General Manager's Report April 14, 2014

GOVERNMENT AFFAIRS UPDATE

FEDERAL

On Thursday, April 3, the Senate Finance Committee advanced draft legislation to renew for two years a series of expired tax breaks, including extension of the commuter tax credit for individuals to set aside an extra \$120 per month before taxes to cover public transit fares and \$250 pre-tax per month for parking; the 30-percent credit for alternative fuel refueling property; and the CNG tax rebate. The measure, approved by voice vote, would extend nearly all the 55 tax breaks that expired at the end of 2013. No schedule has been set for when the measure goes to the Senate floor. The path forward in the House is less clear with the recent announcement by Ways and Means Chairman Dave Camp (R-MI) that he will not seek reelection in November.

On Tuesday, April 8, the House starts the three-day process of approving its budget resolution. The budget blueprint offered by Chairman Paul Ryan (R-WI) in his last year as Budget chairman, assumes a one-year shutdown of all new Highway Trust Fund spending obligations in order to give the Trust Fund breathing room to pay off past obligations at existing tax levels, but it provides lawmakers with venues to increase Trust Fund spending if new deposits are made in the Trust Fund to keep it solvent in a deficit-neutral way. And the budget assumes cuts in discretionary spending in future years, but does not change the discretionary spending totals currently written into law for 2015 in any way. Because of the nature of the recent budget agreement (the Bipartisan Budget Act of 2013) (P.L. 113-67), the Senate is not going to take up a budget resolution this year, so even if the House passes the Ryan budget later this month, its provisions cannot become binding on the entire Congress.

Following votes on Thursday (April 10), Congress will stand in recess until April 28.

STATE

Nothing to report at this time.

STATE OF RT

The Metro Chamber and RT hosted the 6th annual State of RT Breakfast on Friday, April 4 at the Hyatt Regency Sacramento. Approximately 500 community members, business leaders and elected officials attended the annual event. Chair Serna started the program with his remarks. I presented the State of RT address and spoke about the progress of RT projects, including the Blue Line to Cosumnes River College, Green Line to the Airport and the Connect Card electronic fare payment system.

This year's program featured a panel presentation with Scott Syphax of The Nehemiah Companies and host of Studio Sacramento on KVIE; Council member and RT Board member Steve Cohn; Jason Goff of Jones Lang LaSalle; and Warren Smith of the Sacramento

Republic Football Club. This year's TransitAction Awards were presented to Sutter Health Sacramento Sierra Region (Business of the Year), Breathe California of Sacramento-Emigrant Trails (Organization/Agency of the Year), Township Nine (Transit Oriented Development of the Year), Kevin Welch (Individual/Transit Advocate of the Year), and Council member and RT Board member Pat Hume (Elected Official of the Year).

LIGHT RAIL RAILDEO

Oral Report given by Mark Lonergan.

WATER CONSERVATION UPDATE

As part of Regional Transit's conservation measures, watering at all locations (light rail stations and District buildings) has been reduced to once a week. This is in keeping with the State of California drought guidelines, e.g., water once per week on Saturdays or Sundays. With the reduction in watering schedule, RT is installing shredded cedar in beds and planters to help the soil retain water.

On Saturdays and Sundays, Facilities will have an additional person check station watering and observe any leaks, geysers and flag/repair as needed. Facilities crews will observe irrigation systems for missing/broken/malfunctioning sprinklers and flag/repair as needed. All work crews will be inspecting for missing/broken sprinklers when performing other duties at stations. Work order for repairs will be generated and assigned for any work that needs to be performed on the irrigation systems. These work orders will be treated as a priority. If concerns with drought persist, station watering will be strategically eliminated which will result in loss of vegetation.

The bus maintenance team has reduced the washing of buses from nightly to once a week. Although the wash system recycles all of the water captured in the reclaim trenches, not all of the water is blown off the buses before they exit the automated wash system. The water that is still on the bus when it leaves the wash system is generally a small quantity, but adds up over the fleet and cleaning cycle. Reducing the washing cycle is expected to save several hundreds of gallons of water.

At light rail, the wash system has a much more sophisticated recycling system which captures and recycles nearly 100% of the water used to wash trains. Rail cars are washed once a week as part of their scheduled weekly services.

PEER REVIEW UPDATE

Staff has been moving forward on the planning and scheduling of a peer review focusing on RT's security program to be held as early as possible but not later then the end of July. We have contacted the American Public Transit Association, APTA, asking for their support in conducting the peer review. APTA has significant experience in conducting peer reviews on a variety of topics including security and we would value their expertise and assistance in conducting our peer review. At this point we are uncertain if APTA will be able to support us on our time line, so we are also working in parallel to conduct the peer review absent APTA's participation.

With respect to specifics, our intent is to establish a peer review panel of no more than six individuals. We intend to contact Tri-met in Portland, MTA in Los Angeles, RTD in Denver, and VTA in San Jose to provide transit security experts as panel members. Depending upon timing and availability, there are a number of other public transit systems that we could contact should additional expertise be required. We would also include local law enforcement as panel members and are considering representatives from the City of Sacramento and Rancho Cordova Police Departments. In addition, we are considering a representative from the Downtown Partnership's Clean and Safe program.

We will provide the Board regular updates on our progress in preparing for this peer review.

RT CALENDAR

Regional Transit Board Meeting

April 28, 2014 RT Auditorium 6:00 P.M

May 12, 2014 RT Auditorium 6:00 P.M

June 9, 2014 RT Auditorium 6:00 P.M

Executive Committee Meetings for 2014

Will be approved and scheduled by the Chair on an as needed basis.

Mobility Advisory Council

May 1, 2014 RT Auditorium 2:30 P.M

July 10, 2014 RT Auditorium 2:30 P.M

September 11, 2014 RT Auditorium 2:30 P.M

Page 3 of 4

Quarterly Retirement Board Meeting

June 18, 2014 RT Auditorium 9:00 A.M

September 17, 2014 RT Auditorium 9:00 A.M

December 17, 2014 RT Auditorium 9:00 A.M

Paratransit Board Meeting

May 22, 2014 2501 Florin Road 6:00 P.M

June 26, 2014 2501 Florin Road 6:00 P.M