5) years. Annual report to Federal Transit Administration, (FTA)

D. Records confirming that supervisors and EMPLOYEES have been trained as required under this Program will be kept permanently.

XIV DRUG AND ALCOHOL PROGRAM MANAGER

A. MST’s Anti-Drug Abuse and Alcohol Misuse Program Manager is responsible for monitoring compliance with the provisions of the Program and is available to provide information and answer questions that you may have regarding the Program. MST’s Program Manager is:

Safety/Training Officer
Monterey-Salinas Transit
One Ryan Ranch Rd.
Monterey CA 93940-5703
(831) 758-3563
MONTEREY-SALINAS TRANSIT

The revised Anti-Drug Abuse & Alcohol Misuse Program was approved by Monterey-Salinas Transit’s Board of Directors on February 11, 2008.

Fernando Armenta, Chairman

Lyn Owens, Director of Human Resources

Date: February 11, 2008
XV  APPENDICES

A.  Employee Specimen Collection Procedure
B.  Employee Notification
C.  Collection Sites
D.  Waiver and Agreement With Respect to Drug Testing
Appendix A

EMPLOYEE SPECIMEN COLLECTION PROCEDURES

1. To deter the dilution of specimens at the Collection Site, toilet-bluing agents will be placed in toilet tanks wherever possible so the reservoir of water in the toilet bowl always remains blue. Where practicable, there shall be no other source of water (e.g., no shower or sink) in the enclosure where urination occurs. If there is another source of water in the enclosure, it shall be effectively secured or monitored to ensure it is not used (undetected) as a source of diluting the specimen.

2. Upon arriving at the Collection Site, the EMPLOYEE to be tested shall present the Collection Site Person with proper identification to ensure that he/she is positively identified as the Person selected for testing (e.g., by presenting a driver’s license or other photo ID, or by identification by Drug Program Administrator. If the identity cannot be established, the Collection Site Person shall not proceed with the collection and MST shall be notified. If the EMPLOYEE requests, the Collection Site Person shall show his/her identification to the EMPLOYEE.

3. If the EMPLOYEE to be tested fails to arrive at the Collection Site at the assigned time, the Collection Site Person shall contact MST to obtain guidance on the action to be taken. Failure to report for urine test at the assigned time may result in the termination of employment.

4. The EMPLOYEE to be tested will be required to remove any unnecessary outer garments (e.g., a coat or jacket) that might conceal items or substances that could be used to tamper with or adulterate the urine specimen. The Collection Site Person will ensure that all personal belongings such as purses or briefcases remain with the outer garments. The EMPLOYEE may retain his/her wallet. If the EMPLOYEE requests it, the Collection Site Person shall provide the EMPLOYEE with a receipt for any personal belongings.

5. Before the collection process begins, the EMPLOYEE shall provide the Collection Site Person with a Urine Custody and Control form, unless it has been previously forwarded to the Collection Site by MST on behalf of EMPLOYEE.

6. The EMPLOYEE shall be instructed to wash and dry his/her hands prior to urination.

7. After washing his/her hands, the EMPLOYEE shall remain in the presence of the Collection Site Person and shall not have access to any water fountain, faucet, soap dispenser, cleaning agent, or any other materials, which could be used to adulterate the specimen.

8. The EMPLOYEE may provide his/her specimen in the privacy of a stall or otherwise partitioned area that allows for EMPLOYEE privacy. The Collection Site Person shall provide the EMPLOYEE with a specimen bottle or container, if applicable.
9. The Collection Site Person shall note any unusual behavior or appearance on the Urine Custody and Control form.

10. In the exceptional event that a MST designated Collection Site is not accessible and there is an immediate requirement for specimen collection (e.g., an accident investigation), a public rest room may be used according to the following procedures: A Collection Site Person of the same gender as the EMPLOYEE shall accompany the EMPLOYEE into the public rest room, which shall be made secure during the collection procedure. If possible, a toilet-bluing agent shall be placed in the bowl and any accessible toilet tank. The Collection Site Person shall remain in the rest room, but outside the stall until the specimen is collected. If no bluing agent is available to deter specimen dilution, the Collection Site Person shall instruct the EMPLOYEE not to flush the toilet until the specimen is delivered to the Collection Site Person. After the Collection Site Person has possession of the specimen, the EMPLOYEE will be instructed to flush the toilet and to participate with the Collection Site Person in completing the Chain-of-Custody procedure.

11. Upon receiving the specimen from the EMPLOYEE, the Collection Site Person shall determine if it contains at least 45 milliliters of urine. If the EMPLOYEE is unable to provide 45 milliliters of urine, the Collection Site Person shall direct the EMPLOYEE to drink fluids and, after a reasonable time, again attempt to provide a complete specimen using a fresh specimen bottle (and fresh collection container, if employed). The original specimen shall be discarded. If the EMPLOYEE is still unable to provide a complete specimen, the following rules apply:

a. In the case of a Post-Accident Drug Test or test for Reasonable Suspicion, the EMPLOYEE shall remain at the Collection Site and continue to consume up to 40 oz. of fluids, until the specimen has been provided or a period up to three (3) hours from the beginning of the collection procedure has elapsed.

b. In the case of a Pre-Employment Drug, Random Drug, or Post Accident, Follow-Up Drug Test, MST may elect to proceed as specified in paragraph a. above or may elect to discontinue the collection and conduct a subsequent collection at a later time.

c. If the EMPLOYEE cannot provide a complete specimen within the three-hour period or at the subsequent collection, as applicable, then the MRO shall refer the EMPLOYEE for a medical evaluation to gather pertinent information concerning whether the ability to provide a specimen is genuine or constitutes a refusal to provide a specimen. In cases of Pre-Employment/Post Offer Drug Testing, if MST does not wish to hire the individual, the MRO is not required to make such a referral. Upon completion of the examination, the MRO shall report his/her conclusions to MST in writing.
12. In the event MST decides to utilize a “split sample” method of collection (it is not required to do so), the following procedures shall be utilized:

a. The donor shall urinate into a collection container, which the Collection Site Person, in the presence of the donor, after determining specimen temperature, pours into two bottles.

b. The first bottle is to be used for the DOT-mandated test, and 45 milliliters of urine shall be poured into it. If there is no additional urine available for the second specimen bottle, the first specimen bottle shall nevertheless be processed for testing.

c. Up to 45 milliliters of the remainder of the urine shall be poured into the second specimen bottle.

d. All requirements of 49 CFR, Part 40 shall be followed with respect to both specimen samples, including the requirement that a copy of Chain-of Custody form accompany each bottle processed under “split sample” procedures.

e. Any specimen collected under “split sample” procedures must be stored in a secured, refrigerated environment and an appropriate entry made on the Chain-of-Custody form.

f. If the test of the first bottle is positive, the EMPLOYEE may request that the MRO direct that the second bottle be tested in a DHHS-certified laboratory for the presence of the drug(s) for which a positive result was obtained in the test of the first bottle. The result of this test is transmitted to the MRO without regard to the cutoff values of 49 CFR, Part 40.29. The MRO shall honor such a request if it is made within 72 hours of the having actual notice that he/she tested positive.

g. Action required by DOT, Rules and Regulations as the result of a positive drug test (e.g., the removal from his/her safety-sensitive position) is not stayed pending the result of the second test.

h. If the result of the second test is negative, the MRO shall cancel the test.

13. Except for split samples collected under paragraph 12, no portion of any specimen collected under these procedures may be used for any purpose other than drug testing required under this PLAN.

14. After the specimen has been provided and submitted to the Collection Site Person, the EMPLOYEE shall be allowed to wash his/her hands.

15. Immediately after the specimen is collected, the Collection Site Person shall measure the temperature of the specimen. The temperature-measuring device used must accurately reflect the temperature of the specimen and not contaminate
the specimen. The time from urination to temperature measurement is critical and in no case shall exceed four (4) minutes.

16. If the temperature of a specimen is outside the range of 32.5 to 37.7 degrees Celsius or 90.5 to 99.8 degrees Fahrenheit, there will be reason to believe that the EMPLOYEE may have altered or substituted the specimen, and another specimen shall be collected under direct observation of a Collection Site Person of the same gender and both specimens shall be forwarded to the Laboratory for testing. An EMPLOYEE may volunteer to have his/her oral temperature taken to provide evidence to counter the reason to believe the EMPLOYEE may have altered or substituted the specimen caused by the specimen’s temperature falling outside the prescribed range.

17. Immediately after the specimen is collected, the Collection Site Person shall also inspect the specimen to determine its color and look for any signs of contaminants. Any unusual findings shall be noted on the Urine Custody and Control form.

18. All specimens suspected of being adulterated shall be forwarded to the Laboratory for testing.

19. Whenever there is reason to believe that a particular EMPLOYEE has altered or substituted the specimen, a second specimen shall be obtained as soon as possible under the direct observation of a same gender Collection Site Person.

20. Prior to requiring any EMPLOYEE to provide another urine specimen under direct observation because of circumstances constituting reason to believe the specimen may have been altered or substituted, the Collection Site Person shall first contact a higher level supervisor or MST’s Drug Program Administrator to review and concur in advance with the decision to require observation.

21. After the urine specimen is provided, both the EMPLOYEE being tested and the Collection Site Person shall keep the specimen in view at all times prior to its being sealed and labeled in the presence of the EMPLOYEE. If the specimen is transferred to a second bottle, the Collection Site Person shall request the EMPLOYEE to observe the transfer of the specimen and the placement of the tamper-proof seal over the bottle cap and down the sides of the bottle.

22. The Collection Site Person, in the presence of the EMPLOYEE, shall place securely on the bottle an identification label, which contains the date, the individual’s specimen number, and any other identifying information provided or required by MST. If separate from the label, the tamper-proof seal shall also be applied.

23. The EMPLOYEE shall, in the presence of the Collection Site Person, initial the identification label on the specimen bottle for the purpose of certifying that it is the specimen collection from him/her.
24. The Collection Site Person shall, in the presence of the EMPLOYEE, enter on the Urine Custody and Control form all information identifying the specimen. The Collection Site Person shall sign the Urine Custody and Control form certifying that the collection was accomplished according to the instructions provided.

25. The EMPLOYEE shall be asked to read and sign a statement on the Urine Custody and Control form certifying that the specimen identified as having been collected from him/her is in fact that specimen he/she provided. He/she will also have the opportunity to set forth, on the EMPLOYEE Donor Copy of the Urine Custody and Control form only, information concerning medication recently taken or administered.

26. After signing the Urine Custody and Control form, the Collection Site may also require the EMPLOYEE to sign consent and/or release form authorizing the collection of the specimen, analysis of the specimen for prohibited drugs, and release of the test results to MST and its MRO. The EMPLOYEE will not be required to waive liability with respect to negligence on the part of any person participating in the collection, handling or analysis of the specimen, or to indemnify any person for the negligence of others.

27. After a proper specimen has been provided, labeled and sealed, the Collection Site Person shall complete the Chain-of-Custody portion of the Urine Custody and Control form to indicate receipt from the EMPLOYEE and shall certify proper completion of the collection process.

28. The urine specimen and Chain-of-Custody form will then be shipped to an appropriate laboratory for analysis. If the specimen is not immediately prepared for shipment, it shall be appropriately safeguarded during temporary storage.

29. While any part of the above Chain-of-Custody procedures are being performed, the urine specimen and custody documents must remain under the control of the involved Collection Site Person. If the involved Collection Site Person leaves his/her workstation momentarily, the specimen and Urine Custody and Control form shall be taken with him/her or shall be secured. After the Collection Site Person returns to the workstation, the custody process will continue. If the Collection Site Person is leaving for an extended period of time, the specimen shall be packaged for mailing before he/she leaves the Collection Site.

30. The Collection Site Person shall not leave the Collection Site in the interval between presentation of the specimen by the EMPLOYEE and identifying of the specimen with an identifying label bearing the specimen identification number (shown on the Urine Custody and Control form) and seal initialed by the EMPLOYEE. If it becomes necessary for the Collection Site Person to leave the site during this interval, the collection shall be modified and (at the election of MST) a new collection begun.
Appendix B
EMPLOYEE NOTIFICATION

The Anti-Drug Abuse & Alcohol Misuse Program Administrator is responsible to train and inform all EMPLOYEES of the DOT Anti-Drug Abuse & Alcohol Misuse Testing Program:

A copy of Monterey-Salinas Transit's Anti-Drug Abuse & Alcohol Misuse Testing Program is provided to each EMPLOYEE.

The Director of Human Resource’s responsibility is to advise all EMPLOYEES of Assistance Resources, which includes community hot-line numbers, and MST’s Policy and Procedures Manual are given to each EMPLOYEE.

EMPLOYEE Assistance Resources are displayed on MST's bulletin boards.
MONTEREY-SALINAS TRANSIT

Appendix C
COLLECTION SITES

Monterey Locations:

For Pre-Employment/Post-Offer, Reasonable Suspicion, Random and Post Accident Alcohol and Drug Testing:

**Monterey Bay Urgent Care**
245 Washington Street
Monterey, CA 93940
(831) 325-2273

Hours of operation:
7:30 a.m. - 6:30 P.M. hours, Monday-Friday
Saturday - 9 a.m. – 5:00 p.m.

**Community Hospital Laboratory**
23625 WR Holman Highway
Monterey, CA 93940
(831) 625-4811

Hours of operation: 24 hours a day, 7 days a week

Salinas Locations:

For Pre-Employment/Post-Offer, Reasonable Suspicion, Random and Post Accident Alcohol and Drug Testing:

**Pinnacle HealthCare**
2 Rossi Circle
Salinas, CA, 93905
(831) 770-0444

Hours of operation:
8:00 a.m.- 8:00 P.M. hours, Monday-Friday
Saturday, Sunday - 9:00 a.m. – 5:00 p.m.

**WorkWell Health Services**
680 East Romie Lane
Salinas, CA 93901
(831) 422-3701

Hours of operation:
8:00 a.m.- 6:00 P.M. hours, Monday-Friday
Saturday - 9:00 a.m. – 5:00 p.m.
For a period commencing August 11, 2008 MST will amend:

Section V. DRUG AND ALCOHOL TESTS REQUIRED
   B. POST-ACCIDENT
      MST POLICY

As:

MST will not require a Drug or Alcohol Test for a post accident/collision that does not meet the FTA criteria. (49 Code of Federal Regulations)
MONTEREY-SALINAS TRANSIT

Appendix D
Monterey-Salinas Transit

WAIVER AND AGREEMENT WITH RESPECT TO DRUG & ALCOHOL TESTING

I, the undersigned EMPLOYEE of Monterey-Salinas Transit hereby certify that I have been furnished with a copy of Monterey-Salinas Transit’s Anti-Drug Abuse & Alcohol Misuse Testing Program, including employee assistance resources and that I have read and understand same. I further certify that I have been provided with informational material, education and training required by CFR 655 on the dangers and problems of drug abuse & alcohol misuse.

I will cooperate with Monterey-Salinas Transit in its Anti-Drug Abuse & Alcohol Misuse Testing Program, including:

(I) providing specimens of urine, when requested,

(II) identifying same as required by Monterey-Salinas Transit, the DOT, Collection Site Personnel, and the Testing Laboratory, and certifying in writing that same is fresh, my own and unadulterated in any manner,

(III) consenting in writing to, and I hereby consent to the testing and analysis of such specimen for drugs, to the submission of such specimen to the Laboratory designated by Monterey-Salinas Transit for such testing and analysis, and to the release of the results of such test and analysis to Monterey-Salinas Transit, the Medical Review Officer designated by Monterey-Salinas Transit, and to whomever else the DOT requires, and

(IV) completing, executing and delivering to Monterey-Salinas Transit, or such other person or entity as Monterey-Salinas Transit or the DOT shall direct, such other forms and documents as may be required by Monterey-Salinas Transit or the DOT in connection with said Anti-Drug & Alcohol Misuse Testing Program.
MONTEREY-SALINAS TRANSIT

I am fully aware and agree that I may be terminated from employment or otherwise disciplined for any violation by me of MST’s Anti-Drug & Alcohol Misuse Program, or for any failure or refusal to provide urine specimens and/or breath sample when requested by Monterey-Salinas Transit, for the failure or refusal to identify and certify same as above provided, for the failure to provide the consents, releases, forms and other documents above mentioned, and/or for any other failure or refusal to cooperate with Monterey-Salinas Transit in its said Anti-Drug & Alcohol Misuse Program Monterey-Salinas Transit, and will not be liable to me in damages or otherwise for or on account of any such discharge.

Executed this the _____ day of __________________, year of______.

Employee Name (printed) ________________________________

Employee Name (signature) ______________________________
To: Board of Directors
From: L. Owens, Director of Human Resources & Risk Management
Subject: Directors and Officers, Employment Practices Liability Insurance

RECOMMENDATIONS:

Receive report on insurance coverage.

FISCAL IMPACT:

$25,305 included in the FY 09 Budget.

POLICY IMPLICATIONS:

None. Information Only.

DISCUSSION:

The incumbent, National Union Fire Insurance of Pittsburgh, PA (AIG) responded with the lowest quote. RSUI Indemnity’s quote was only slightly higher than AIG; however, there was no option to decline terrorism (TRIA) coverage. The new policy with AIG has a reduced self-insured retention of $50,000 for Employment Liability claims. The Directors and Officers insurance retention remains at $50,000. AIG rates at A+ in the A.M. Best Guide Rating. A.M. Best is the leading provider of ratings, and financial data for the insurance industry recognized as the benchmark for assessing the financial strength of insurance related organizations.

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To: Board of Directors

From: S. Amorim, Purchasing Manager

Subject: Disadvantaged Business Enterprise (DBE) annual goal

RECOMMENDATION:

Approve DBE Fiscal Year (FY) 2009 goal of four percent.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

The Federal Transit Administration (FTA) requires submission of an annual DBE goal.

DISCUSSION:

FTA regulations require MST to set a goal that reflects the percentage of locally available firms that are DBEs. To achieve this, we calculate the percentage of DBE firms in our directory among all firms available to work on our federally assisted contracts. This resulted in our proposed annual goal of four percent. The four percent figure represents a small decrease over the past year. The largest driver is the decrease in additional funding, that MST will receive for construction expenditures in 2009. In 2008 the amount provided by Federal Funding for Construction was $549,853.00, in 2009 the dollar figure is $184,900.00. This represents a 34% decrease, and hence the one percentage point goal decrease over the 2008 goal of 5%.

In FY 2001, there was a significant change in the FTA regulation in that MST will not be sanctioned, or found in noncompliance, simply because we fail to meet our goal. On the other hand, if MST fails to set an overall goal, we are subject to a finding of noncompliance and possible sanctions.

Most recently another significant change has transpired. As of May 1, 2006, agencies such as MST are no longer to use race conscious means to support goal attainment. Per GUIDANCE: FY 2006 DBE Goal Setting Approval Process and DBE Program Plans, which advised each state transportation agency to assess whether it
has sufficient evidence of discrimination or its effects on transportation contracts in order to support a Disadvantaged Business Enterprise (DBE) race-conscious program. Absent such evidence, MST must revise its DBE Program to request approval to implement a wholly race-neutral program while DOT undertakes a more detailed assessment, such as a disparity study.

The California Department of Transportation (Department) gathered and considered past disparity studies, comments, and written evidence received during a 90-day public comment period ending March 20, 2006. While there is a suggestion of discrimination in some of the information received, after careful analysis, the Department, in consultation with DOT staff, has concluded the data lacks sufficient evidence to satisfy the strict scrutiny and newly established evidentiary standards set forth by the Ninth Circuit Court of Appeals in order to continue with a race-conscious DBE program. Accordingly, the Department and MST as a federal transportation assistance subrecipient will implement a DBE race neutral program pending the results of a more comprehensive study of the facts.

Recommendation is to approve the proposed goal of four (4) percent to be achieved exclusively by race neutral measures. MST has published this goal in local newspapers and on the MST website. If no adverse comments are received in 45 days from publications, the four percent annual goal will be considered adopted.

ISSUED BY: __________________APPROVED BY: ___________________________
Sandra Amorim                               Carl G. Sedoryk
To: Board of Directors
From: M. Gallant, Planning Manager
Subject: High Speed Rail

RECOMMENDATION:

Approve resolution in support of the construction of a High Speed Rail network in California.

FISCAL IMPACT:

None

POLICY IMPLICATIONS:

Your Board approves positions of this agency on major legislation, election issues and ballot initiatives.

DISCUSSION:

The vision and plans of the California High Speed Rail Authority (CAHSRA) for high speed rail will create a new, high quality form of transportation that will be integrated with many existing transit and intercity rail services. High speed rail in California will provide the necessary additional capacity to meet mobility needs at lower cost than building new roads or airport runways as well as have low environmental impact and high energy efficiency by operating on electricity, not oil.

Phase 1 of the project, the Los Angeles-San Francisco segment of the high speed rail line, has recently been endorsed by the Board of Directors of numerous transit agencies such as the Santa Clara Valley Transportation Authority (VTA) and San Mateo County Transit District (SAMTRANS). There has been approval for the rail line to travel through Pacheco Pass (the southerly alignment) in Santa Clara County. This would allow MST to provide direct access to the new high speed rail line via express bus service to the Gilroy train station.

With a direct link to the high speed rail line, the Monterey County region will have convenient access to all major cities in California using an environmentally friendly mode or transport. This rail line will offer improvements to our air quality and help
reduce greenhouse gas emissions by substantially decreasing the number of automobiles on our roadways. It is therefore recommended that the MST Board of Directors approve this resolution.
SUPPORT TO THE STATE OF CALIFORNIA REGARDING CONSTRUCTION OF HIGH SPEED RAIL

WHEREAS, California must accommodate the transportation needs of more than 50 million people by 2030; and

WHEREAS, high speed rail will provide the additional transportation capacity needed to meet these mobility needs at far lower cost than building new roads and runways; and

WHEREAS, high speed trains have low environmental impact, high energy efficiency and operate on electricity, not oil; and

WHEREAS, the California High Speed Rail Authority (CAHSRA) and the State of California have initiated efforts to design, finance, build and operate the first true high-speed rail system in North America; and

WHEREAS, the legislature of the State of California, with endorsement from the Governor and his administration, have enacted legislation placing the High Speed Rail Bond measure (Proposition #1) on the November 2008 ballot; and

WHEREAS, the CAHSRA Board has adopted the required EIR/EIS completing work on a final alignment for the high-speed rail service, including potential regional improvements on the Altamont alignment, completing the preparatory work necessary for the November 2008 vote of the people of California, and

WHEREAS, the vision and plans of the CAHSRA for high-speed rail will create a new, high quality form of transportation that will be integrated with virtually all existing transit and intercity rail services, as well as with major airports; and

WHEREAS, the funds to construct this high-speed rail project will largely be spent domestically, employing national, state and local construction firms, creating state construction jobs, and permanent employment for train operations, management, maintenance and customer service; and

WHEREAS, California’s initiative in high-speed rail will likely be replicated elsewhere in our country, placing California, once again, in a transportation leadership role; now therefore

THEREFORE BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit endorse the California high-speed rail ballot measure and urges Californians to support the high speed rail Proposition #1 on the November 2008 ballot; and

THEREFORE BE IT FURTHER RESOLVED that a copy of this Resolution of Support be forwarded to the Chairman and the Executive Director of the CAHSRA, the Governor, the Secretary of the Business, Transportation & Housing Agency, the Director of the California Department of Transportation (Caltrans), and the media in the State of California.
THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT
PASSED AND ADOPTED RESOLUTION 2009-04 this 18th day of August 2008 by the following vote:

AYES: Armenta, Clark, Downey, Ford, Mancini, Sanchez, Sharp, Stilwell

NOES: None

ABSENT: None

_______________________ _____________________
Fernando Armenta Carl G. Sedoryk
Chairman Secretary

[Signatures]
To: Board of Directors

From: H. Harvath, Assistant General Manager for Finance & Administration

Subject: TAMC ½-cent Sales Tax for Transportation

RECOMMENDATION:

Authorize General Manager/CEO to sign ballot argument/rebuttal for the TAMC ½-cent sales tax.

FISCAL IMPACT:

If the TAMC ½-cent sales tax is approved by voters on November 4th, MST would receive 20% of the funds collected – approximately $7 million per year.

POLICY IMPLICATIONS:

Your Board approves positions of this agency on major legislation, election issues and ballot initiatives.

DISCUSSION:

Per the request of the Transportation Agency for Monterey County (TAMC), the Monterey County Board of Supervisors voted on July 22nd to place a ½-cent sales tax for transportation on the November 4, 2008 ballot. The expenditure plan for this sales tax directs 20% of the funds collected to MST for use in the following projects and services:

- Commuter bus service between Monterey and Salinas
- Transit services for the elderly and persons with disabilities
- Telephone-based Traveler Information
- New Transit Facilities
- Bus Rapid Transit corridors
  - Monterey Branch Line (Monterey to Marina)
  - Lighthouse Avenue (Pacific Grove to Monterey)
  - Fremont Avenue/Boulevard (Monterey to Seaside)
  - 8th Street/Intergarrison Road (Marina to Salinas)
  - Westside Salinas Corridor
  - Eastside Salinas Corridor
In California, supporters of a ballot initiative are encouraged to submit a statement of support, which is included in election materials as a way for voters to learn more about the issue at hand. Opponents are then invited to submit a statement of opposition to the proposal, offering reasons why voters should not cast their ballots in favor of the initiative. Subsequently, supporters are allowed an opportunity to submit a rebuttal to the opposition in an attempt to address issues and concerns raised by those not in favor of the initiative. In that regard, the General Manager/CEO has been invited to be a signatory to the statement of support for the TAMC ½-cent sales tax and/or the rebuttal. Due to the significance of this election issue, staff is requesting authorization from your Board to accept this invitation.
MST RIDES Advisory Committee  
May 19, 2008  
Minutes

Present:  Chair: Alma Almanza: CCCIL: Consumer Representative  
Diana Seay: Consumer Representative  
Margie Rossi: REAP  
Brandy Abend: Salinas Valley Dialysis  
MST Staff: William Morris: Contract Transportation Manager  
MST Staff: Cristy Sugabo: ADA Paratransit Eligibility Specialist  
MST Staff: Tom Hicks: CTSA Manager  
MST Staff: Robert Weber: Director of Transportation Services  
MV Transportation Staff: Lance Atencio: General Manager

Absent:Kerry Bishop: Consumer Representative

1. Call to order

   Committee Chair Alma Almanza called the meeting to order at 1:07 p.m.

2. Introductions

   Attendees introduced themselves and explained their affiliations. Also in attendance were Kathy Spake, Carmel Foundation and George Redmon, RAC member candidate.

3. Approval of the Minutes

   The minutes were approved as published.

4. Public Comment

   Kathy Spake, Carmel Foundation, stated that they have 3 vehicles back in service; however, none are wheelchair lift equipped. She is still helping some of her wheelchair clients get approved for the MST RIDES program.

5. Committee Member Reports

   None.
6. New Business

The committee did not nominate an employee for a recognition award. The committee interviewed candidate George Redmon, and informed him of committee member responsibilities. They unanimously approved recommendation that the Board of Directors approve his appointment as a RAC member.

MST Staff Cristy Sugabo and Tom Hicks, explained a mobility training and taxi script pilot program that would soon begin for Pacific Meadows senior citizens.

MST Staff, Robert Weber, explained the recent influx of former MediCal reimbursed clients to the MST RIDES program. Approximately 30,000 annual dialysis trips are being added to MST RIDES, because the Central Coast Alliance for Health (CCAH) is no longer able to privately transport and fund those trips. The influx will also result in the need for an additional four vehicles and approximate annual operating cost increase of $400,000.

7. Comments by Committee Members

Committee Chair Alma Almanza, stated that the CCAH should have given MST notice of their plan much more in advance, to allow MST to prepare for such an additional amount of trips. She feels that schedule adherence will decrease because of the increase in ridership, and will now have to allow much more time between her scheduled pick ups and appointment times. She is also concerned for safety of passengers in that all available vehicles have to be used, which might increase the likelihood of breakdowns.

MST Staff, Tom Hicks, suggested that RAC members educate their clients about the sudden increase in demand, and ask them to have more tolerance while MST is adjusting to the sudden influx.

Committee member Brandy Abend, stated that the dialysis centers were working with each other to lessen the impact, by trading clients that might live closer to the other center.

The committee asked that some possible cost saving practices be discussed/recommended for approval at the next meeting. MST Staff will add the item to the next agenda.
8. Unfinished Business

The committee decided the next meeting date of July 23, at the new Monterey Mobility Management Center. At the July meeting, the committee will determine meeting dates for the rest of the year.

9. Staff Reports and Information Items

Lance Atencio gave an MV Transportation staffing update.

William Morris, MST Staff, informed the committee that MST had applied for a 5310 grant, requesting replacement of eleven MST RIDES vehicles. Any awarded vehicles however, would probably not be available for service until May of 2009.

Andy Cook, TAMC Planner, stated that he would give the committee a sales tax presentation at the next meeting.

10. Announcements:

None.

11. Adjourn

The Committee adjourned at 2:30 p.m.

SUBMITTED BY: __________________________________________________________

William Morris
1. Call to order

Director Mancini called the meeting to order at 9:01 a.m.

2. Public Comment

None

3. Agenda Item #3

Carl Wulf provided a brief review of up coming projects for MST Facilities. Which Included:

1. **Switch over to Bio-Diesel**: Work will be underway to clean diesel tanks in preparation for first biodiesel delivery at the beginning of August.
2. **Bus parking lot re-surfacing and striping**: The first quotes for yard re-surfacing were higher than expected and staff is looking into alternatives to make the parking lots last 3 additional years.
3. **Security**: MST received a grant to upgrade security at TDA and CJW. Upgrades include additional cameras, card access system, and possible gates.
4. **CJW Facilities**: Glue-Lam support beam repair is required at the CJW shop. Staff is working with a structural engineer to find a repair solution to the cracked glue-lam beam. MST General Counsel suggested contact with the original building contractor and ask about warranty.
4. Agenda Item # 4

Michael Hernandez presented an overview on the progress of the FJL Monterey Bay Operations Center. Staff is recommending the approval by the Facilities Committee the proposal offered by Boyle Engineering. MST staff did a comparison of the two previous proposals and concurred that the proposal of $3,113,000 by Boyle Engineering was a savings to the Agency, with a total project cost of $3.57 per square foot, versus $7.52 and $9.95 by the previous bidders. Mr. Hernandez explained that there was an additional estimated savings of $205,000 as a joint MST/SJRTD project.

Director Downey requested information from Mark Reitz about his companies LEED experience and requested the project be at least designed to a “Certified LEED Level” standard. Carl Sedoryk explained that to obtain actual certification costs several hundred thousand dollars and MST’s goal would be to have the facility designed to a certified level, but not actually obtain certification unless directed by the Board. There were no other questions from the committee.

5. Agenda Item #5

Carl Wulf presented a status report on the Monterey Mobility Management Center (3MC) in Monterey. Mr. Wulf stated that construction was just about to be completed and that MST had added some GREEN components to the project by using low VOC paint, recycled bus tire flooring in the lobby. Director Downey stated that she liked that MST had incorporated “GREEN components into the project, but would have liked to seen a LEED certified project.

6. Agenda Item 6

Mr. Hernandez reviewed changes to the Capital Budget. MST consolidated funds from different capital projects, mostly involving facilities projects. Consolidation of funds ranged from budgets between FY1999 and FY2008. The funds will be used to purchase the eight RIDES buses approved by the Board in May 2008, after MST’s capital funding was dramatically reduced as part of the State budget crisis.

7. Adjourn

Director Mancini adjourned the meeting at 9:26 a.m.

SUBMITTED BY: ____________________________  
Carl Wulf
To: Board of Directors

From: M. Hernandez, Assistant General Manager/COO

Subject: Authorize the Replacement of Bus Passenger Seats

RECOMMENDATION:

Authorize Bergen Auto Upholstery, Teterboro, NJ, to rebuild of 35 passenger seats for twenty-one, model year 2000 Gillig Phantom’s.

FISCAL IMPACT:

$4,987.13 per bus set, for a total project cost of $116,385.13, which includes a 5% project contingency. Funding is available in the Capital Budget as part of the 1100 Gillig Mid-Life Rebuild Project.

POLICY IMPLICATIONS:

Your Board approves contracts and expenditures over $25,000.

DISCUSSION:

MST’s model year 2000 Gillig Phantom Transit buses have an average of 381,000 miles, which is the highest in the fleet. This fleet is scheduled for refurbishment work to include the replacement of passenger/driver seats, destination signs, replacement of major components and other work. Refurbishing the fleet is intended to maximize the life of these vehicles beyond the typical 12 year, 500,000 miles.

This portion of the project will rebuild and replace 35 passenger seats on twenty-one, 1100 series coaches, and provide one spare bus set. The original seat manufacturer is no longer in business and Bergen Auto Upholstery will rebuild the seats to include new foam/support materials and fabric. The seats will be installed into the original seat frames either by MST personnel or by an outside vendor. These seats are worn and the original fabric is no longer available. The replacement fabric will match the current fabric used on MST’s newest fleet. Replacement seats will remove old worn seats, improve passenger comfort and improve the overall appearance of the fleet. The competitive price quote from Caesar’s Upholstery, in Salinas, is $9,500 per bus set, or $209,000 total project cost. Staff recommends award to Bergen Auto Upholstery.

PREPARED BY: ____________________ REVIEWED BY:________________

Michael Hernandez Carl G. Sedoryk
To: Board of Directors

From: M. Hernandez, Assistant General Manger/COO

Subject: Authorize the Purchase of New Electronic Destination Signs

RECOMMENDATION:

Authorize the purchase of new electronic destination signs from DRI Corporation/Twin Vision to replace MST’s Mylar curtains on 21 buses.

FISCAL IMPACT:

$6,488.63 per bus, for a total project cost of $143,074, including a 5% contingency. Funding is available in the Capital Budget from the 1100 Gillig Mid-Life Rebuild Project.

POLICY IMPLICATIONS:

Your Board approves contracts and expenditures over $25,000.

DISCUSSION:

MST’s model year 2000 Gillig Phantom Transit buses have an average of 381,000 miles, which is the highest in the fleet. This fleet is scheduled for refurbishment work to include the replacement of passenger/driver seats, destination signs, replacement of major components and other work. Refurbishing the fleet is intended to maximize the life of these vehicles beyond the typical 12 year, 500,000 miles.

“Mylar curtains” are destination signs displayed on the outside of the bus that indicate the route and destination of the bus. These 21 buses are the last of the fleet with the Mylar curtains. Mylar curtains require splicing/taping for repair or for any changes to the destination sign readings. Replacing these eight year old signs will eliminate the need to splice/tape worn signs and allow easy electronic updates to signs when routes are changed. This project standardizes the fleet with electronic destination signs, provides full flexibility for assigning buses to routes and provides electronic public safety messaging if needed.

The competitive price quote from Gillig Corp. is $11,563 per bus, or $242,823 total project cost. Staff recommends awarding to DRI Corp/Twin Vision at $143,074.

PREPARED BY: Michael Hernandez
REVIEWED BY: Carl G. Sedoryk
To: Board of Directors

From: L. Owens, Director of Human Resources

Subject: Memorandum of Understanding (MOU) between Monterey-SalinasTransit Employee Association (MSTEA) and Monterey-SalinasTransit (MST)

RECOMMENDATIONS:

Ratify the MOU between MST and MSTEA.

FISCAL IMPACT:

$100,000. Funding is included in the approved FY 2009 budget.

POLICY IMPLICATIONS:

Your Board sets wages, and approves increases.

DISCUSSION:

The result of the negotiations that ended on August 11, 2008 recommends an increase of 4% the first year of the MOU and 3.5% for the second and third years of the contract. The only other significant issue for the employee’s bargaining team was retirement. An attempt was made to get buy-in from the drivers and maintenance staff who are represented by the Amalgamated Transit Union. There was not enough support for increasing the retirement to 2.5% at 55 years of age with the employee paying for the increase. There is also a recommended change to the 1% longevity pay. It was agreed by both parties that those employees whose salaries are frozen at the top of their scale shall receive their 1% longevity pay in a lump sum; thereafter not affecting base pay for future increases.

One new article was written to address flexible work schedules. It is also recommended to increase the tuition reimbursement from $1,000 per year to $2,000 per year.

Both MST and MSTEA worked together to clean up old language in the agreement.

PREPARED BY: Lyn Owens

REVIEWED BY: Carl Sedoryk
To: Board of Directors

From: C. Sedoryk, General Manager / CEO

Subject: Central Coast Alliance For Health Funding Assistance Proposal

RECOMMENDATION:

Accept funding assistance proposal from Central Coast Alliance for Health (Attachment 1).

FISCAL IMPACT:

$117,141 in additional revenue for MST RIDES services.

POLICY IMPLICATIONS:

Your Board approves contracts greater than $25,000.

DISCUSSION:

The Central Coast Alliance For Health (The Alliance) is a locally governed and publicly operated County Organized Health System serving over 85,000 members in Santa Cruz and Monterey Counties. As part of its services to the communities in the Monterey Bay region, the Alliance has funded dialysis rides for its Medi-Cal members even after the State Medi-Cal program restricted such rides to Medi-Cal Title 22 criteria in 1999. Since 1999, the Alliance continued to pay for these trips, even while throughout the state certain dialysis-related rides that did not meet the Medi-Cal Title 22 criteria were being pushed to public transit operators. In response to proposed State budget cuts to Medi-Cal programs, the Alliance found it no longer financially feasible to continue providing transportation for non-essential medical trips as defined by Medi-Cal and discontinued these services effective May 2, 2008.

This decision had an immediate impact as the MST RIDES program as it experienced a sudden surge in new riders. Current projections indicate that if this sudden surge in ridership is sustained, it will yield an approximate 40% increase in annual passenger boardings, requiring the expenditure of an additional 34% in annual vehicle revenue hours.
On May 19th the General Managers for both MST and the Santa Cruz Metropolitan Transit District (METRO) met with Alan McKay, the Executive Director of CCAH to discuss the financial and operational impacts that the change in Alliance practices has made on our region’s public transit operators. Based on these discussions the Alliance is offering MST $117,141 to assist with the costs associated with the transition of non-essential medical trips from The Alliance to MST RIDES.

Staff believes this to be a good faith effort on behalf of the Alliance. Staff acknowledges that The Alliance could have discontinued the non-essential dialysis transportation funding in 1999, but chose to continue to provide the service until it was no longer financially feasible to do so.

The Santa Cruz Metropolitan Transit District Board has already accepted the proposal from The Alliance. MST staff recommends your Board’s acceptance of the proposal from The Alliance to provide MST an amount not to exceed $117,141 in exchange for ridership information that would justify the payments and allow the Alliance to recognize these costs in their claims database.

PREPARED BY: Carl G. Sedoryk

Attachments:

Proposal from Central Coast Alliance For Health dated July 7, 2008
July 28, 2008

Alan McKay, Executive Director
Central Coast Alliance for Health
1600 Green Hills Road
Scotts Valley, California 95066-9998

Re: Dialysis Transportation Funding

Dear Mr. McKay,

The purpose of this letter is to inform you that the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) reviewed your proposal regarding funding assistance for the provision of rides to dialysis clients. The Board of Directors requested that I write this letter to you reflecting the discussion that took place at the meeting of July 25, 2008.

The decision by the Central Coast Alliance for Health came as a surprise to the METRO Board of Directors and staff members. Through the work of your staff, the personnel at the Santa Cruz County Regional Transportation Commission and Community Bridges all of the transitioned dialysis clients previously transported under the CCAH program have successfully obtained alternate transportation services. A similar effort took place in Monterey County. METRO General Manager Les White related to the Board of Directors the information that you provided to him in your meeting. The Board and I are very sympathetic to the situation that confronts the CCAH. Public transit funding in California has been the target of increasingly severe funding cuts by the state in recent years. We are aware that the CCAH could have discontinued the dialysis transportation funding in 1999, but chose to continue to provide the service as long as it was financially sustainable. The Board and staff at METRO are grateful to you and the CCAH for your willingness to provide this service long after you were required to do so. We are similarly grateful to you for your offer to provide financial support to METRO to assist in the transition of service for dialysis transportation as outlined in your letter of July 7, 2008.

On July 25, 2008 the METRO Board of Directors voted to accept your offer of financial support and to request that the Chair of the Board correspond to you outlining the appreciation of the Board. We view our relationship with CCAH as a partnership that works to benefit the members of our community and we appreciate your reciprocation of that approach.

METRO Operations Manager Ciro Aguirre will be the contact person for the provision of the information necessary to be provided to the CCAH. I would appreciate your designation of a contact person at the CCAH that our staff can coordinate with.
On behalf of the METRO Board of Directors and staff please accept my appreciation to you and the CCAH for your willingness to work with our staff and to provide financial support for the transition of the provision of transportation services to individuals traveling to dialysis service sites.

Sincerely,

Janet K. Beautz, Chair
Board of Directors

Cc:   Carl Sedoryk, General Manager, MST
      Leslie R. White, General Manager, METRO
      Ciro Aguirre, Operations Manager, METRO
      File
July 7, 2008

Mr. Carl G. Sedoryk  Mr. Leslie R. White
General Manager/CEO  General Manager
Monterey-Salinas Transit  Santa Cruz Metropolitan Transit District
One Ryan Ranch Road  370 Encinal Street, Suite 100
Monterey, CA 93940-5795  Santa Cruz, Ca 95060

RE: AGREEMENT RELATED TO DIALYSIS RIDE TRANSITION

Dear Mr. Sedoryk and Mr. White:

Thank you for your letter of June 23rd summarizing our discussions of transportation cost issues, and your proposal that the Alliance assist with the short term cost of the transition to public transit operators of some non-emergency medical transportation rides to dialysis treatment that do not meet Medi-Cal Title 22 criteria, that were previously funded by the Alliance. As I indicated in our meeting on May 19th, the Alliance wants a partnership with your organizations in serving our members, and wants to respond to your concerns regarding this transition.

The Alliance previously funded dialysis rides for all our Medi-Cal members even after the State Medi-Cal program restricted such rides to Medi-Cal Title 22 criteria in 1999. Our research indicates that in the ensuing years the public transit operators in all other California counties provided certain dialysis related rides that were not Medi-Cal benefits, except that the Alliance continued to pay for such rides. We estimate that the Alliance’s cumulative subsidy of public transit during that period was approximately $12M in Santa Cruz and Monterey counties combined.

In January this year the Governor proposed a $2B cut to the Medi-Cal program, including a 10% cut to provider payments and health plan revenue that was passed into law via emergency session effective July 1, 2008. The potential impact of the State’s budget crisis on the Alliance’s future survival prompted many cost containment efforts at the plan, including the re-evaluation of our unique and costly subsidy of dialysis rides above Medi-Cal benefit criteria. Concurrently, the Alliance’s transportation vendor proposed a significant payment increase along with a termination notice that defined an early May
decision point, despite our request for an extension of time. Alliance staff then personally visited all dialysis centers, and communicated with all affected members in our region regarding our plan to limit future rides to members meeting Medi-Cal Title 22 criteria. Our governing board approved this change on April 23, 2008 and the plan implemented on our vendor’s required contract termination date of May 3, 2008. During this process, our assumption was that our transportation vendor was keeping at least Monterey-Salinas Transit informed, due to their ongoing contract relationship with MST.

In the weeks following this transition date, you contacted the Alliance to express concerns regarding increased rider use of MST/METRO services for dialysis appointments. You acknowledged that your ride volume was already trending higher prior to the May transition, likely due to the rising cost of gas for local residents, however it is clear that some new dialysis-related rides have been absorbed by MST/METRO as your data indicate. Our ongoing communication with regional dialysis centers and our Medi-Cal members indicate that all dialysis patients have been able to keep their appointments through either the Alliance’s Title 22 rides, the members’ personal transportation resources, or via MST/METRO services.

The Alliance appreciates that ending its subsidy of public transit as described above has impacted MST/METRO, and that the relatively short transition period required by our vendor’s termination deadline did not allow for close coordination. We agree in principle that the Alliance can best support the transition by extending our ride subsidy to MST/METRO within a reasonable and appropriate budget amount. We agree with your estimate of the Alliance’s capitation payment savings for the remainder of CY 2008 at $565,000. However, this amount is offset by two factors 1) ongoing Alliance Title 22 ride costs estimated at $222,263 from May through December 2008 based on Alliance paid claims experience, and 2) the ten percent cut to Alliance Medi-Cal revenue effective July 1, 2008 estimated at $42,375. Netting these amounts out leaves a balance of $300,362 of capitation savings from the transition to Medi-Cal Title 22 ride criteria.

We can agree with your proposed distribution of total CY 2008 capitation savings in your letter of June 23rd, effectively: Alliance at 35% ($105,127), MST at 39% ($117,141) and METRO at 26% ($78,094) of $300,362 savings described above. The Alliance would make four payments each to MST and to METRO up to these amounts during the remainder of CY 2008 in exchange for ride encounter data that would justify the payments and allow the Alliance to recognize these costs in our claims database. We would implement this arrangement with a service contract agreement for CY 2008 only, and not to exceed the above amounts.
We hope that the above budget factors are clear and accountable, and that this offer is viewed as a good faith response to transition issues. We appreciate our partnership in serving the Monterey Bay region to the best of our abilities during these lean economic times. Please feel free to contact me, or Ms. Patti McFarland, CFO, to discuss next steps.

Sincerely,

[Signature]

Alan McKay, Executive Director
Central Coast Alliance for Health
To: Board of Directors

From: Tom Hicks, Consolidated Transportation Services Agency Manager

Subject: Regional Taxi Authority

RECOMMENDATION:

Receive update on the TAMC taxi study and the proposed role of MST as the regional taxi authority for Monterey County.

FISCAL IMPACT:

None

POLICY IMPLICATIONS:

Expanding the role of the MST joint powers authority to include regional taxi authority administrator would require the approval of your Board.

DISCUSSION:

In the spring of 2007, a consortium of Monterey Peninsula cities and Monterey County, along with CUSMB, the Monterey Peninsula Airport District, and the Monterey County Hospitality Association, approached TAMC with a request to establish a taxi authority in Monterey County. The purpose of the authority would be to provide a one-stop shop for (1) licensing companies and/or drivers, (2) conducting criminal background, vehicle maintenance, DMV and insurance checks, (3) issuing permits and vehicle tags, and (4) collecting and dispersing fees. The anticipated outcome would produce savings for the cities due to economy-of-scale, streamline permitting process for taxi operators, and provide a more efficient and seamless taxi system for visitors to the Peninsula. MST has an additional interest in providing accessible taxi service for seniors and persons with disabilities who require a vehicle that will accommodate a standard wheel chair or other mobility device.

TAMC agreed to undertake this project and hire a consultant to study other communities with taxi authorities and formulate a plan for Monterey County that incorporates the best of the other models while also customizing the plan for the particular needs that exist on the Monterey Peninsula. In May and June of 2007, the cities of Carmel-by-the-Sea, Marina, Monterey, Pacific Grove, Sand City, and Seaside, along with Monterey-Salinas Transit, the Monterey Peninsula Airport District, the
Monterey County Hospitality Association, and California State University Monterey Bay, signed memorandums of understanding which provided funding and oversight for the project. The project steering committee, along with the project consultants, has met several times since and has crafted a draft plan for the taxi authority. The draft plan will be discussed on August 13, 2008, by the steering committee.

A major proposition in the draft plan is to have a JPA agency administer the program. MST has been proposed as the de facto candidate since the cities involved in the project are already well represented on the MST Board. In addition, since MST performs many of these proposed functions within its own transportation system, it has the requisite experience to launch the project. Also, the project would have to be revenue-neutral so that no financial burden will fall upon the agency providing the service.

A brief presentation is planned for your Board meeting on August 18, 2008. During that meeting, you will receive a summary of the progress to date and MST’s role in furthering the interests of the traveling public, especially of those with special needs.
To: Board of Directors

From: C. Sedoryk, General Manager/CEO

Subject: Monthly Report

Attached are the most recent monthly statistics and the reports from the Administration and Operations/Maintenance Departments.

MST is reporting a decrease in fixed route boardings for the year. Part of the decrease in reported boardings results from major changes that occurred in route structure as part of the Peninsula area service change (PASS). These changes allowed customers more direct service between Monterey, Carmel Valley, Marina, Carmel, and Seaside requiring customers to transfer less and thus generating decreased boardings. For the period of February – June 2008 where direct annual comparisons of post PASS may be made, ridership is virtually flat compared to the similar period for the previous year.

Over the past year MST has seen the most growth in ridership on our regional routes like Line 23 King City – Salinas, Line 20 and 21 Monterey – Salinas, Line 16 Marina – Monterey, and Line 24 Carmel Valley – Monterey, and Line 55 Monterey – San Jose. High fuel prices are likely causing persons to consider using transit on our longer regional routes where the fuel savings would be the greatest.

We have also seen noticeable decreases in boardings on some local Salinas routes, particularly in the East Alisal, corridor. Since 40% of our passengers use the fixed route bus service for work trips, it is likely that the increased unemployment in our region is affecting the number work trips being made on these routes. Ridership on our MST Trolley has also decreased as Peninsula tourism has been negatively affected by the high costs of fuel and the recent Big Sur fires.

Passenger boardings for the MST RIDES program have increased by 32% over the last year. Annual MST RIDES boardings increased from 66,508 in 2007 to 88,207 in 2008.

Attachment #1 – Fixed Route Bus – Monthly Boardings
Attachment #2 – Fixed Route Bus – Comparative Statistics
Attachment #3 – MST RIDES Monthly Boardings
Attachment #4 – MST RIDES Comparative Statistics
Attachment #5 – Operations Department Report June 2008
Attachment #6 – Facilities & Maintenance Department Report June 2008
Attachment #7 – Administration Department Report June 2008

PREPARED BY: ____________________________
Carl G. Sedoryk
August 6, 2008

To: M. Hernandez, Chief Operating Officer
From: R. Weber, Director of Transportation Services
Subject: Transportation Department Monthly Report – June 2008

FIXED ROUTE BUS OPERATIONS:

System Wide Service: (Fixed Route & DART Services)

Preliminary boarding statistics indicate that ridership decreased by 1.16% in June 2008, (412,863), as compared to June 2007, (417,714). For fiscal year 2008, system wide passenger boardings is down by 4.84% from the previous year.

June 2008 productivity fell slightly from 22.7 passengers per hour (June 2007), to 21.9 PPH in June of this year.

Seasonal Service:

In June, MST Trolley Service ridership decreased by 27.34% (29,810) passengers as compared to June 2007 (37,960).

Supplemental Service:

None

System Wide Statistics:

- Ridership: 412,863
- Vehicle Revenue Hours: 18,886
- Vehicle Revenue Miles: 293,906
- System Productivity: 21.9 Passengers Per Vehicle Revenue Hour
- Scheduled One-Way Trips: 28,038

On-Time Compliance: Of 102,673 total time-point crossings sampled for the month of June, the TransitMaster™ system recorded 15,026 delayed arrivals to MST’s published time-points system-wide. This denotes that 85.37% of all scheduled arrivals at published time-points were on time. (See MST Fixed-Route Bus ~ On Time Compliance Chart FY 2008.)

Service arriving later than 5 minutes beyond the published schedule are considered late. The on-time compliance chart (attached) reflects system wide “on-time performance” as a percentage to the total number of reported time-point crossings.

Trips With 10 or More Standees: There were 84 reported trips with 10 or more standees for the month of June. (See Operations Summary report for further information)

Cancelled Trips: There were a total of 38 cancelled trips for the month of June for both directly operated and contracted services. Of the 38 reported, 36 were on the Line 22 Big Sur due to the Highway 1 closure during the Complex Basin Fire.
Documented Occurrences: MST Coach Operators are required to complete an occurrence report for any unusual incident that June occur during their work day. The information provided within theses reports is used to identify trends, which often drive changes in policy or standard operating procedures. The following is a comparative summary of reported incidents for the month(s) of June 2007 and 2008:

<table>
<thead>
<tr>
<th>Reason</th>
<th>MST</th>
<th>MV Transportation</th>
<th>% Of All Missed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boarding Delay</td>
<td>1</td>
<td>0</td>
<td>2.63%</td>
</tr>
<tr>
<td>Employee Error</td>
<td>1</td>
<td>0</td>
<td>2.63%</td>
</tr>
<tr>
<td>Road Closure</td>
<td>0</td>
<td>36</td>
<td>94.74%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>2</strong></td>
<td><strong>36</strong></td>
<td><strong>94.74%</strong></td>
</tr>
</tbody>
</table>

CONTRACTED SERVICES:

MST RIDES ADA Paratransit Program:

MST RIDES Program:

- Preliminary boarding statistics for the MST RIDES program reflect that for the month of June there were 9,381 passenger boardings. This represents a **56.45 % increase** in passenger trips from June of 2007. For fiscal year 2008, passenger boardings for this program have increased by **32.36%** over last fiscal year.

- For the month of June, 83.37% of all scheduled trips for the MST RIDES Program arrived on time, **decreasing** from 88.57 % in June of 2007.

- Productivity **Increased** from 1.88 passengers per hour in June 2007, to 2.03 passengers per hour for June of 2008.

- For the month of June, 84 applications were reviewed, resulting in 81 approvals and 3 denials. Of the approvals, 56 were new clients, and 25 were recertifications.

- 47 clients were deactivated in June.

- As of July 29, 2008, there are 2,999 total active clients in the MST RIDES program.
For the month of June, 733 MST RIDES potential passenger boardings were diverted from the RIDES service to MST fixed-route services, resulting in a net savings of approximately $13,927 in operating expense.

Other:

- Between June 25th and July 11th, the Line 22 was unable to provide service to many parts of the Big Sur area due to the Complex Basin fire.
- On June 20, 2008, MV had an engine compartment fire in vehicle 5037. The vehicle is considered a total loss.
- MV had a minor preventable collision with # 920 in MST RIDES resulting in minor damage to both vehicles.
- #1904 received minor damage to the right side of the roof top when it struck a wooden light pole, while in Trolley service at the aquarium on June 13th. The light pole was damaged and eventually removed.

COMMUNICATIONS CENTER:

In June, the Communications Center summoned public safety agencies on five (5) separate occasions to MST’s transit vehicles and facilities:

<table>
<thead>
<tr>
<th>Agency Type</th>
<th>Incident Type</th>
<th>Number Of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>Passenger Incident</td>
<td>5</td>
</tr>
<tr>
<td>Emergency Medical Services</td>
<td>Medical Emergency</td>
<td>0</td>
</tr>
</tbody>
</table>

June 24, 2008: Monterey County Office of Emergency Services placed MST on alert for the possible evacuation of the Village of Big Sur due to the Complex Basin Fire. While MST remained on alert well through July 4th weekend, our services were ultimately not required.

Robert Weber

### MST FIXED ROUTE
#### ON-TIME COMPLIANCE FY 2008

<table>
<thead>
<tr>
<th>MONTH</th>
<th>FY07 ON-TIME PERFORMANCE</th>
<th>FY08 TIME POINT COUNT</th>
<th>FY08 DELAYED ARRIVALS 5+ MINUTES</th>
<th>FY08 ON-TIME PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>84.56%</td>
<td>96,770</td>
<td>16,779</td>
<td>82.66%</td>
</tr>
<tr>
<td>August</td>
<td>81.12%</td>
<td>100,678</td>
<td>18,982</td>
<td>81.15%</td>
</tr>
<tr>
<td>September</td>
<td>81.20%</td>
<td>86,598</td>
<td>15,803</td>
<td>81.75%</td>
</tr>
<tr>
<td>October</td>
<td>84.22%</td>
<td>94,293</td>
<td>14,844</td>
<td>84.26%</td>
</tr>
<tr>
<td>November</td>
<td>83.76%</td>
<td>89,268</td>
<td>14,020</td>
<td>84.29%</td>
</tr>
<tr>
<td>December</td>
<td>86.91%</td>
<td>87,703</td>
<td>12,621</td>
<td>85.61%</td>
</tr>
<tr>
<td>January</td>
<td>86.40%</td>
<td>91,318</td>
<td>9,947</td>
<td>89.11%</td>
</tr>
<tr>
<td>February</td>
<td>83.81%</td>
<td>89,071</td>
<td>12,078</td>
<td>86.44%</td>
</tr>
<tr>
<td>March</td>
<td>83.10%</td>
<td>97,350</td>
<td>13,008</td>
<td>86.64%</td>
</tr>
<tr>
<td>April</td>
<td>83.40%</td>
<td>96,780</td>
<td>13,498</td>
<td>86.05%</td>
</tr>
<tr>
<td>May</td>
<td>82.67%</td>
<td>101,001</td>
<td>15,460</td>
<td>84.69%</td>
</tr>
<tr>
<td>June</td>
<td><strong>82.63%</strong></td>
<td><strong>102,673</strong></td>
<td><strong>15,026</strong></td>
<td><strong>85.37%</strong></td>
</tr>
<tr>
<td>Total</td>
<td>N/A</td>
<td>1,133,503</td>
<td>172,066</td>
<td>N/A</td>
</tr>
<tr>
<td>Monthly Average</td>
<td>83.65%</td>
<td>94,459</td>
<td>14,339</td>
<td>84.83%</td>
</tr>
</tbody>
</table>

---

**Goal 87%**

---

On-Time Compliance Graph

- FY07
- FY08

Goal 87%
Date: June 30, 2008

To: C. Sedoryk, General Manager/CEO

From: Lyn Owens, Director Human Resources & Risk Management; Hunter Harvath, Director of Administration; Mark Eccles, Director Information Technology

Subject: Administration Department Monthly Report June 2008

The following significant events occurred in Administration work groups for the month of June 2008:

**Human Resources**

Employment activity for the month of June 2008 is summarized as follows:

<table>
<thead>
<tr>
<th>Department</th>
<th>Title</th>
<th>Transaction</th>
<th>Hire Date</th>
<th>Term Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance</td>
<td>Seas. Utility Service Person</td>
<td>New Hire</td>
<td>06/03/08</td>
<td>06/16/08</td>
</tr>
<tr>
<td>Maintenance</td>
<td>Utility Service Person</td>
<td>New Hire</td>
<td>06/04/08</td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>Entry Level Mechanic</td>
<td>New Hire</td>
<td>06/09/08</td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>Part Time Intern</td>
<td>New Hire</td>
<td>06/09/08</td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>Seas. Utility Service Person</td>
<td>New Hire</td>
<td>06/10/08</td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>Entry Level Mechanic</td>
<td>Termination</td>
<td>06/11/08</td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>Coach Operator</td>
<td>Termination</td>
<td>06/13/08</td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>Coach Operator</td>
<td>Termination</td>
<td>06/24/08</td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>Coach Operator</td>
<td>Termination</td>
<td>06/25/08</td>
<td></td>
</tr>
</tbody>
</table>

A total employment level for June 2008 is summarized as follows:

<table>
<thead>
<tr>
<th>Positions</th>
<th>Budget</th>
<th>Actual</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coach Operators / Trainees</td>
<td>123</td>
<td>122</td>
<td>-1</td>
</tr>
<tr>
<td>C/O on Long Term Leave</td>
<td>10</td>
<td>3</td>
<td>-7</td>
</tr>
<tr>
<td>Coach Operators Limited Duty</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Operations Staff</td>
<td>22</td>
<td>22</td>
<td>0</td>
</tr>
<tr>
<td>Maintenance &amp; Facilities</td>
<td>43</td>
<td>43</td>
<td>0</td>
</tr>
<tr>
<td>Administration (Interns 2 PT)</td>
<td>21.5</td>
<td>22.5</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>220.5</strong></td>
<td><strong>212.5</strong></td>
<td><strong>-8</strong></td>
</tr>
</tbody>
</table>

**June Worker's Compensation Costs**

<table>
<thead>
<tr>
<th>Costs</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indemnity (paid to employees)</td>
<td>$21,127.47</td>
</tr>
<tr>
<td>Legal</td>
<td>$7,106.23</td>
</tr>
<tr>
<td>Medical (included Medical Case Mgmt)</td>
<td>$22,022.54</td>
</tr>
<tr>
<td>Other (includes bill review)</td>
<td>$621.80</td>
</tr>
<tr>
<td>TPA Administration Fee</td>
<td>$3,899.50</td>
</tr>
<tr>
<td>Excess Insurance</td>
<td>$4,412.58</td>
</tr>
<tr>
<td><strong>Total Expenses May 2008</strong></td>
<td><strong>$59,190.12</strong></td>
</tr>
</tbody>
</table>
Reserves

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending Open Claims</td>
<td>48</td>
</tr>
<tr>
<td>Ending Closed Claims</td>
<td>7</td>
</tr>
<tr>
<td>New Claims</td>
<td>0</td>
</tr>
<tr>
<td>Reopened Claims</td>
<td>2</td>
</tr>
</tbody>
</table>

$1,004,772.28

Training

<table>
<thead>
<tr>
<th>Description</th>
<th>Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Excellence Series</td>
<td>1</td>
</tr>
<tr>
<td>Microsoft Excel, Level 1</td>
<td>1</td>
</tr>
<tr>
<td>Leadership Monterey Peninsula</td>
<td>1</td>
</tr>
<tr>
<td>American Public Transit Association</td>
<td>1</td>
</tr>
<tr>
<td>Forklift Certification</td>
<td>1</td>
</tr>
</tbody>
</table>

Risk Management Update

<table>
<thead>
<tr>
<th>Description</th>
<th>June 2008 Preventable</th>
<th>June 2007 Preventable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger fall</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Bus hits object</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Car hits bus</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Liability Claims Paid/Recovered – Property and Personal Injury

There were zero claims paid. Recoveries total $9,043.76 for the month of June.

Customer Services Update

Customer Service received 77 customer comments during the month as follows:

<table>
<thead>
<tr>
<th>Service Report Type</th>
<th>June '08</th>
<th>%</th>
<th>June '07</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Compliment</td>
<td>6</td>
<td>7.79%</td>
<td>13</td>
<td>18.57%</td>
</tr>
<tr>
<td>Service Compliment</td>
<td>1</td>
<td>1.30%</td>
<td>2</td>
<td>2.86%</td>
</tr>
<tr>
<td>Request To Add Service</td>
<td>17</td>
<td>22.08%</td>
<td>10</td>
<td>14.29%</td>
</tr>
<tr>
<td>Improper Driving</td>
<td>11</td>
<td>14.29%</td>
<td>10</td>
<td>14.29%</td>
</tr>
<tr>
<td>Improper Employee Conduct</td>
<td>7</td>
<td>9.09%</td>
<td>3</td>
<td>4.29%</td>
</tr>
<tr>
<td>Inaccurate Public Information</td>
<td>5</td>
<td>6.49%</td>
<td>2</td>
<td>2.86%</td>
</tr>
<tr>
<td>Bus Stop Amenities</td>
<td>5</td>
<td>6.49%</td>
<td>2</td>
<td>2.86%</td>
</tr>
<tr>
<td>Category</td>
<td>Count</td>
<td>Percentage</td>
<td>Count</td>
<td>Percentage</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------</td>
<td>------------</td>
<td>-------</td>
<td>------------</td>
</tr>
<tr>
<td>Passed By</td>
<td>5</td>
<td>6.49%</td>
<td>5</td>
<td>7.14%</td>
</tr>
<tr>
<td>Early Departure</td>
<td>5</td>
<td>6.49%</td>
<td>2</td>
<td>2.86%</td>
</tr>
<tr>
<td>No Show</td>
<td>3</td>
<td>3.90%</td>
<td>4</td>
<td>5.71%</td>
</tr>
<tr>
<td>Late Arrival</td>
<td>3</td>
<td>3.90%</td>
<td>1</td>
<td>1.43%</td>
</tr>
<tr>
<td>Passenger Injury</td>
<td>2</td>
<td>2.60%</td>
<td>2</td>
<td>2.86%</td>
</tr>
<tr>
<td>Fare / Transfer Dispute</td>
<td>1</td>
<td>0.00%</td>
<td>6</td>
<td>0.00%</td>
</tr>
<tr>
<td>Late Departure</td>
<td>1</td>
<td>1.30%</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Agency Policy</td>
<td>1</td>
<td>1.30%</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Overcrowding</td>
<td>1</td>
<td>1.30%</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Routing</td>
<td>1</td>
<td>1.30%</td>
<td>1</td>
<td>1.43%</td>
</tr>
<tr>
<td>Service Other</td>
<td>1</td>
<td>1.30%</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Off Route</td>
<td>1</td>
<td>1.30%</td>
<td>1</td>
<td>1.43%</td>
</tr>
<tr>
<td>Vehicle Maintenance</td>
<td>0</td>
<td>0.00%</td>
<td>2</td>
<td>2.86%</td>
</tr>
<tr>
<td>Passenger Conduct</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>1.43%</td>
</tr>
<tr>
<td>Carried By</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>1.43%</td>
</tr>
<tr>
<td>Service Schedule</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>1.43%</td>
</tr>
<tr>
<td>Harassment By Employee</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>1.43%</td>
</tr>
</tbody>
</table>

77  100.00%  70  100.00%

“Request To Add Service” reports (17) represents the largest of overall percentage (22%) of service reports for June 2008. This continues a recent trend that began after the January 2008 service change. As in previous months, a review of these reports showed a wide range of various service requests from bus stop requests to assorted schedule and route suggestions.

“Improper Driving” and “Improper Employee Conduct” reports both showed increases over June 2007 and May 2008 while overall compliments (7) decreased from a year ago (15).

**Marketing and Sales Update**

MST signed contracts with Pacific Capital Bancorp, Monterey Rape Crisis Center, and Comcast worth a total of $41,570. Press releases sent include: “Third Annual National Dump the Pump to be held on June 19” (6/16/08); Press Invitation: “MST Hosts Webinar to Discuss Financial and Environmental Benefits of Public Transportation on National Dump the Pump” (6/18/08); “Former MST CEO Recognized as Precipitant of American Public Transportation Association’s Hall of Fame Award” (6/23/08); “MST Unable to Service Portions of Big Sur due to” (6/26/08)

Published news stories included: “The Easy Way” (Monterey County Herald, 6/2/08); “Carmel Valley Art & Wine Celebration” (Monterey County Weekly, 6/5/08); “A chance for partnerships to shine” (Monterey County Herald, 6/10/08); “Third annual national Dump the Pump Day to be held on June 19” (Monterey County Business Council Friday Facts, 6/18/08); “MST joining Dump the Pump Day” (Salinas Californian, 6/17/08);
“Dump the Pump Day” (KIQN, 6/19/08); “Bad time to cut public transit funds” (Monterey County Herald, 6/19/08); “The Weekly Tally” (Monterey County Weekly, 6/19/08); “Lichtanski receives hall of Fame award” (Salinas Californian, 6/25/08); “Hall of Fame honors to former MST CEO” (Monterey County Business Council Friday Facts, 6/27/08); “It may burn all summer” (Salinas Californian, 6/27/08); “Travel Road tips: Frommers has travel Recommendations for those fretting over high gas prices” (http://x-travelsites.com); “Look out the window Weekly” (Monterey County Weekly, 6/26/08)

Marketing activities: Met with representatives to coordinate MST bus service to/from Monterey County Fair and Monterey Jazz Festival; sat on CTA/CalACT joint conference marketing committee; coordinated permits and design of signage at Monterey Bus Stop Shop; planned Dump the Pump Webinar and public television appearance; sat on 3MC (Bus Stop Shop) Workgroup Meeting; helped plan lobby retail space, look and materials used for Bus Stop Shop; submitted award entries for APTA’s Ad Wheel awards in Rider’s Guide and Annual report categories; attended DreamWeaver website class; met with TAMC to discuss ways to reach voters for the sales tax election in November; created service change timeline for all involved staff members; vendor and group discount programs; Airshow service; gathered materials for APTA Hall of Fame video and wrote award summary.

Planning Update

During the month of June, staff began planning for the fall 2008 service change, including a new Trolley line for downtown Salinas and an Express route serving Naval Postgraduate School, the former Fort Ord, and La Mesa military housing area. Initial consultations with Defense Languages Institute were also conducted in June, with a goal of eventually rolling out a similar express service for the Presidio. Staff attended Environment Day presented by HSBC in Salinas to promote the environmental benefits of public transit. Staff continued preparations for the June 19th Dump the Pump webinar/electronic town hall meeting hosted by the General Manager/CEO. Staff met with representatives of Salinas Valley Memorial Hospital to discuss the expansion of our partnership to provide additional service between Monterey and the Hospital beginning in the fall of 2008. Staff attended meetings of AMBAG, TAMC, MCHA, FOR A, Monterey County Business Council, Competitive Clusters and the Monterey County Convention & Visitors Bureau. Staff met with a representative of Caltrans to discuss bus stops in the vicinity of the new Salinas Road/Hwy. 1 interchange and the new acting general manager of Del Monte Center to discuss transit access to the shopping mall.

Staff attended the Coordinated Transportation Association of America Expo in New Orleans June 2-5 and conducted a presentation at the Expo on MST’s experiences with the federal Jobs Access Reverse Commute program. Staff also traveled to Portland, Oregon, to participate in the Introduction to Transportation Planning training program presented by the National Transit Institute. Staff participated in the 5311(f) workshop held at MST to learn about this federal grant program administered by Caltrans to help rural residents access the transportation network. Staff made regular monthly appearances on the “Tomorrow Matters” radio program as well as the “Your Town”
public access TV program to highlight MST’s current projects and the benefits of public transportation to Monterey County.

Information Technology Update

Staff worked on the Continental Transitmaster system additional functionality. Staff continued to configure software and hardware for the Maximus Maintenance system. Staff continued to configure software for the ongoing implementation of the FAMIS Payroll system. Staff were developing timelines for the implementation of the FAMIS Human Resources Module. Staff continued to configure software for the ongoing implementation of the GIRO DDAM Timekeeping system. Staff updated software components of MST workstations. Staff continued developing functionality of the Payroll and Customer Service databases. Staff kept the MST web page updated and made the appropriate changes as required. Staff worked with the vendor configuring the WiFi hardware and software on the 1800 bus fleet. Staff conferred with Google Transit for the configuration of the MST Bus Schedules to be available on the Google Transit site. Staff continued to support MST staff as needed, proactively ensuring MST staff were supported fully with their IT needs.
TO: Carl Sedoryk
FROM: Thomas P. Walters

The following report summarizes recent actions taken on behalf of Monterey-Salinas Transit:

- Discussed with Congressman Farr MST’s appropriations requests and the outlook for the FY 2009 appropriations process.

- Began planning and advance work for MST advocacy meetings in Washington, D.C.

- Contacted Congressional staff regarding annual appropriations bills and provided information to MST on funding opportunities and the probable schedule for FY 2009 funding bills.

- Provided updates on legislation affecting MST programs and initiatives.

- Contacted House and Senate delegation regarding timelines and legislative proposals for the reauthorization of SAFETEA-LU.

TPW:dwg
MEMO

DATE: August 1, 2008
TO: Carl Sedoryk, General Manager/CEO
     Monterey-Salinas Transit
FROM: John E. Arriaga, President
SUBJ: July 2008 Activity Report

Week of July 7, 2008
- Monitored/attended legislative policy, and fiscal committee hearings on transit-
  transportation and related issues
- Prepared Weekly Capitol Update Report on key events and activities in Sacramento/the
  Capitol
- Prepared weekly update of MST Legislative Matrix and reported on legislation of interest
- Prepared draft FPPC Quarterly Report for review and approval
- Monitored ongoing budget negotiations
- Monitored gubernatorial appointments

Week of July 14, 2008
- Monitored ongoing budget negotiations
- Monitored/attended legislative policy, and fiscal committee hearings on transit-
  transportation and related issues
- Prepared Weekly Capitol Update Report on key events and activities in Sacramento/the
  Capitol
- Prepared weekly update of MST Legislative Matrix and reported on legislation of interest
- Monitored gubernatorial appointments.

Week of July 21, 2008
- Worked on coordinating California Chamber of Commerce Executive Director’s
  participation as keynote speaker in MST-hosted CTA Annual Conference in November
  2008.
- Monitored/attended legislative policy, and fiscal committee hearings on transit-
  transportation and related issues
- Monitored ongoing budget negotiations
- Prepared Weekly Capitol Update Report on key events and activities in Sacramento/the
  Capitol
- Prepared weekly update of MST Legislative Matrix and reported on legislation of interest
- Monitored gubernatorial appointments.
Week of July 28, 2008

- Worked on coordinating California Chamber of Commerce Executive Director’s participation as keynote speaker in MST-hosted CTA Annual Conference in November 2008
- Monitored/attended legislative policy, and fiscal committee hearings on transit-transportation and related issues
- Monitored ongoing budget negotiations
- Prepared Weekly Capitol Update Report on key events and activities in Sacramento/the Capitol
- Prepared weekly update of MST Legislative Matrix and reported on legislation of interest
- Finalized FPPC Quarterly Report with the Secretary of State’s Office.
- Monitored gubernatorial appointments

Please feel free to contact me at (916) 669-1340 with any questions or concerns you may have regarding information contained in this report.
To: Board of Directors

From: M. Hernandez, Assistant General Manager/COO

Subject: RIDES Vehicle Purchase – Information

On May 12, 2008, your Board approved the purchase of eight medium buses from Creative Bus at $76,594 each through a SamTrans purchasing consortium. At that meeting I reported that options for a lower cost vehicle were being explored given the need to expedite RIDES vehicle replacement.

As a result of the State budget crisis, at the July 14, Board meeting staff subsequently received authorization to reprogram $470,291 from various Fixed Route Bus Capital budget projects to fund these eight RIDES vehicles. This reprogramming effort helped off-set the loss in 2009 Capital funds which had been programmed to replace these RIDES vehicles.

This memo is intended to provide clarification that the eight vehicles were purchased for $58,395 each, through the State of California, Department of General Services contract with Bus West, and not through the SamTrans contract with Creative Bus. This action resulted in a saving of over $18,000 per vehicle, or more than $144,000 for all eight vehicles.

Michael Hernandez
## Monterey Salinas Transit Board of Directors

**MEETING:** August 18, 2008  
**SUBJECT:** Receive Board Referrals Update  
**Agenda No.:** 12-5

<table>
<thead>
<tr>
<th>DATE</th>
<th>BY</th>
<th>TO *</th>
<th>ITEM</th>
<th>REPORT</th>
<th>STATUS</th>
</tr>
</thead>
</table>
| 1    | 12/10/07 | Downey/ Harvath | Transit access to Presidio of Monterey  | This item was discussed at the Board meeting on January 14, 2008. City of Monterey to schedule meeting with DLI.  
MST staff met with City of Monterey and DLI staff.  
Meeting scheduled for June 12th with Bob Guidy from the Presidio. | Ongoing |
| 2    | 2/11/08 | Ford/ Harvath | Marina Library                           | Director Ford asked to add a fixed route bus stop to serve the Marina Public Library.  
MST currently offers MST On-Call demand response service to the library as well as Line 16 Monterey-Marina service on Reservation Road adjacent to the library. While the turnaround circle on Seaside Court may accommodate a bus, low hanging branches from the tree in the center of the circle may prevent full sized buses from accessing this location. Further analysis is being conducted as to how to best serve this location. In the meantime, residents can take MST On-call to the library.  
Line 27 Watsonville - Marina will commence service to the Library on September 2, 2008. | Ongoing |
| 3    |        |      |                                           |                                                                        |        |
| 4    |        |      |                                           |                                                                        |        |

As of 11/9/2011
August 6, 2008

From: Carl Sedoryk, General Manager/CEO

Subject: TRIP REPORT

On June 4-5, 2008, I traveled to Chicago, Illinois to participate in the annual American Public Transit Association (APTA) Small Operations Strategic Planning Session. The purpose of this meeting was for General Manager's and CEO's of small operations, like MST, to develop cohesive strategy for legislative advocacy for the pending Transit Authorization. The outcome of the process is a list of principles that will be shared and adopted by APTA Board of Directors and incorporated into future APTA lobbying activities.

The APTA Small Operations Steering Committee is proposing that the following are the key priorities for APTA’s Small Transit Operators as we proceed forward with proposals for reauthorization.

1. **Bus modernization program** - Special funds designated for transit systems in areas for medium and small bus systems that are impacted by aging fleets, to replace buses that have reached 125% of their useful life. The amount is to be determined based upon accurate survey of bus fleets in these systems based upon the APTA database or NTD Data.

2. **Provide up to 100% of additional cost of alternative fueled buses that are purchased by transit properties** – For example to fully fund the difference in cost of a hybrid electric bus as compared to a regular bus of the same size.

3. **Charter regulations should allow greater flexibility for public transit operators** – Although new Charter regulations issued allow flexibility in trips that transit providers have been looking for, there is a need to provide clarity in the regulations in areas which are still in question. Issues of concern are the elimination of the rule on third party payments and that transit systems be allowed to perform community based annual events and or local service requests.

4. **Transit Operators to be included in planning process in every state** – Currently this applies only to new Metropolitan Planning Organizations. Transit operators in all urban areas must be at the policy table where transportation funds are involved.

5. **Increase funding for rural areas** – SAFETEA-LU included such a provision. Rural systems may still require such support.
6. **Job Access and Reverse Commute (JARC) and New Freedom funds should not be distributed as a formula set aside** – These programs under the current bill have not been successful in getting needs met. These programs must be simplified. All funding should be transferred to an existing program – FTA Section 5310a. They should be relieved of the current burdened guidance and programming.

7. **Congestion Mitigation and Air Quality (CMAQ) funds must be distributed for the greatest effect** – Transit projects tend to have a greater air quality or congestion benefits than other eligible projects. Find mechanism to fund transit projects at higher levels than under previous reauthorizations.

8. **Fixed guide way funds must be provided equitably to all projects** – Fixed guide way modernization funds must be made available to all systems. Simply, put every fixed guide way program in the United States should be eligible for fixed guideway funds.

9. **Create a simplified rating process for all New Starts** – Currently only the Very Small Starts (VSS) program appears to have a streamlined simplified rating process. Congress intended to have all New Starts projects streamlined with a simpler rating process. Economic and land use benefits must be valued.

10. **Tax credit for alternative fuel vehicles** – The current $0.50/gge tax credit must be continued. All vehicles operated by transit systems must be eligible for the tax credit.

11. **Transit vehicles must be eligible for federal fuel tax exemptions** – All owned and/or operated transit vehicles should be eligible for the federal fuel tax exemption.

12. **Transit systems over 200,000 in population but having less than 100 buses in peak operation should be allowed flexibility to continue using FTA Section 5307 funds for operating purposes.** – This was acknowledged in a technical corrections bill.

13. **Skills Training** - Support funding to continue and expand regional training consortiums that provide advanced transit specific skills training through local community colleges and other institutions.

14. **Small Transit Intensive Cities** – Continue and expand the Small Transit Intensive Cities Program (STIC) which provides supplemental formula funds to smaller transit systems on the basis of performance in six qualifying performance areas and provide that the value of qualifying in each of the six areas shall be increased by the same percentage as the increase in the overall formula program each year of the authorization.

The Small Operations Steering Committee are also monitoring or advocating for the following legislative initiatives.

1. **Need to insure that funding for security is also made available to small systems.**
2. **Medicaid reimbursement should be available to transit operators.**

Carl Sedoryk
August 6, 2008

To: Carl Sedoryk

From: H. Harvath, Assistant General Manager for Finance & Administration

Subject: TRIP REPORT

On June 2-4, 2008, I traveled to New Orleans, Louisiana, to participate in the annual Community Transportation Association EXPO and to give a presentation on the experiences, successes and challenges MST has had utilizing the Federal Transit Administration’s Jobs Access Reverse Commute grant program. I attended sessions that addressed strategies for implementing successful employment-related transportation services and solving job-related mobility challenges.

During my presentation at the conference’s “Employment Training: Job Access and Reverse Commute in Action” session, I profiled MST’s first forays into the JARC program in the late 1990’s to early 2000’s with the initiation of Line 23 Salinas-King City, and the less successful Line 18 North County DART demand-response service. More recent JARC initiatives that were profiled included MST’s partnership with Salinas Airport Business Park Partners for Line 48 Salinas-Airport Business Center; with Salinas Valley Memorial Hospital for Line 56 Monterey-Memorial Hospital; and with Capitol Corridor JPA and Santa Clara Valley Transportation Agency for Line 55 Monterey-San Jose Express.

Hunter Harvath
August 7, 2008

To: Carl Sedoryk
From: M. Gallant, Planning Manager

SUBJECT: Trip Report

On June 25-27, 2008, I traveled to Portland, Oregon to participate in the Introduction to Metropolitan Transportation Planning Course, sponsored by the National Transit Institute. In attendance were other transportation planning professionals from various transit agencies and state transportation departments from California, Oregon and Washington. The courses offered a detailed analysis of the entire transportation planning process. The course topics during the three days of training were:

- Visioning, Goals, Objectives and Measures of Effectiveness
- Alternatives and Tools for the Analysis
- Getting to a Decision on the Plan
- Plan Implementation

I also participated in numerous case study exercises at the end of each course.

Michael Gallant
August 6, 2008

From: Carl Sedoryk, General Manager/CEO

Subject: TRIP REPORT

On June 4-5, 2008, I traveled to Chicago, Illinois to participate in the annual American Public Transit Association (APTA) Small Operations Strategic Planning Session. The purpose of this meeting was for General Manager’s and CEO’s of small operations, like MST, to develop cohesive strategy for legislative advocacy for the pending Transit Authorization. The outcome of the process is a list of principles that will be shared and adopted by APTA Board of Directors and incorporated into future APTA lobbying activities.

The APTA Small Operations Steering Committee is proposing that the following are the key priorities for APTA’s Small Transit Operators as we proceed forward with proposals for reauthorization.

1. **Bus modernization program** - Special funds designated for transit systems in areas for medium and small bus systems that are impacted by aging fleets, to replace buses that have reached 125% of their useful life. The amount is to be determined based upon accurate survey of bus fleets in these systems based upon the APTA database or NTD Data.

2. **Provide up to 100% of additional cost of alternative fueled buses that are purchased by Transit properties** – For example to fully fund the difference in cost of a hybrid electric bus as compared to a regular bus of the same size.

3. **Charter regulations should allow greater flexibility for public transit operators** – Although new Charter regulations issued allow flexibility in trips that transit providers have been looking for, there is a need to provide clarity in the regulations in areas which are still in question. Issues of concern are the elimination of the rule on third party payments and that transit systems be allowed to perform community based annual events and or local service requests.

4. **Transit Operators to be included in planning process in every state** – Currently this applies only to new Metropolitan Planning Organizations. Transit operators in all urban areas must be at the policy table where transportation funds are involved.

5. **Increase funding for rural areas** – SAFETEA-LU included such a provision. Rural systems may still require such support.
6. **Job Access and Reverse Commute (JARC) and New Freedom funds should not be distributed as a formula set aside** – These programs under the current bill have not been successful in getting needs met. These programs must be simplified. All funding should be transferred to an existing program – FTA Section 5310a. They should be relieved of the current burdened guidance and programming.

7. **Congestion Mitigation and Air Quality (CMAQ) funds must be distributed for the greatest effect** – Transit projects tend to have a greater air quality or congestion benefits than other eligible projects. Find mechanism to fund transit projects at higher levels than under previous reauthorizations.

8. **Fixed guide way funds must be provided equitably to all projects** – Fixed guide way modernization funds must be made available to all systems. Simply, put every fixed guide way program in the United States should be eligible for fixed guideway funds.

9. **Create a simplified rating process for all New Starts** – Currently only the Very Small Starts (VSS) program appears to have a streamlined simplified rating process. Congress intended to have all New Starts projects streamlined with a simpler rating process. Economic and land use benefits must be valued.

10. **Tax credit for alternative fuel vehicles** – The current $0.50/gge tax credit must be continued. All vehicles operated by transit systems must be eligible for the tax credit.

11. **Transit vehicles must be eligible for federal fuel tax exemptions** – All owned and/or operated transit vehicles should be eligible for the federal fuel tax exemption.

12. **Transit systems over 200,000 in population but having less than 100 buses in peak operation should be allowed flexibility to continue using FTA Section 5307 funds for operating purposes.** – This was acknowledged in a technical corrections bill.

13. **Skills Training** – Support funding to continue and expand regional training consortiums that provide advanced transit specific skills training through local community colleges and other institutions.

14. **Small Transit Intensive Cities** –
Continue and expand the Small Transit Intensive Cities Program (STIC) which provides supplemental formula funds to smaller transit systems on the basis of performance in six qualifying performance areas and provide that the value of qualifying in each of the six areas shall be increased by the same percentage as the increase in the overall formula program each year of the authorization.

The Small Operations Steering Committee are also monitoring or advocating for the following legislative initiatives.

1. **Need to insure that funding for security is also made available to small systems.**
2. **Medicaid reimbursement should be available to transit operators.**

Carl Sedoryk