



Sacramento Regional Transit District

BOARD MEETING NOTICE TO THE PUBLIC & AGENDA

This meeting will be teleconferenced in compliance with the Brown Act pursuant to Government Code Section 54953 as amended by Assembly Bill 361, during the COVID-19 Pandemic.

To participate in or view SacRT Board Meetings:

<http://sacrt.com/board>

Please check the Sacramento Metropolitan Cable Commission Broadcast Calendar - <https://sacmetroable.saccounty.net> for replay dates and times.

Submit written public comments relating to the attached Agenda no later than 2:00 p.m. on the day of the Board meeting to

Boardcomments@sacrt.com

Please place the Item Number in the Subject Line of your correspondence. Comments are limited to 250 words or less.

Members of the public may also address the Board via Zoom to submit public comment. To join, please call 253-215-8782 and enter Webinar ID: 837 9338 8162 or join the meeting online by logging into

<https://us02web.zoom.us/j/83793388162>

Please note you will not be able to join the live stream until the posted meeting start time. If you wish to make a comment on an item, press the “raise a hand” button. If you are joining the meeting by phone, press *9 to indicate a desire to make a comment. By participating in this meeting, you acknowledge that you are being recorded.



Sacramento Regional Transit District Agenda

**BOARD MEETING
5:30 P.M., MONDAY, DECEMBER 12, 2022
VIRTUAL MEETING**

ROLL CALL — Directors Budge, Harris, Howell, Hume, Jennings, Kennedy, Nottoli, Schenirer, Serna, Valenzuela and Chair Miller

Alternates: Directors Kozlowski, Nguyen, Sander, Schaefer

1. PLEDGE OF ALLEGIANCE

2. CONSENT CALENDAR

- 2.1 Motion: Approval of the Action Summary of November 14, 2022
- 2.2 Resolution 2022-12-133: Authorize the Board of Directors to Teleconference from December 12, 2022 through January 10, 2023 in Compliance with the Brown Act Pursuant to Government Code Section 54953 as Amended by Assembly Bill 361, During the COVID-19 Pandemic (O. Sanchez-Ochoa/T. Smith)
- 2.3 Resolution 2022-12-134: 2023 Board Meeting Calendar (T. Smith)
- 2.4 Ordinance 2022-12-001: Amending and Restating Title I, Procurement Ordinance, of the SacRT Administrative Code (J. Adelman)
- 2.5 Resolution 2022-12-135: Approving the Fourth Amendment to the Personal Services Contract with Mark Lonergan (C. Flores)
- 2.6 Resolution 2022-12-136: Repealing Resolution 19-07-0085 and Approving the Revised Comprehensive Reserve Policy (L. Chiu)
- 2.7 Resolution 2022-12-137: Approving the Renewal of All SacRT Health and Welfare Benefits for 2023 (D. Topaz)
- 2.8 Resolution 2022-12-138: Adopt the Revised Public Transportation Agency Safety Plan (L. Hinz)
- 2.9 Resolution 2022-12-148: Approving the Contract for On-Call Revenue Vehicle Auto Body Repair Services (C. Alba)

- 2.10 Resolution 2022-12-149: Authorizing the General Manager/CEO to Approve a “Fare Equivalent” for Persons Needing to Travel on Existing SacRT Routes Serving Weather Respite Centers (D. Selenis)
- 2.11 Delegating Authority to the General Manager/CEO to Enter into a Project Agreement with Northpoint Development LLC and Granting Concurrence to Easement Agreements (J. Adelman)
 - A) Resolution 2022-12-145: Delegate Authority to the General Manager/CEO to Enter into a Project Agreement with Northpoint Development LLC and Granting Concurrence to Two Easement Agreements Between the Sacramento-Placerville Transportation Corridor Joint Powers Authority and Golden State Water Company for Two Waterlines, Contingent Upon Securing FTA Concurrence; and
 - B) Resolution 2022-12-146: Delegate Authority to the General Manager/CEO to Enter into a Project Agreement with Northpoint Development LLC and Granting Concurrence to An Easement Agreement Between the Sacramento-Placerville Transportation Corridor Joint Powers Authority and Sacramento Area Sewer District for a Sewer Line, Contingent Upon Securing FTA Concurrence
- 2.12 Approving Contracts for SAP Operational Support and Enhancement Services and Delegating Authority to the General Manager/CEO to Award a Contract for SAP Enhancement Services (S. Valenton)
 - A) Resolution 2022-12-150: Approving a Contract for SAP Operational Support Services and Enhancement Services to Labyrinth Solutions, LLC; and
 - B) Resolution 2022-12-151: Approving a Contract for SAP Enhancement Services to Sage Group Technologies, Inc.; and
 - C) Resolution 2022-12-152: Delegating Authority to the General Manager/CEO to Award a Contract for SAP Enhancement Services to EPI-USE America, Inc.

3. INTRODUCTION OF SPECIAL GUESTS

- 3.1 Resolution 2022-12-139: Commending Steve Miller (Vice Chair Kennedy)
- 3.2 Resolution 2022-12-140: Commending Don Nottoli (Chair Miller)
- 3.3 Resolution 2022-12-141: Commending Patrick Hume (Chair Miller)
- 3.4 Resolution 2022-12-142: Commending Jay Schenirer (Chair Miller)
- 3.5 Resolution 2022-12-143: Commending Jeff Harris (Chair Miller)
- 3.6 Resolution 2022-12-144: Commending Kerri Howell (Chair Miller)

4. **UNFINISHED BUSINESS**
5. **PUBLIC HEARING**
6. **PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA***
7. **NEW BUSINESS**
 - 7.1 Motion: Intent Motion to Select The Chair and Vice Chair of the Sacramento Regional Transit Board of Directors for 2023 (T. Smith)
 - 7.2 Resolution 2022-12-147: Receive and File the Annual Comprehensive Financial Report, Reports on Compliance and Internal Controls as Required by Uniform Guidance, and the Transportation Development Act Report to the Board of Directors for the Fiscal Year Ended June 30, 2022 and Designate \$6,222,654 to SacRT's Operating Surplus and \$5,053,586 of Working Capital Reserve to SacRT's Operating Reserve (L. Chiu)
8. **GENERAL MANAGER'S REPORT**
 - 8.1 General Manager's Report
 - a. Major Project Updates
 - b. SacRT Meeting Calendar
9. **REPORTS, IDEAS AND QUESTIONS FROM DIRECTORS, AND COMMUNICATIONS**
 - 9.1 Capitol Corridor Joint Powers Authority Meeting Summary of November 16, 2022 (Harris, Miller)
 - 9.2 San Joaquin Joint Powers Authority Meeting Summary of November 18, 2022
10. **CONTINUATION OF PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA (If Necessary)**
11. **ANNOUNCEMENT OF CLOSED SESSION ITEMS**
12. **RECESS TO CLOSED SESSION**
13. **CLOSED SESSION**
14. **RECONVENE IN OPEN SESSION**
15. **CLOSED SESSION REPORT**
16. **ADJOURN**

*NOTICE TO THE PUBLIC

It is the policy of the Board of Directors of the Sacramento Regional Transit District to encourage participation in the meetings of the Board of Directors.

This agenda may be amended up to 72 hours prior to the meeting being held. An Agenda, in final form, is located by the front door of Regional Transit's building at 1400 29th Street, Sacramento, California, and is posted on the

SacRT website.

This meeting of the Sacramento Regional Transit District will be cablecast on Metro Cable 14, the local government affairs channel on Comcast, Consolidated Communications and AT&T U-Verse cable systems. This meeting is closed captioned and webcast at metro14live.saccounty.gov. Today's meeting replays Thursday, December 15th at 6:00 PM and Saturday, December 17th at 1:00 PM on Channel 14. This meeting can also be viewed at youtube.com/metrocable14.

Any person(s) requiring accessible formats of the agenda should contact the Clerk of the Board at 279/234-8382 or TDD 916/557-4686 at least 72 business hours in advance of the Board Meeting.

Copies of staff reports or other written documentation relating to each item of business referred to on the agenda are on SacRT's website, on file with the Clerk to the Board of Directors of the Sacramento Regional Transit District. Any person who has any questions concerning any agenda item may call the Clerk to the Board of Sacramento Regional Transit District.

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Tabetha Smith, Clerk to the Board
SUBJ: APPROVAL OF THE ACTION SUMMARY OF NOVEMBER 14,
2022

RECOMMENDATION

Motion to Approve.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
BOARD OF DIRECTORS
BOARD MEETING
November 14, 2022**

ROLL CALL: Roll Call was taken at 5:31 p.m. via Zoom. PRESENT: Directors Budge, Harris, Howell, Nguyen, Schenirer, Serna, Valenzuela, and Chair Miller. Absent: Directors Jennings and Kennedy. Director Nottoli joined the meeting at 5:36 p.m.

1. PLEDGE OF ALLEGIANCE

2. CONSENT CALENDAR

- 2.1 Motion: Approval of the Action Summary of October 24, 2022
- 2.2 Resolution 2022-11-130: Conditionally Approving the Contract for Owner-Furnished Gate Crossing Mechanism Installation with Shane Brown Electric (L. Ham)
- 2.3 Resolution 2022-11-131: Approving a Sole Source Procurement from Trapeze Software Group, Inc. and Delegating Authority to the General Manager/CEO to Approve and Execute the Second Amendment to the Software Maintenance Agreement - 2002 (S. Valenton)
- 2.4 Motion: Waive the First Reading of Ordinance 2022-12-001, Amending and Restating Title I, "Procurement Ordinance" of Sacramento Regional Transit District's Administrative Code (J. Adelman)
- 2.5 Resolution 2022-11-132: Delegating Authority the General Manager/CEO to Execute a Contract with Folsom Lake Ford for the Purchase of 16 Police Interceptor Utility Vehicles (C. Alba)

Director Howell moved; Director Budge seconded approval of the consent calendar as written. Motion was carried by roll call vote. Ayes: Directors Budge, Harris, Howell, Nguyen, Schenirer, Serna, Valenzuela and Chair Miller. Noes: None; Abstain: None; Absent: Director Jennings, Kennedy and Nottoli.

3. INTRODUCTION OF SPECIAL GUESTS

4. UNFINISHED BUSINESS

5. PUBLIC HEARING

6. PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

Public comment was taken by phone from Jeffery Tardaguila and Glenn Mandelkern.

Mr. Tardaguila expressed concern regarding safety at the 5th and L SacRT bus stop. Three SacRT buses stop there and now Yolo buses are using the same intersection. He encourages attendance at the meeting taking place Thursday on Broadway Street.

Mr. Mandelkern commented on the upcoming California Transit Association Fall Conference. He was delighted to see that staff Jessica Gonzalez, Devra Selenis and CEO, Henry Li, would be attending and speaking on behalf of SacRT. He encouraged staff to attend the panel regarding best practices, recruitment and retention with Patrick Parents which addresses the operator shortage.

7. NEW BUSINESS

8. GENERAL MANAGER'S REPORT

- 8.1 General Manager's Report
 - a. Major Project Updates
 - b. SacRT Meeting Calendar

Mr. Li began his report sharing a photo of the participants in SacRT's new operator mentorship program, a collaboration with ATU and California Transit Works.

Mr. Li announced that two weeks ago, the opening of the Wexler Apartments at the heart of SacRT's University/65th Street Light Rail Station and Transit Center was celebrated. The apartment building is the first student housing Transit Oriented Development (TOD) in the Sacramento region. The University/65th Street Station is a major transit hub, with more than 40,000 light rail riders and 30,000 bus passenger trips at the station each month. Mr. Li thanked Congresswoman Matsui, and SacRT Directors Harris and Jennings for attending the opening and he also thanked all the various partners that helped make this transaction a reality.

At the beginning of November, Mr. Li joined Congressman Bera as he traveled via light rail and SmaRT Ride to the grand opening of the Rancho Cordova Youth Center. SacRT is thankful for the Congressman who has currently secured nearly \$4 million in community funding to help renovate four of SacRT's light rail stations. Mr. Li said there were many community members there and it was one of the most inspirational events he has participated in. He thanked Director Budge for making it happen.

On October 29th, Sacramento's first-ever Golden Harvest Parade and Festival was held downtown and in Old Sacramento. The event combined cultures from all over the world in a vibrant mix of music, dance, and food. Mr. Li was honored to join this great event along with Director Valenzuela.

Mr. Li announced SacRT was proud to provide free rides system-wide on November 8th,

Election Day. Final results are not available, but it is likely that Measure A, the countywide transportation initiative, will be narrowly defeated. The measure would have significantly increased SacRT's local funding and remains an opportunity to move forward with a more ambitious plan in the coming years. Regardless of the result, there remains an urgent need to increase funding that will address climate, equity, and social justice goals for the community.

Mr. Li provided an update on the status of the safe parking program at Roseville Road. On October 28th, following the Sacramento City Council meeting earlier in the week, SacRT received a letter from the City notifying SacRT that they are canceling the lease agreement. This represents progress of the City's siting plan, as they seek more permanent housing solutions. While the site will ultimately not launch, Mr. Li thanked the entire Board, SacRT staff and the many partners for working together to address the regional issue of homelessness.

Mr. Li concluded his remarks reminding everyone that a SacRT annual holiday tradition is back. SacRT will be offering free rides on the SacRT Holiday bus beginning December 1, 2022, through January 2, 2023. The decorated 40-foot bus will travel on various routes throughout the region and the schedule can be found on the SacRT website. This year's donations will benefit the Front Street Animal Shelter in Sacramento. SacRT will be hosting a kick-off event at Front Street Animal Shelter later this month and Mr. Li is hoping to see everyone at the event.

Director Budge thanked Mr. Li for providing rides for those who wanted to vote and for the idea of taking Smart Ride to the new Youth Center. Director Budge thanked Congressman Bera for a donation of \$350,000 to the youth center. Director Budge stated this was a huge project that started off as a preschool thirty years ago and is now being returned to the children which seems fitting.

Director Serna thanked Mr. Li and SacRT staff Ms. Hinz and Mr. Flores for attending a recent community meeting that Director Valenzuela and Director Serna and respective city and county staff also attended. The purpose of the meeting was to have an open discussion with the community about the City and County efforts in addressing homelessness. Director Serna thinks having SacRT in the room really helped impress upon constituents that all the government agencies and partners have a role to play in helping to address homelessness.

Public comment was taken by phone from Glenn Mandelkern.

Mr. Mandelkern participated in a bus stop improvement plan project walkabout in the Meadowview area that was led by the people at Civic Thread and SacRT staff James Drake. It was a very informative hands-on session and he encourages others to attend in the future.

- 9. **REPORTS, IDEAS AND QUESTIONS FROM DIRECTORS, AND COMMUNICATIONS**
- 10. **CONTINUATION OF PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA (If Necessary)**
- 11. **ANNOUNCEMENT OF CLOSED SESSION ITEMS**
- 12. **RECESS TO CLOSED SESSION**

The Board recessed to Closed Session at 5:57 p.m.

Roll Call was taken via Zoom: PRESENT: Directors Budge, Harris, Howell, Nguyen, Nottoli, Schenirer, Serna, Valenzuela and Chair Miller. Absent: Directors Jennings and Kennedy.

13. **CLOSED SESSION**

13.1 Conference with Legal Counsel
Pursuant to Gov. Code Section 54956.9
Existing Litigation

- a. Maria Venegas v. SacRT
Case Number 34-2019-00268307

14. **RECONVENE IN OPEN SESSION**

15. **CLOSED SESSION REPORT**

There was no Closed Session Report.

16. **ADJOURN**

As there was no further business to be conducted, the meeting was adjourned at 6:13 p.m.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 12, 2022

TO: Sacramento Regional Transit Board of Directors

FROM: Olga Sanchez-Ochoa, General Counsel / Tabettha Smith, Clerk to the Board

SUBJ: AUTHORIZE THE BOARD OF DIRECTORS TO TELE-CONFERENCE FROM DECEMBER 12, 2022 THROUGH JANUARY 10, 2023, IN COMPLIANCE WITH THE BROWN ACT PURSUANT TO GOVERNMENT CODE SECTION 54953 AS AMENDED BY ASSEMBLY BILL 361, DURING THE COVID-19 PANDEMIC

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution will authorize implementation of AB 361 for Board meetings conducted between December 12, 2022 and January 10, 2023. Meetings conducted during this 30-day period may be conducted via teleconference due to the Covid-19 pandemic.

FISCAL IMPACT

There is no fiscal impact.

DISCUSSION

Governor Newsom signed an executive order on September 17, 2021 waiving the application of Assembly Bill 361 (“AB 361”) until October 1, 2021, when the provisions of a prior executive order that established certain requirements for public agencies to meet remotely during the COVID-19 emergency would expire. AB 361 amended the Ralph M. Brown Act to authorize modified procedures for remote (teleconference) meetings held during a state of emergency and when state or local officials impose or recommend measures to promote social distancing. *See Cal. Gov. Code § 54953(e)*. These new rules supersede and replace similar rules in the Governor’s Executive Order No. N-29-20, which the SacRT Board had been adhering to since its adoption at the onset of the COVID-19 pandemic. To avail itself of these modified procedures, the Brown Act requires the Board find, by a majority vote, that it has reconsidered the circumstances of the state of emergency, and (i) the state of emergency continues to directly impact the ability of the

members to meet safely in person and/or (ii) state or local officials continue to impose or recommend measures to promote social distancing. The findings must be made no later than 30 days after using the modified procedures, and every 30 days thereafter. Unlike many of SacRT's member agencies, SacRT's auditorium is significantly small, making it difficult to safely space out members of the Board, staff and the public to meet safely in person. Because the peril of transmission has not been eliminated, masks mandates have been lifted and COVID cases are currently on the rise, the safest course of action is to continue meeting virtually for the next 30 days. Therefore, staff recommends that the Board adopt the attached Resolution authorizing the Board to meet virtually as allowed under AB 361, beginning and including December 12, 2022, through January 10, 2023.

An additional requirement of AB 361 is that members of the public be allowed to participate in real time during the virtually held Board meeting. Thus, members of the public can virtually participate in the Board meetings in real time.

RESOLUTION NO. 2022-12-133

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

AUTHORIZE THE BOARD OF DIRECTORS TO TELE-CONFERENCE FROM DECEMBER 12, 2022 THROUGH JANUARY 10, 2023, IN COMPLIANCE WITH THE BROWN ACT PURSUANT TO GOVERNMENT CODE SECTION 54953 AS AMENDED BY ASSEMBLY BILL 361, DURING THE COVID-19 PANDEMIC

THAT, on March 4, 2020, Governor Gavin Newsom issued a Proclamation of State of Emergency in response to the novel coronavirus (a disease now known as COVID-19); and

THAT, on November 10, 2021, Governor Gavin Newsom signed Executive Order N-21-21 extending the declaration of a State of Emergency in response to the novel coronavirus to March 31, 2022; and

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

WHEREAS, the Sacramento County Health Officer declared a local health emergency related to the COVID-19 on March 6, 2020. The County Administrator, acting in his capacity as the Director of Emergency Services, proclaimed the existence of a local emergency related to COVID-19 on March 6, 2020; and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended and modified the teleconferencing requirements under the Brown Act (California Government Code section 54950 et seq.) so that local legislative bodies can hold public meetings via teleconference (with audio or video communications, without a physical meeting location), as long as the meeting agenda identifies the teleconferencing procedures to be used; and

WHEREAS, on June 4, 2021, the Governor clarified that the “reopening” of California on June 15, 2021, did not include any change to the proclaimed state of emergency or the powers exercised thereunder; and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which extended the provision of N-29-20 concerning the conduct of public meetings through September 30, 2021, and the Governor subsequently signed legislation revising Brown Act requirements for teleconferenced public meetings (Assembly Bill 361, referred to hereinafter as “AB 361”); and

WHEREAS, on October 17, 2022, the Governor announced that he will lift the current state of emergency proclamation on February 28, 2023, but as of the date of this

Resolution, the State of California remains under a state of emergency and neither the Governor nor the Legislature have exercised their respective powers pursuant to California Government Code section 8629 to lift the state of emergency either by proclamation or by concurrent Resolution in the state Legislature and the state of emergency will remain in place until February 28, 2023; and

WHEREAS, as of the date of this Resolution, neither the County Health Officer nor the County Administrator have exercised their powers to lift the local health emergency and local state of emergency declared and proclaimed on March 6, 2020; and

WHEREAS, the County Health Officer has confirmed that continued local rates of transmission of the virus and variants causing COVID-19 are such that meeting in person would present imminent risks to the health or safety of attendees of public meetings; and

NOW, THEREFORE, BE IT RESOLVED AND FOUND as follows: 1. The Board of Directors hereby finds that the facts set forth in the above recitals are true and correct, and establish the factual basis for the adoption of this Resolution; 2. There is an ongoing proclaimed state of emergency relating to the novel coronavirus causing the disease known as COVID-19 and as a result of that emergency, meeting in person would present imminent risks to the health or safety of attendees of in-person meetings of this legislative body within the meaning of California Government Code section 54953(e)(1). 3. Under the present circumstances, including the risks mentioned in the preceding paragraph, the Board of Directors determines that authorizing teleconferenced public meetings consistent with Assembly Bill 361 is necessary and appropriate beginning and including December 12, 2022, and continuing through January 10, 2023. 4. Staff are directed to take all actions necessary to implement this Resolution in accordance with the foregoing provisions and the requirements of Government Code section 54953, as amended by Assembly Bill 361, including but not limited to returning for ratification of this Resolution every 30 days after teleconferencing for the first time pursuant to Assembly Bill 361 for so long as either of the following circumstances exists: (a) the state of emergency continues to directly impact the ability of this legislative body to meet in person; and/or (b) state or local officials, including but not limited to the County Health Officer, continue to impose or recommend measures to promote social distancing.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Tabetha Smith, Clerk to the Board
SUBJ: 2023 BOARD MEETING CALENDAR

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

This action will result in establishing the Sacramento Regional Transit District Board of Directors meeting calendar for 2023.

FISCAL IMPACT

There is no fiscal impact associated with this action.

DISCUSSION

The Board's Rules of Procedure require the Board to set forth its regular meeting schedule for the following year. The attached schedule provides for two regular meetings on the second and fourth Monday of each month with the following exceptions:

- January: No meeting on January 9; to be consolidated with the January 23 meeting
- June: No meeting on June 26 due to City and County recesses
- July: No Meeting on July 10 due to City and County recesses
- October: No Meeting on October 9 due to the Columbus Day holiday
- November: No Meeting on November 27 due to the Thanksgiving holiday
- December: No meeting on December 25 due to the Holiday season

Staff recommends approval of the 2023 Board Meeting calendar attached to the Resolution as Exhibit A.

RESOLUTION NO. 2022-12-134

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

2023 BOARD MEETING CALENDAR

WHEREAS, the Sacramento Regional Transit Board of Directors desires to establish its regular meeting schedule for calendar year 2023; and

WHEREAS, Section 3.111 of Article 1 (Meetings) of Chapter 1 (Board Rules) of Title III of the Sacramento Regional Transit District Administrative Code Relating to Rules of Procedure provides in relevant part as follows:

Unless otherwise specified in the Resolution establishing the Board's regular meeting schedule, the Board will conduct its regular meetings in the first floor Auditorium at Regional Transit's Administrative Headquarters located at 1400 29th Street, Sacramento, CA. Regular meetings of the Board will start at 5:30 p.m.

WHEREAS, notwithstanding Section 3.111 of Article 1 (Meetings) of Chapter 1 (Board Rules) of Title III of the Sacramento Regional Transit District Administrative Code Relating to Rules of Procedure, requiring meetings be held in SacRT's Auditorium, a Board meeting may be held virtually, in accordance with California Government Code Section 54953, if the conditions set forth therein are met. Another meeting location may also be selected based on operational needs, as long as the location is posted ahead of time as part of the meeting agenda.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the regular meeting schedule set out in attached Exhibit A for the meetings of the Sacramento Regional Transit Board of Directors for calendar year 2023 is hereby adopted.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

EXHIBIT A

2023 BOARD MEETING CALENDAR

SACRAMENTO REGIONAL TRANSIT BOARD OF DIRECTORS 5:30 P.M.

Monday	NONE	January 9, 2023
Monday	Regular Meeting	January 23, 2023
Monday	Regular Meeting	February 13, 2023
Monday	Regular Meeting	February 27, 2023
Monday	Regular Meeting	March 13, 2023
Monday	Regular Meeting	March 27, 2023
Monday	Regular Meeting	April 10, 2023
Monday	Regular Meeting	April 24, 2023
Monday	Regular Meeting	May 8, 2023
Monday	Regular Meeting	May 22, 2023
Monday	Regular Meeting	June 12, 2023
Monday	NONE	June 26, 2023
Monday	NONE	July 10, 2023
Monday	Regular Meeting	July 24, 2023
Monday	Regular Meeting	August 14, 2023
Monday	Regular Meeting	August 28, 2023
Monday	Regular Meeting	September 11, 2023
Monday	Regular Meeting	September 25, 2023
Monday	NONE	October 9, 2023
Monday	Regular Meeting	October 23, 2023
Monday	Regular Meeting	November 13, 2023
Monday	NONE	November 27, 2023
Monday	Regular Meeting	December 11, 2023
Monday	NONE	December 25, 2023

STAFF REPORT

DATE: December 12, 2022

TO: Sacramento Regional Transit Board of Directors

FROM: Jamie Adelman, VP, Procurement, Real Estate and Special Projects

SUBJ: ADOPT ORDINANCE 2022-12-001, AMENDING AND RESTATING TITLE I, "PROCUREMENT ORDINANCE" OF SACRT'S ADMINISTRATIVE CODE

RECOMMENDATION

Adopt Ordinance

RESULT OF RECOMMENDED ACTION

Would adopt recommended changes to the Procurement Ordinance to further streamline and improve business processes and make necessary changes to affect the legislative changes to procurement thresholds.

FISCAL IMPACT

None.

DISCUSSION

In October 2021, by Ordinance 21-10-01, the Board amended and restated the Procurement Ordinance, which is codified in Title I of the Sacramento Regional Transit District Administrative Code.

As a result of A.B. 2015, which will increase SacRT's formal procurement threshold for supply procurements effective January 1, 2023, it is necessary to revise several provisions of the Procurement Ordinance that reference the prior \$100,000 threshold and replace with language referencing the new \$125,000 threshold.

In addition, Staff is recommending that several changes be made to provide more flexibility in the solicitation, contracting, and personal property disposition processes, as further described below:

(1) Approval of Contracts by the General Counsel

The Procurement Ordinance currently specifies that the General Counsel must approve all contracts, other than those issued on a “standard form” approved by the General Counsel, which is currently limited to a purchase order document used for supply purchases and some limited services. Increasingly, particularly for Information Technology procurements for needed services and supplies, the proposed contractor offers a standard form of contract that is not subject to negotiation. In instances where Staff determines that the supplies or services are needed and that the agreement will be signed regardless of any contractual risks, the requirement of General Counsel approval may consume limited Legal Department resources without adding value and also cause delays. The proposed revised language would provide SacRT flexibility to establish that certain contracts do not require General Counsel approval.

(2) Eliminate language specifying that formal solicitations may be advertised in minority newspapers if time permits.

With the decline in print media, it is not clear that advertising in minority newspapers is necessary or desirable to reach interested minority businesses. As part of SacRT’s Disadvantaged Business Enterprise (DBE) Program, both the Procurement Department and the Disadvantaged Business Enterprise Liaison Officer (DBELO) actively use a variety of approaches to conduct outreach to DBE businesses. While advertising in print media is one tool that can be used, it is not clear that there is a benefit to including a specific reference to newspaper advertisement in the Procurement Ordinance while excluding reference to other types of outreach.

(3) Auto-Renewing Contracts

An auto-renewing contract is one that contains a provision stating that it continues indefinitely (usually on a yearly renewal cycle) until terminated by one of the parties. The yearly expenditure may be small; however, because an affirmative act by SacRT is required to terminate the agreement, auto-renewing contracts have historically required Board approval on the assumption that over the unknown life of the contract, the total expenditures could exceed \$150,000. Whenever possible, Staff negotiates with the other party to either eliminate the auto-renewal provision or cap the total financial commitment to \$150,000.

However, increasingly these provisions are found in software license agreements or other contracts of adhesion where the contractor has informed SacRT that there is no flexibility to vary the standard terms and conditions and eliminate an auto-renewal provision. Some of these contracts are for as little as \$1,000 per year. To ensure that SacRT can conduct business without delay, Staff is recommending

that the Board authorize the General Manager/CEO to sign these agreements when the total expenditure is not expected to reach \$150,000 within a 5-year period. Staff will still need to monitor these agreements, both to ensure that the goods/services are still needed and to ensure that the price remains reasonable (since agreements of this type often also allow the contractor to raise the annual price with no cap on increases).

(4) Surplus Property Disposition by Donation

Chapter 2 of the Procurement Ordinance addresses disposal of surplus property. The provisions currently allow for disposal through 3 different methods: (1) sale to another public entity; (2) sale by sealed bid/auction; and (3) incidental sale if the item to be sold is scrap or salvage material, is perishable, has been offered for public sale by auction or sealed bids and no offer to purchase has been received, or the property has no market value. To avoid self-dealing, SacRT employees are not permitted to purchase property by incidental sale.

SacRT has auction services contracts in place for surplus property disposition to maximize the revenues to SacRT. However, particularly with SacRT's administrative campus move and the transition towards a more "paperless" office, there are an increasing number of items that have no market value and for which SacRT would incur costs for disposal. These include office supplies, office furniture, law books, and dated electronics that have been replaced. Under the present language of the Procurement Ordinance, if these items cannot be "sold", the only alternative would be to send these items to a landfill or e-waste facility, which would result in an out-of-pocket cost for SacRT.

The proposed language would permit the General Manager to authorize disposal by donation to a public entity, non-profit organization, or any employee, to the extent permitted by any applicable federal and state grant requirements, for any item determined to have no market value. The language would require the adoption of procedures for donation to ensure fairness and avoid self-dealing. The donations would serve a SacRT purpose by eliminating disposal costs.

**ATTACHMENT 1
ORDINANCE 2022-12-001**

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

**AMENDING AND RESTATING CHAPTERS
1 AND 2 OF TITLE I, PROCUREMENT ORDINANCE,
OF THE SACRT ADMINISTRATIVE CODE**

THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT DO ORDAIN AS FOLLOWS:

SECTION 1:

This Ordinance is adopted pursuant to the authority set forth in Public Utilities Code Section 102121(d). This Section authorizes the SacRT Board of Directors to adopt an Administrative Code prescribing the powers and duties of District officers. Public Utilities Code Section 102107 provides, in part, that: No ordinance shall be passed by the board on the day of its introduction, nor within three days thereafter, nor at any time other than at a regular or adjourned regular meeting.

SECTION 2:

Ordinance 21-10-01 (Chapters 1 and 2 of Title I of the Sacramento Regional Transit District Administrative Code) is hereby repealed.

SECTION 3:

Chapters 1 and 2 are hereby added to Title I of the Sacramento Regional Transit District Administrative Code to read as follows:

TITLE I - PROCUREMENT ORDINANCE

CHAPTER 1

SOLICITATION AND AWARD OF CONTRACTS

**Article I
General Requirements**

- §1.101 Purpose
- §1.102 Definitions
- §1.103 Procurements not Requiring a Solicitation or Contract
- §1.104 Administrative Procedures
- §1.105 Ratification of Unauthorized Procurement
- §1.106 Splitting Procurement Prohibited
- §1.107 Collusion with Bidder or Proposer
- §1.108 Collusion between Bidders or Proposers
- §1.109 Compliance with Federal Law
- §1.110 Execution of Contracts
- §1.111 Severance

**Article II
Contents of Solicitation Documents**

- §1.201 Bid Forms
- §1.202 Bid Security on Public Works Contracts

**Article III
Solicitation Procedures**

- §1.301 Approval of Solicitations
- §1.302 Advertising Requirements for IFBs
- §1.303 Advertising Requirements for RFPs
- §1.304 Submittal of Sealed Bids and Proposals
- §1.305 Opening of Bids

**Article IV
Evaluation of Bids and Proposals**

- §1.401 Responsibility Factors
- §1.402 Responsiveness
- §1.403 Application of Responsibility Factors
- §1.404 Evaluation of Proposals Submitted in Response to an RFP
- §1.405 Noncompetitive and Sole Source Procurement
- §1.406 Best Value Procurement for Supplies
- §1.407 Cooperative Purchase Agreements and Use of Government Schedule

Article V
Awarding Procurements and Issuing Change Orders

- §1.501 Award to Lowest Responsible Bidder
- §1.502 Award to Best Value or Most Qualified Proposer
- §1.503 Authority to Award Procurements Exceeding \$150,000
- §1.504 Authority to Award Procurements of \$150,000 or Less
- §1.505 Authority to Approve Amendments to SUPPLY and SERVICE CONTRACTS
- §1.506 Authority to Issue Change Orders for Public Works Contracts
- §1.507 Delegation of Authority
- §1.508 Award in Case of Identical Bids
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Article VI
Debarment

- §1.601 Scope of Debarment Procedure
- §1.602 Violations Subject to Debarment
- §1.603 Debarment Procedures
- §1.604 General Manager's/Board of Directors' Decision
- §1.605 Effect of Debarment on Submittal of Bids or Proposals

CHAPTER 2

DISPOSAL OF SURPLUS PROPERTY

- §2.101 Authority for Disposal of Surplus Personal Property
- §2.102 Procedure for Disposal of Surplus Personal Property
- §2.103 Incidental Sale of Certain Items
- §2.104 Disposal by Donation
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- §2.106 Limitation Upon Employees of SACRT

CHAPTER 1

SOLICITATION AND AWARD OF CONTRACTS

Article I General Requirements

§1.101 Purpose

The purpose of this Ordinance is to promote competition in SacRT procurements and to ensure all vendors have an equal opportunity to participate in the procurement process in a fair manner, with the view towards ensuring judicious use of the funds entrusted to SacRT and to facilitate the transit services SacRT is charged with providing. A non-exhaustive list of laws and regulations applicable to SacRT as it strives to achieve these objectives is attached as Attachment 1 to this Title.

§1.102 Definitions

The following capitalized words and phrases whenever used in this Chapter must be construed as defined below:

- A. ARCHITECT AND ENGINEERING SERVICES (A&E SERVICES) means those professional services of an architectural, landscape architectural, engineering, environmental, or land surveying nature as well as incidental services that members of these professions and those in their employ may logically or justifiably perform (*Government Code* §4525, FTA Circular 4220.1f, Ch. IV(2)(h)).
- B. BEST VALUE means the overall combination of quality, price, and other elements of a PROPOSAL that, when considered together, provide the greatest overall benefit in response to the requirements described in the SOLICITATION DOCUMENTS.
- C. BID means a written or oral offer of a BIDDER to provide goods, services or work in response to a SOLICITATION where award will be made to the lowest responsive and responsible BIDDER.
- D. BIDDER means any individual, firm, partnership, corporation or combination thereof submitting an offer to provide goods, services or work in response to a SOLICITATION where award will be made to the lowest responsive and responsible bidder.
- E. BOARD means the Board of Directors of the Sacramento Regional Transit District.

- F. CONTRACT means a written agreement executed by an authorized representative of SACRT that binds SACRT to a course of action, including, without limitation, letter of agreement, memorandum of understanding, contract, contract change order, purchase order, work order, or an amendment or supplemental agreement to any of the foregoing.
- G. CONTRACTOR means an individual or entity that enters into a CONTRACT with SACRT.
- H. DAYS mean calendar days unless preceded by “working.” When “working days” is used, it refers to Monday through Friday, excluding State-recognized holidays.
- I. FORMAL SOLICITATION means a SOLICITATION that requires issuance of a SOLICITATION DOCUMENT, full and open competition, advertisement, and a sealed response.
- J. FTA means the United States Department of Transportation, Federal Transit Administration.
- K. GENERAL COUNSEL means the GENERAL COUNSEL of SACRT or their designee acting pursuant to a delegation.
- L. GENERAL MANAGER means the General Manager/CEO of SACRT or his/her designee acting pursuant to a delegation.
- M. INFORMAL SOLICITATION means a SOLICITATION that does not require advertisement, full and open competition, nor a sealed response. An INFORMAL SOLICITATION may include oral requests for BIDs or PROPOSALS.
- N. INVITATION FOR BID (IFB) means a SOLICITATION for submittal of sealed BIDs for SUPPLIES, NONPROFESSIONAL SERVICES or a PUBLIC WORKS project to be awarded to the lowest responsive and responsible BIDDER.
- O. LETTER OF SOLICITATION means a type of INFORMAL SOLICITATION in which potential offerors are provided with a written scope of work and invited to submit written responses/offers.
- P. NONPROFESSIONAL SERVICES means and includes all services that are not PROFESSIONAL SERVICES.
- Q. PERSONAL PROPERTY means a movable or intangible thing, not real property or a fixture to real property, that is owned by SACRT.

- R. PROCUREMENT means a SOLICITATION for an initial CONTRACT for SUPPLIES, SERVICES and PUBLIC WORKS and modifications for existing CONTRACTS, including amendments, Contract Change Orders, Work Orders, and the exercising of CONTRACT options.
- S. PROFESSIONAL SERVICES means and includes services that involve labor and skills that are predominantly mental or intellectual rather than physical or manual, where the providers of the service are members of disciplines requiring special knowledge or the attainment of a high level of learning or skill, including, without limitation, services rendered by accountants, actuaries, appraisers, architects, attorneys, consultants, doctors, and engineers.
- T. PROPOSAL means a written or oral offer to provide goods, services or work in response to a SOLICITATION where award will be based on a determination of the response that offers the BEST VALUE to SACRT.
- U. PROPOSER means any individual, firm, partnership, corporation or combination thereof submitting a PROPOSAL in response to a SOLICITATION where award will be based on a determination of the response that offers the BEST VALUE to SACRT.
- V. PUBLIC WORKS means a project for the erection, construction, alteration, repair or improvement of any public structure, building or other public improvement of any kind. (*Public Contract Code* §1101).
- W. PURCHASE means the acquisition, renting, or leasing of SUPPLIES.
- X. RATIFICATION means the act of approving an UNAUTHORIZED PROCUREMENT by an official who has the authority to do so.
- Y. REQUEST FOR PROPOSAL (RFP) means a written SOLICITATION DOCUMENT by which PROPOSALS are solicited and a CONTRACT is awarded based on a determination of the PROPOSAL that offers the BEST VALUE.
- Z. REQUEST FOR INFORMATION AND QUALIFICATIONS (RFIQ) is a term used to describe the competitive selection process when selection is based primarily on the qualifications set forth in the proposal, such as Architectural/Engineering Services and artist selections.
- AA. REQUEST FOR QUOTE (RFQ) is an INFORMAL SOLICITATION document used to request offers for SERVICES or SUPPLIES when formal advertising is not required.
- BB. SACRT means the Sacramento Regional Transit District as established and operated under Part 14, Division 10 of the *California Public Utilities Code*.

CC. SOLICITATION means the process used to communicate PROCUREMENT requirements and request responses from interested vendors. A SOLICITATION may be, but is not limited to, an INVITATION FOR BID, REQUEST FOR PROPOSAL, REQUEST FOR QUOTE, LETTER OF SOLICITATION or oral requests for BIDS or PROPOSALS.

DD. SOLICITATION DOCUMENT means documents used to request BIDS, PROPOSALS or quotations (offers) from suppliers for the goods, works or SERVICES required. Types of SOLICITATION DOCUMENTS include IFB, RFP, RFQ, REQUEST FOR QUOTE, and LETTER OF SOLICITATION.

EE. SERVICES mean PROFESSIONAL AND/OR NON-PROFESSIONAL SERVICES, or both, in accordance with the context.

FF. SUPPLIES means and includes personal property, goods, equipment and materials, including, without limitation, materials required for the maintenance or repair of any property of SACRT or of any other person or agency for which it is the duty of SACRT to maintain or repair.

GG. UNAUTHORIZED PROCUREMENT is an agreement to acquire goods or services on behalf of SACRT that is documented in writing and that is not binding solely because (1) the SACRT representative who made it lacked the authority to enter into that agreement on behalf of SACRT, or (2) the CONTRACT was not executed in accordance with Section 1.10. The only individuals who can bind SACRT are the Board Chair, the General Manager/CEO, their authorized delegates, and purchase cardholders acting within the limits of their delegated authority. For purposes of this definition only, "documented in writing" includes: (1) written offers that are accepted either verbally or in writing by either SacRT staff or the provider of goods or services prior to performance; and (2) for PURCHASES up to \$3,000 only, a written attestation by the SacRT employee ordering the SUPPLIES or SERVICES, executed under penalty of discipline, documenting the terms of the agreement. A vendor invoice submitted after the SUPPLIES are provided or SERVICES are performed does not constitute the required written documentation.

§1.103 Expenditures Not Requiring a Solicitation or a Contract

The following types of EXPENDITURES do not require a SOLICITATION or a CONTRACT:

1. Public utility charges based on an adopted rate and service structure;
2. Permits and fees imposed by public agencies or public or private utilities for SERVICES;
3. Subscriptions for periodicals and books related to SACRT operations;

4. Advertisements in newspapers, magazines or professional journals or on radio or television when the advertisement is targeted to specific types of subscribers or viewers;
5. Travel expenses, including without limitation airline, car rental and hotel charges;
6. Conference registration fees;
7. Membership dues and fees of professional and nonprofit organizations related to SACRT operations;
8. Deposition fees, arbitration fees, mediation fees, appraisal fees, jury fees, photocopies, and witness fees;
9. SERVICES and SUPPLIES, below the federal micro-purchase threshold, purchased under the Procurement Credit Card Program authorized in a BOARD-adopted resolution;
10. SERVICES and SUPPLIES costing, in the aggregate, for a single purchase, up to and including \$200.

Other than the exceptions set forth above, all PROCUREMENTS of SUPPLIES and SERVICES costing in excess of \$200 require use of a CONTRACT.

The GENERAL COUNSEL may issue a written determination that a CONTRACT is not required for a specific SERVICE or SUPPLY. The GENERAL MANAGER shall establish control procedures for PROCUREMENTS not requiring a SOLICITATION or CONTRACT.

§1.104 Administrative Procedures

The GENERAL MANAGER may prepare administrative procedures to carry out the intent of this Chapter. The procedures must establish a system for INFORMAL SOLICITATIONS. The system for INFORMAL SOLICITATIONS must incorporate the responsibility and responsiveness factors identified in Section 1.401 and 1.402 of this Ordinance. In addition, to ensure compliance with *Public Utilities Code* Section 102222, for PROCUREMENTS for SUPPLIES, the administrative procedures must require that, “to the extent practicable, when the expected procurement required exceeds \$3,000 but does not exceed \$125,000, a minimum of three quotations shall be obtained, either written or oral, which permit prices and other terms to be compared.” This dollar threshold excludes sales and use tax but includes postage, handling, shipping and freight charges in determining the procurement requirements.

§1.105 Ratification of Unauthorized Procurement

- A. SACRT is not bound by UNAUTHORIZED PROCUREMENTS unless they are ratified. Ratification may be authorized by the GENERAL MANAGER or BOARD, as applicable, only under the following conditions:

1. SACRT must take positive action to preclude, to the maximum extent possible, the need for RATIFICATION actions. Although procedures are provided in this section for use in those cases where the RATIFICATION of an UNAUTHORIZED PROCUREMENT is necessary, these procedures may not be used in a manner that encourages such commitments being made by SACRT personnel.
2. Subject to the limitations in paragraph (B) of this subsection, the GENERAL MANAGER or BOARD, as applicable, may ratify an UNAUTHORIZED PROCUREMENT.
3. The RATIFICATION authority in subparagraph (A)(2) of this subsection may be delegated in accordance with SACRT procedures.

B. Limitations. The authority specified above may be exercised only when:

1. Supplies or services have been provided to and accepted by SACRT, or SACRT otherwise has obtained or will obtain a benefit resulting from performance of the UNAUTHORIZED PROCUREMENT;
2. The ratifying official has the authority to enter into a contractual commitment;
3. The resulting contract would otherwise have been proper if made by an appropriate contracting officer;
4. The contracting officer reviewing the UNAUTHORIZED PROCUREMENT determines the price to be fair and reasonable; and
5. Sufficient funds are available.

The GENERAL MANAGER must institute procedures for the initiation of a ratification request, documentation required, review and approval or denial of the request. All requests for ratification must be reviewed by the GENERAL COUNSEL for legality before being presented to the GENERAL MANAGER or BOARD, as applicable.

Request for ratification of an UNAUTHORIZED PROCUREMENT by the GENERAL MANAGER must be approved by the BOARD, even if the CONTRACT is otherwise within the GENERAL MANAGER's authority.

§1.106 Splitting Procurement Prohibited

Splitting or separating SACRT requirements into smaller units for the purpose or with the effect of evading the provisions of this Chapter or any other requirements for full and open competition is prohibited. Splitting or separating a PROCUREMENT means and includes buying a SUPPLY or SERVICE repetitively, at frequent intervals, when there is no good business or program reason not to consolidate requirements and solicit bids or proposals for a length of time and for such quantities as to maximize price competition.

§1.107 Collusion With Bidder or Proposer

BIDDERS and PROPOSERS are prohibited from colluding with SACRT employees and officers. Collusion includes, without limitation, knowingly doing any of the following:

- A. Aiding or assisting a BIDDER or PROPOSER in securing a CONTRACT at a higher price than that proposed by any other BIDDER or PROPOSER; or
- B. Favoring one BIDDER or PROPOSER over another by giving or withholding information; or
- C. Willfully misleading any BIDDER or PROPOSER as to the character of the work or service to be performed or product to be supplied; or
- D. Accepting SUPPLIES, SERVICES, or PUBLIC WORKS that are inferior to that called for in the CONTRACT for reasons unrelated to the best interests of SACRT; or
- E. Falsely reporting the receipt of a greater amount or a different kind of SUPPLIES, SERVICES, or PUBLIC WORKS than has been actually received; or
- F. Intentionally acting or failing to act in relation to a BID/BIDDER or PROPOSAL/PROPOSER by wrongfully favoring a BIDDER's or PROPOSER's interest over SACRT's interests.

Any BID or PROPOSAL received or CONTRACT awarded where there was a violation of this section is null and void. SACRT will dispose of the matter in the same manner as if the BIDDER or PROPOSER involved had failed to enter the CONTRACT after award.

§1.108 Collusion Between Bidders or Proposers

It is prohibited for a BIDDER or PROPOSER to:

- A. Propose or bid prices that have not been arrived at independently without consultation, communication, or agreement with any other BIDDER, offeror or competitor for the purpose of restricting competition as to any matter relating to the prices bid or proposed; or
- B. Knowingly disclose any price bid or proposed to any other BIDDER, offeror or to any competitor prior to opening of the bids or PROPOSALS, unless otherwise required by law; or

- C. Make any attempt to induce any other person, firm or other entity or association to submit or not to submit a BID or PROPOSAL for the purpose of restricting competition; or
- D. Knowingly be interested in more than one BID as the principal BIDDER; provided, however, subcontract bids to the principal BIDDERS or PROPOSERS are excluded from this paragraph D.

In case of joint venture bids or PROPOSALS, the joint venture itself and each and every member of the joint venture must, for the purposes of the foregoing, be construed to be the person submitting the BID or PROPOSAL.

Any BID or PROPOSAL received or CONTRACT awarded where there was a violation of this section is null and void. SACRT will dispose of the matter in the same manner as if the BIDDER or PROPOSER involved had failed to enter the CONTRACT after award.

§1.109 Compliance with Federal Law

Pursuant to *California Government Code* Section 53702, a PROCUREMENT funded in full or in part pursuant to the terms of a federal grant or loan must be advertised, prepared, awarded, performed, and administered in compliance with all applicable requirements of federal laws, regulations and orders whenever compliance with those laws, regulations and orders is a prerequisite of federal financial assistance.

§1.110 Execution of Contracts

The GENERAL MANAGER must institute procedures for the execution of CONTRACTS as required in this Ordinance. The GENERAL COUNSEL must approve the legality of CONTRACTS prior to the execution thereof, with the exception of: (a) those CONTRACTS or categories of CONTRACTS that the GENERAL MANAGER or designee has authorized to be executed without approval by the GENERAL COUNSEL, based upon the recommendation of the procurement director; (b) contracts using SacRT standard form (templates) that were already reviewed and approved by the GENERAL COUNSEL; (c) purchase orders for SUPPLIES; and (d) standard form software license terms and conditions imposed by a CONTRACTOR as a condition of accessing software being purchased by SACRT in accordance with this Ordinance and the procedures adopted under this Ordinance. If the GENERAL MANAGER will be unavailable to sign a CONTRACT, s/he or the BOARD may delegate such authority in writing to a named SACRT employee who will be authorized to sign CONTRACTS on behalf of the GENERAL MANAGER. A copy of such authorization must be filed with the Clerk to the BOARD.

§1.111

Severance

If any provision or part of this Ordinance conflicts with state or federal laws, regulations, or grant conditions applicable to SACRT PROCUREMENTS, or decisional law binding upon SACRT, the provision or part in conflict shall be deemed severed from this Ordinance and the remainder shall stay in full force and effect.

Article II
Contents of Solicitation Documents

§1.201 **Bid Forms**

All BIDS for FORMAL SOLICITATIONS must be made on forms provided by SACRT. The execution of the forms by BIDDERS will be subject to procedures formulated by the GENERAL MANAGER, which must include controls over erasures, corrections, and interlineations.

§1.202 **Bid Security on Public Works Contracts**

For any PUBLIC WORKS CONTRACT, the SOLICITATION DOCUMENTS must require the BIDDER to submit with the BID as security one of the following:

- A. Cash; or
- B. Cashier's check or certified check made payable to SACRT; or
- C. Bidder's bond executed by an admitted surety insurer and made payable to SACRT.

The security must be in an amount determined by SACRT to be sufficient but must not exceed 10% of the total bid amount.

If the successful BIDDER fails to execute and return the CONTRACT or, if applicable, provide all required insurance certificates and bonds within 20 days after the CONTRACT is provided for execution by SACRT, the BID security must be forfeited in favor of SACRT. Upon good cause being shown, the GENERAL MANAGER in his or her discretion, may extend the time for the BIDDER to enter the CONTRACT for a period not to exceed an additional 30 days.

Upon award to the lowest responsible BIDDER, SACRT must return the security of an unsuccessful BIDDER no later than 60 days after CONTRACT award. However, if a BID protest is timely filed, the security of unsuccessful BIDDERS will not be returned until the expiration of the BID validity period. The BID security of the successful BIDDER must be returned after execution of the CONTRACT and receipt of the applicable insurance certificate and performance, payment and service disruption bonds (*Public Contract Code § 20322*).

**Article III
Solicitation Procedures**

§1.301 Approval of Solicitations

For a PROCUREMENT expected to be awarded for an amount in excess of the amounts set out in Section 1.302 and Section 1.303 for a CONTRACT for PUBLIC WORKS, SUPPLIES, NONPROFESSIONAL SERVICES or PROFESSIONAL SERVICES, respectively, a written IFB or RFP must be prepared and thereafter approved by the GENERAL MANAGER and the GENERAL COUNSEL prior to its release.

§1.302 Advertising Requirements for IFBs

IFBs for CONTRACTS expected to be awarded for an amount in excess of \$5,000 for PUBLIC WORKS, \$125,000 for SUPPLIES, and \$150,000 for NONPROFESSIONAL SERVICES must be publicly advertised not less than 10 days prior to the date established for the BID submittal. Advertising may be accomplished through posting on SacRT's website or through an e-Procurement portal.

§1.303 Advertising Requirements for RFPs

RFPs for SUPPLY CONTRACTS expected to be awarded for an amount in excess of \$125,000 or for PROFESSIONAL OR NONPROFESSIONAL SERVICES CONTRACTS expected to be awarded for an amount in excess of \$150,000 must be publicly advertised not less than 10 calendar days prior to the date established for the PROPOSAL submittal. Advertising may be accomplished through posting on SacRT's website or through an e-Procurement portal.

Advertising is not required when an RFP is released to firms or persons on an approved listing generated in response to a Request for Qualifications (RFIQ), if the RFP is limited to the category of work or service for which the listing was approved.

§1.304 Submittal of Sealed Bids and Proposals

All BIDS/PROPOSALS for CONTRACTS expected to be awarded for an amount in excess of \$5,000 for PUBLIC WORKS, \$125,000 for SUPPLIES, and \$150,000 for both NONPROFESSIONAL SERVICES and PROFESSIONAL SERVICES must be submitted to the GENERAL MANAGER at the time and in the manner specified in the public notice inviting BIDS/PROPOSALS. The time specified in the public notice may be extended and notice of the extension may be given by addendum to the SOLICITATION DOCUMENTS. Submittals received after the specified time will not be accepted.

§1.305 Opening of Sealed Bids

Sealed Bids will be opened by the GENERAL MANAGER, in public, or online through the eProcurement system, at the time designated in the notice inviting BIDs. The time specified in the public notice may be extended and notice of the extension may be given by addendum to the SOLICITATION DOCUMENTS.

§1.306 Failure to Adhere to Solicitation Procedure – Services Contracts

A CONTRACT for PROFESSIONAL or NONPROFESSIONAL SERVICES approved by the BOARD or GENERAL MANAGER, as applicable, in accordance with the authority set out in the Ordinance is not void or voidable by either party to the CONTRACT or any third party due to failure to adhere to any solicitation procedure set forth in Article III.

Article IV
Evaluation of Bids and Proposals

§1.401 **Responsibility Factors**

In determining whether a BIDDER or PROPOSER is responsible, consideration must be given to each of the following factors:

- A. The ability, capacity, trustworthiness, and skill of the BIDDER or PROPOSER to satisfactorily perform the CONTRACT;
- B. The ability of the BIDDER or PROPOSER to perform the CONTRACT within the time specified, without delay;
- C. The character, integrity, reputation, judgment, experience and efficiency of the BIDDER or PROPOSER; and
- D. The quality of BIDDER's or PROPOSER's performance on previous CONTRACTS with SACRT.

In addition, if good faith efforts are required to comply with a BOARD-adopted program or procedure to promote the participation and use of minority-owned business enterprises, women-owned business enterprises, disadvantaged business enterprises, local business enterprises and/or small business enterprises, the BIDDER/PROPOSER must demonstrate such efforts to be deemed responsible.

§1.402 **Responsiveness**

- A. A BID/PROPOSAL is responsive if it materially conforms with the information and documents required by the IFB, RFP, or RFQ in the form and at the time required by the IFB, RFP, or RFQ, and the BIDDER/PROPOSER is offering to perform pursuant to the IFB, RFP, or RFQ requirements.
- B. If good faith efforts are required to comply with a BOARD-adopted program or procedure to promote the participation and use of minority-owned business enterprises, women-owned business enterprises, disadvantaged business enterprises, local business enterprises and/or small business enterprises, the BIDDER/PROPOSER must demonstrate such efforts to be deemed responsive.
- C. BID/PROPOSAL Irregularities: Material vs. Non-Material - Factors to consider in determining whether a BID/PROPOSAL may be accepted though not strictly responsive are whether the deviation: could be a vehicle for favoritism, affect amount of bid, influence potential bidders to refrain from bidding, or affect ability to make bid comparisons.

§1.403 Application of Responsibility Factors to IFBs

CONTRACTS for PUBLIC WORKS, SUPPLIES, or NONPROFESSIONAL SERVICES for which BIDs were solicited using an IFB must be awarded to the lowest BIDDER submitting a responsive BID as provided by Section 1.501, unless the BOARD or GENERAL MANAGER makes a finding that such BIDDER is not responsible based upon its failure to satisfy one or more of the criteria set forth in Section 1.401.

§1.404 Evaluation of Proposals Submitted in Response to an RFP

Proposals submitted in response to an RFP will be evaluated based upon the criteria set out in the RFP. Evaluation of Architectural and Engineering (A&E) CONTRACTS must follow the Brooks Act and California *Government Code* Section 4525 and following. SACRT may reject any PROPOSER that is not responsible or any PROPOSAL that is nonresponsive, it may waive any required information for all PROPOSERS, and it may waive minor irregularities in any PROPOSAL as provided in Section 1.509.

The evaluation process for non-A&E CONTRACTs will be based on one of two alternative methods:

- (1) A tradeoff process, where other factors are weighed against price and award may be made to other than the lowest-priced offeror or other than the highest-technically-rated offeror; or
- (2) The lowest-price technically acceptable source selection process, where award will be made to the lowest-priced PROPOSER that satisfies the technical requirements.

§1.405 Noncompetitive and Sole Source Procurement

A. Federally-Funded Procurements

The federal Common Grant Rules (49 C.F.R. Part 18) require recipients to use PROCUREMENT procedures that provide full and open competition unless the PURCHASE is below the micro-purchase threshold. The procedures developed by the GENERAL MANAGER under Section 1.103 must provide for full and open competition to the extent required by federal law and guidance.

Noncompetitive PROCUREMENTs may be used only when the PROCUREMENT is inappropriate for small purchase procedures, sealed BIDs, or competitive PROPOSALS, and at least one of the following circumstances are present:

1. The SUPPLIES or SERVICES are available from only one source due to the following conditions:

- a Unique or Innovative Concept. The offeror demonstrates a unique or innovative concept or capability not available from another source. Unique or innovative concept means a new, novel, or changed concept, approach, or method that is the product of original thinking, the details of which are kept confidential or are patented or copyrighted, and is available to the recipient only from one source and has not in the past been available to the recipient from another source.
 - b Patents or Restricted Data Rights. Patent or data rights restrictions preclude competition.
 - c Substantial Duplication Costs. In the case of a follow-on CONTRACT for the continued development or production of highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition.
 - d Unacceptable Delay. In the case of a follow-on CONTRACT for the continued development or production of a highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in unacceptable delays in fulfilling the recipient's needs.
2. For SUPPLIES or PUBLIC WORKS upon a declaration of emergency (unusual or urgent need) supported by a 4/5ths vote of the BOARD.
 3. Noncompetitive PROCUREMENT is otherwise authorized by the FTA, as set out in federal law, rules, regulations or circulars and also under state statutes and/or case law.

In addition to the foregoing, with the exception of circumstances that meet Section 1.405.A.2, for federally-funded PUBLIC WORKS CONTRACTS over \$5,000 or SUPPLY CONTRACTS over \$125,000, the BOARD or GENERAL MANAGER, as applicable, must determine that efforts to seek competition would be futile.

The BOARD or GENERAL MANAGER, as applicable, is responsible for approving noncompetitive PROCUREMENTS. The GENERAL MANAGER may not make a standing delegation of such approval authority. However, if the GENERAL MANAGER is unavailable and has delegated authority for execution of CONTRACTS, such delegation may also include his/her authority under this paragraph.

B. Non-Federally-Funded Procurements

For CONTRACTs that are not federally-funded, and where permitted by applicable grant requirements, a noncompetitive PROCUREMENT is permitted if one of the following circumstances exists:

1. The BOARD or GENERAL MANAGER, as applicable, has determined that the PUBLIC WORKS, SUPPLIES, or SERVICES can be provided only by one firm and that efforts to seek competition would be futile.
2. For PROFESSIONAL and NONPROFESSIONAL SERVICE CONTRACTS, including SERVICES related to litigation against or by SACRT, when the BOARD or GENERAL MANAGER, as applicable, determines that it is in the best interests of SACRT to solicit only one consultant or to amend an existing SERVICE CONTRACT without compliance with the competitive solicitation procedures set forth in Article III.
3. For cleaning and maintenance NONPROFESSIONAL SERVICES to be provided by a Property and Business Improvement District (“PBID”) that includes SacRT property or facilities within its boundaries, when the BOARD or GENERAL MANAGER, as applicable, determines that the SERVICES can be more efficiently provided by the PBID than by soliciting another vendor.
4. For SUPPLIES or PUBLIC WORKS upon a declaration of emergency supported by a 4/5ths vote of the BOARD.

The BOARD or GENERAL MANAGER, as applicable, is responsible for approving noncompetitive PROCUREMENTS. The GENERAL MANAGER may not make a standing delegation of such approval authority. However, if the GENERAL MANAGER is unavailable and has delegated authority for execution of CONTRACTS, such delegation may also include his/her authority under this paragraph.

§1.406 Best Value Procurement for Supplies

As set out in *Public Utilities Code* Section 102222, prior to beginning a SOLICITATION for the PURCHASE of SUPPLIES in excess of \$125,000, SACRT must determine whether it is in the best interest of SACRT to award to the lowest responsible BIDDER, or, in SACRT’s discretion, to the responsible PROPOSER submitting a PROPOSAL that provides the BEST VALUE, as defined in Section 1.101, to SACRT. If SACRT determines that the BEST VALUE approach is most appropriate for a specific PROCUREMENT, an RFP will be issued, rather than an IFB.

§1.407 Cooperative Purchase Agreements and Use of Government Schedule

A. Use of Cooperative Agreement by Public Entity

SACRT may enter into cooperative purchasing agreements for SUPPLIES or SERVICES through contracts of other public entities without competitive bidding by SACRT if the bidding procedures followed by a public entity for any such contract satisfies the bidding requirements set out in this Procurement Ordinance and if the CONTRACT does not violate any federal or state requirements applicable to SACRT.

B. Use of Cooperative Agreement by Other Than a Public Entity

For non-federally funded procurements, as an alternative to the competitive bidding process, SACRT may consider using a Cooperative Purchasing Agreement from a cooperative such as, but not limited to, U.S. Communities Government Purchasing Alliance Agreements, National Intergovernmental Purchasing Alliance Company (National IPA), and Sourcewell (formerly National Joint Powers Authority). Cooperative Agreements are created after the products or services have undergone a formal competitive solicitation process, often by a lead public agency, and offer reduced pricing due to economies of scale with volume discount pricing. Competitive bidding is not required by SACRT when using a Cooperative Agreement if the bidding procedures followed to solicit any such contract satisfy the bidding requirements set out in this Procurement Ordinance and if the CONTRACT does not violate any federal or state requirements applicable to SACRT.

C. Purchase of Government Property

SACRT may negotiate the PURCHASE of PERSONAL PROPERTY from any federal, state, or local public agency without compliance with competitive solicitation procedures (*Public Contract Code* § 20209).

Article V
Awarding Procurements and Issuing Change Orders

§1.501 Award to Lowest Responsive and Responsible Bidder

Any CONTRACT awarded pursuant to an IFB must be awarded to the responsible BIDDER submitting the lowest responsive BID, after applying any applicable price preferences. When only one BID is received for a federally-funded CONTRACT, a determination must be made that the competition was adequate (unless a noncompetitive PROCUREMENT was authorized) and a cost or price analysis must be performed to determine that the BID is fair and reasonable before the CONTRACT may be awarded.

§1.502 Award to Best Value or Most Qualified Proposer

Any CONTRACT awarded pursuant to an RFP must be awarded to the highest scoring responsive PROPOSAL or the lowest-priced technically-acceptable PROPOSAL, based on the evaluation criteria set out in the RFP and incorporating any point preferences, submitted by a responsible PROPOSER. When only one PROPOSAL is received for a federally-funded CONTRACT, a determination must be made that the competition was adequate (unless a noncompetitive PROCUREMENT was authorized) and a cost or price analysis must be performed to determine that the PROPOSAL is fair and reasonable before the CONTRACT may be awarded.

§1.503 Authority to Award Procurements Exceeding \$150,000

Unless otherwise provided in this Ordinance, all CONTRACTs involving an expenditure exceeding \$150,000 must be awarded and/or approved by the BOARD. Such CONTRACTS must be executed by the BOARD Chair and/or the GENERAL MANAGER on behalf of SACRT as set out in the authorizing resolution. When only one PROPOSAL is received for a federally-funded CONTRACT, a determination must be made that the competition was adequate and a cost or price analysis must be performed to determine that the proposal is fair and reasonable before the CONTRACT may be awarded.

Notwithstanding the foregoing, the GENERAL MANAGER is authorized to execute all CONTRACTS related to litigation against or by SACRT, including but not limited to expert witnesses and outside counsel, without limitation on the amounts expended. Such CONTRACTS are not subject to the provisions of 1.505.

In addition, to the extent a CONTRACTOR requires SACRT to sign its form of CONTRACT and the CONTRACT contains a clause requiring an affirmative act by SACRT to terminate the agreement (e.g., an “auto-

renewal” provision) or allows the CONTRACTOR to increase the rate in its discretion, such that the \$150,000 limit may eventually be reached without further action by SACRT, the GENERAL MANAGER may nonetheless execute the CONTRACT if it is not reasonably foreseeable that the expenditure will exceed \$150,000 within a 5-year period.

§1.504 Authority to Award Procurements of \$150,000 or Less

Subject to the availability of funds and the procedures set forth in this Chapter and any implementing procedures adopted under Section 1.103, the GENERAL MANAGER is authorized to award and bind SACRT to PROCUREMENTS involving a total expenditure of \$150,000 or less.

§1.505 Authority to Approve Amendments to SUPPLY and SERVICE CONTRACTS

The GENERAL MANAGER is authorized to bind SACRT to amendments to BOARD-approved SUPPLY or SERVICE CONTRACTS if the sum of all such amendments for any single CONTRACT does not \$150,000.

The GENERAL MANAGER is authorized to bind SACRT to amendments to GENERAL MANAGER-approved CONTRACTs if the sum of the initial CONTRACT and all prior GENERAL MANAGER-approved amendments is less than \$150,000. Notwithstanding the foregoing, the GENERAL MANAGER is authorized to approve amendments to GENERAL MANAGER-approved CONTRACTs for SUPPLIES and SERVICES to add funds necessary to prevent a disruption in the delivery of SUPPLIES or provision of SERVICES until the next regularly-scheduled BOARD meeting, where such disruption would result in substantial harm to SacRT’s continued operations. The GENERAL MANAGER must report such action to the BOARD as soon as reasonably possible but in no event more than 30 days after the action is taken. If further amendments are needed to provide SUPPLIES or SERVICES after the next regularly-scheduled BOARD meeting, those amendments must be approved by the BOARD.

Amendments that are BOARD-approved or are initially executed by the GENERAL MANAGER and subsequently ratified by the BOARD are not counted toward the foregoing \$150,000 limitation.

If a CONTRACT was initially awarded using an INFORMAL SOLICITATION and the aggregate total of the initial CONTRACT, prior amendments and the proposed new amendment would exceed the threshold for FORMAL SOLICITATION, then, prior to approving the amendment, the GENERAL MANAGER or the BOARD, as applicable, must determine that:

- (1) There was not improper procurement splitting; and either

- (2) That the amendment is required solely to increase the total consideration due to an unforeseeable change in the estimated quantities, without a change in the scope of work, and the unit price remains fair and reasonable even for the increased quantity; or
- (3) If the amendment would change the scope of the CONTRACT, that the work is not severable from the initial scope of work or, if it is severable, that conducting a new procurement for the goods or services is unlikely to yield greater competition or lower prices.

If the above findings cannot be made, then the amendment may only be approved if the criteria for a sole source procurement are met or a new SOLICITATION is conducted and the current vendor is deemed the lowest responsive and responsible bidder or most qualified proposer, as applicable.

§1.506 Authority to Issue Change Orders for Public Works Contracts

Subject to the availability of funds, the GENERAL MANAGER is authorized to bind SACRT to change orders for work being performed under a PUBLIC WORKS CONTRACT if the change order meets all of the following requirements:

- A. For CONTRACTS originally awarded for a price of \$150,000 or less, the GENERAL MANAGER has authority to issue change orders if the sum of original CONTRACT price and all such change orders does not exceed \$150,000. For CONTRACTS originally awarded for a price of greater than \$150,000 but less than \$1,000,000, the GENERAL MANAGER has authority to issue change orders if the sum of all such change orders for any single CONTRACT does not exceed 10% of the original CONTRACT price.
- B. For CONTRACTS originally awarded for a price of less than \$10,000,000, but more than \$1,000,000, the GENERAL MANAGER has authority to issue change orders if the sum of all such change orders for any single CONTRACT does not exceed the following percentages of the original CONTRACT amount: 10% of the first \$1,000,000, plus 8% of the balance.
- C. For CONTRACTS originally awarded for a price of \$10,000,000 or more, the GENERAL MANAGER has authority to issue change orders if the sum of all such change orders for any single CONTRACT does not exceed the following percentages of the original CONTRACT amount: 10% of the first \$1,000,000, plus 8% of the next \$9,000,000, plus 6% of the balance.

- D. Notwithstanding the foregoing, any single change order that exceeds \$150,000 requires BOARD approval.
- E. Change orders approved or ratified by the BOARD are not counted in calculating the monetary limitations set forth in A through C above.
- F. Notwithstanding the foregoing, the GENERAL MANAGER has authority to issue change orders in such sums as may reasonably be necessary if the GENERAL MANAGER determines, in writing, that a change order is required to:
 - 1. Prevent interruption of the work which would result in a substantial increase in cost to SACRT; or
 - 2. Protect the work, or equipment or materials to be used in the work, human safety, or the environment at or near the site of the work from substantial and immediate danger or injury; or
 - 3. Protect the work, or equipment or materials to be used in the work, or human safety or the environment at or near the work site where damage or injury has occurred from further or additional damage or injury or deterioration caused by man, nature or other source.

The GENERAL MANAGER must report such action to the BOARD as soon as reasonably possible but in no event more than 30 days after the action is taken.

§1.507 Delegation of Authority

- A. Notwithstanding anything to the contrary in this Ordinance, the BOARD may by resolution delegate authority to the GENERAL MANAGER to bind SACRT to a CONTRACT for any amount under the terms and conditions set forth in the resolution delegating such authority. Unless expressly excluded by the resolution, any such delegation will include the authority to approve a non-competitive and sole source procurement under Section 1.405.
- B. The GENERAL MANAGER may delegate his or her power under Sections 1.504, 1.505, 1.506 and 1.507.A. to bind SACRT to a CONTRACT. The delegation must be made in writing and must specifically designate the SACRT employee(s) who may act for the GENERAL MANAGER. A copy of the written delegation must be given to the Clerk to the BOARD, who must retain it with SACRT's corporate files. Upon request, the Clerk to the BOARD must certify the continuing validity of a written delegation made pursuant to this Section.

§1.508 Award in Case of Identical Bids

The GENERAL MANAGER or the BOARD must determine by lot which BID must be accepted when 2 or more responsible BIDDERS submit responsive BIDs in the same amount. (*Government Code* § 53064).

§1.509 Rejection of Bids/Proposals; Waiver of Minor Irregularities

The GENERAL MANAGER may reject any and all BIDs or PROPOSALS and may waive minor irregularities in the BIDs or PROPOSALS. An irregularity in a BID or PROPOSAL may be waived if such waiver does not give the BIDDER/PROPOSER an unfair advantage. If the GENERAL MANAGER rejects all BIDs or PROPOSALS due to cost, the GENERAL MANAGER must re-evaluate the cost estimates for the project. The project must then either be abandoned, a new SOLICITATION issued in the manner prescribed in Article III, or the GENERAL MANAGER or BOARD may proceed with a noncompetitive SOLICITATION if authorized pursuant to Section 1.405. If the GENERAL MANAGER rejects all BIDs or PROPOSALS for a SOLICITATION initially authorized by the BOARD, the GENERAL MANAGER may re-issue the SOLICITATION DOCUMENTS on the terms and conditions set out in the original authorization without the need for additional BOARD approval.

§1.510 Alternative Award; Failure to Enter Into Contract

If the BIDDER or PROPOSER to whom the CONTRACT is awarded fails to enter into the CONTRACT as required, the GENERAL MANAGER or BOARD, as appropriate, may declare the award to that BIDDER or PROPOSER a nullity and: (1) award the CONTRACT to the next-lowest responsible and responsive BIDDER or next-highest-ranked PROPOSER, (2) re-advertise, or (3) award a noncompetitive CONTRACT if permitted by Section 1.405.

CHAPTER 2

DISPOSAL OF SURPLUS PERSONAL PROPERTY

§2.101 Authority for Disposal of Surplus Property

All SACRT surplus PERSONAL PROPERTY, including any lost or unclaimed property, must be disposed of according to the provisions of this Article.

§2.102 Procedure for Disposal of Surplus Property

The GENERAL MANAGER may declare as surplus any PERSONAL PROPERTY that is no longer necessary or useful to SACRT's operations or activities. In disposing of surplus PERSONAL PROPERTY, the GENERAL MANAGER must comply with all applicable state and federal laws, regulations and guidance. The GENERAL MANAGER may dispose of surplus property to the highest bidder by: (1) sale at a public auction, including a public on-line auction, (2) sealed bids, or (3) incidental sale. Notice of public auction or sealed bid submittal must be given by publication once in a newspaper of general circulation or on SACRT's web-site no later than 10 calendar days prior to such auction or bid submittal date. Notice is not required for sale by on-line auction; however, the bid period for any on-line auction must provide for a bid period of at least 10 calendar days.

Said notices must specify the time, place and purpose of such auction or bid submittal and must specify the following, where appropriate:

- A. The percentage of the bid price that the successful bidder must deposit at the time of the auction or bid submittal;
- B. The time by which the remainder of the bid price must be paid;
- C. The time by which the successful bidder must remove the PURCHASED item(s) from the premises;
- D. The minimum bid price;
- E. Reservation of SACRT's right to reject any and all bids received for any item or to withdraw any or all items offered for sale prior to bid opening.

If the GENERAL MANAGER rejects any and all such bids so received, he/she must not thereafter sell such property at a price less than the highest bid received until the property is first offered at the highest bid price to the person who submitted the highest bid. If such person refuses to purchase the item, the GENERAL MANAGER may sell such property at a lesser price.

§2.103 Incidental Sale of Certain Items

When it is determined by the GENERAL MANAGER that any item of surplus property is scrap or salvage material, is perishable, or has been offered for public sale by auction or sealed bids and no offer to purchase has been received, or the property has no market value, the GENERAL MANAGER may sell the item by incidental sale. Prior to such sale, the GENERAL MANAGER must inform the BOARD. For the purposes of this Section, the term "incidental sale" means the sale of any item at a price, time and place to be determined by the GENERAL MANAGER, to any buyer who is willing to pay the price requested, without first advertising such sale or calling for the receipt of bids.

When the item declared to be salvage or scrap material still has a value as reflected on SACRT books, that value must be the minimum sale price, unless a lower price is authorized by the BOARD.

When the GENERAL MANAGER has complied with Sections 2.102 or 2.103, and the item remains unsold, the GENERAL MANAGER must again comply with Section 2.102, unless the item is scrap, salvageable material, is perishable, or has no market value.

§2.104 Disposal by Donation

For any surplus item determined to have no market value and for which SacRT would incur a disposal cost, the GENERAL MANAGER may authorize disposal by donation to a public entity, non-profit organization, or any employee, to the extent permitted by any applicable federal and state grant requirements. Any employee involved in the determination that an item has no market value may not later receive that item by donation. The GENERAL MANAGER must adopt procedures for implementation of this provision to ensure fairness and preclude self-dealing.

§2.105 Sale to Another Public Entity

Notwithstanding anything to the contrary in this Chapter, the BOARD or the GENERAL MANAGER may dispose of surplus property by sale to another public entity on such terms and conditions as are agreed upon by SACRT and the public entity. (*Public Contract Code* § 20209). The GENERAL MANAGER's authority under this Section is limited to surplus property with an aggregate value of \$25,000 or less.

§2.106 Limitation Upon Employees of SACRT

No employee, officer, or their agent, or member of their family is permitted to PURCHASE any SACRT property by incidental sale. Nothing in this Ordinance, however, prevents such employee, officer, or their agent or

members of their family from purchasing SACRT property through public auction or sealed bids.

ATTACHMENT 1 – Applicable Laws, Regulations and Guidance

Federal Statutes, Regulations, Policies, and Agreements	Subject
49 U.S.C. Chapter 53	Mass Transportation
Federal Acquisition Streamlining Act of 1994, Public Law 103-355, as amended	
Executive Order 12612 "Federalism" dated 10-26-87	
FTA Circular 4220.1F	Third Party Contracting Requirements
FTA Circular 5010.1C	Grant Management Guidelines
FTA Circular 9030.1B Chapter III	Eligible Grant Activities
2 C.F.R. Part 200	Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards
49 C.F.R. Part 31	Program Fraud Civil Remedies
49 C.F.R. Part 37	Transportation Services for Individuals with Disabilities
36 C.F.R. Part 1192 49 C.F.R. Part 38	Architectural and Transportation Barriers Compliance Board (ATBCB)/DOT regulations, "Americans With Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles"
49 C.F.R. Part 41	Seismic Safety
29 C.F.R. Part 5	Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction
29 C.F.R. Part 1630	Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act
41 C.F.R. Part 60-1	Obligations of Contractors and Subcontractors
FTA Master Agreement	Annual Terms and Conditions of FTA funded projects
Relevant decisions of the courts having jurisdiction over RT and the Comptroller General of the United States	

State Codes*	Section(s)	Subject
Civil Code	9550 et seq.	Payment Bond Requirements for Construction Projects
Civil Code	3320	Payments to Prime Design Professionals
Code of Civil Procedure	995.311	Bond Issuer Requirements
Government Code	901 et seq.	Claims (Service Contracts)

State Codes*	Section(s)	Subject
Government Code	4450	Accessibility Requirements
Government Code	4525 et seq.	Architect & Engineering Services
Government Code	5956 et seq.	Infrastructure Projects
Government Code	6250 - 6270	California Public Records Act
Government Code	53702	Federal Grant Compliance
Labor Code	1720, 1720.2, 1720.2, and 117	Prevailing Wage (Regulations at 8 CCR 16000)
Labor Code	1777.1	Debarment by California Labor Commissioner
Labor Code	1776	Payroll records, retention, inspection, noncompliance penalties, rules and regulations
Labor Code	1777.5	Employment of registered apprentices, wages, standards, number, apprentice-able craft or trade, exemptions, contributions
Public Contract Code	1103	Responsibility on Public Works Contracts
Public Contract Code	1104	Plans and Specifications
Public Contract Code	3300	Contractor's License
Public Contract Code	3400	Brand Specification
Public Contract Code	4100 – 4114	Subletting and Subcontracting
Public Contract Code	5100 – 5110	Relief of Bidders
Public Contract Code	6100 – 6610	Awarding of Contracts
Public Contract Code	7100 – 7200	Contract Clauses
Public Contract Code	9201 – 9203	Claims and Disputes
Public Contract Code	20101	Prequalification
Public Contract Code	20103.5	Contractor License
Public Contract Code	20103.8	Award of Contracts
Public Contract Code	20104 et seq.	Resolution of Construction Claims
Public Contract Code	20104.50	Progress Payments on Public Works
Public Contract Code	20209	Purchase & Sale Contracts
Public Contract Code	20320	Competitive Bidding
Public Contract Code	20323	Competitive Negotiation for Products and Materials that undergo Rapid Technological

State Codes*	Section(s)	Subject
		Changes or for New Technologies
Public Contract Code	22160 et seq.	Local Agency Design-Build Projects
Public Contract Code	22300	Performance Retention Escrow Agreement
Public Utilities Code	102000 et seq.	RT Enabling Act

Section 4: Severability

This Ordinance shall be liberally construed to effectuate its purposes. The provisions of this Ordinance are severable. If any of the provisions, clauses, sentences, sections, subsections, words or portions thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstance, such portion shall be deemed, to the maximum extent possible, a separate, distinct, and independent provision, so that such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, subsections, words or portions of this Ordinance or their application to other persons or circumstances. If any section, subsection, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by a court of competent jurisdiction, the invalidity shall not affect the remaining portions of this Ordinance.

Section 5: Effective Date

This Ordinance will become effective 30 days after the date of its passage.

Section 6: Ordinance Publication

Within 15 calendar days after adoption, the Secretary is hereby directed to publish this Ordinance in full by posting on the District’s Internet website.

Passed and adopted at a regular meeting of the Sacramento Regional Transit District on this 12th day of December, 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By:

Tabetha L. Smith, Assistant Secretary

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Chris Flores, Chief of Staff
SUBJ: APPROVING THE FOURTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MARK LONERGAN

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The Resolution will approve a Fourth Amendment to the Personal Services Contract with Mark Lonergan extending the term of the contract until December 31, 2023.

FISCAL IMPACT

There is no increase to total consideration of the Personnel Services Contract for Mr. Lonergan.

DISCUSSION

Mark Lonergan (“Mr. Lonergan”) was an employee of SacRT for over 40 years, before retiring from his position of Deputy General Manager/Chief Operating Officer on January 1, 2019. During his tenure with SacRT, Mr. Lonergan provided executive level assistance to the General Manager/CEO in planning, developing, organizing, and directing the activities of the District.

Following his retirement, SacRT entered into a Personal Services Contract with Mr. Lonergan for an initial 12-month term. That contract has since been amended, most recently to add \$50,000 to the total consideration and 12 months to the term. The current term is set to expire on December 31, 2022. This item would extend the term of Mr. Lonergan’s contract by an additional year, until December 31, 2023, but would not increase the total consideration.

As a retired annuitant, Mr. Lonergan has provided executive level assistance to SacRT’s Executive Management Team in planning and developing complex operational projects for SacRT. His expertise and institutional knowledge have assisted the District with the Light Rail Modernization Project to transition to a low floor fleet and light rail system. The addition of low floor vehicles will significantly improve the reliability of the region’s light rail system. The age and high mileage of the existing light rail vehicle fleet has resulted in reliability issues which will be an increasing problem as these vehicles continue to age.

The acquisition of these vehicles is a major capital project for SacRT requiring a very complex funding plan, drawing funding from a number of federal, state, and local sources. Mr. Lonergan will continue to provide support to SacRT as this project moves forward. He will also continue to provide support and expert advice on other critical projects.

RESOLUTION NO. 2022-12-135

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

APPROVING THE FOURTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MARK LONERGAN

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Fourth Amendment to the Personal Services Contract between Sacramento Regional Transit District, therein refer to as "SacRT," and Mark Lonergan, therein referred to as "Temporary Employee," whereby the term is extended by one year to December 31, 2023, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Fourth Amendment.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Lawrence Chiu, VP, Finance/CFO
SUBJ: REPEALING RESOLUTION 19-07-0085 AND APPROVING THE REVISED COMPREHENSIVE RESERVE POLICY

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

FISCAL IMPACT

Approval of the policy does not have a fiscal impact. Future fiscal impacts will depend upon the level of funds committed or decisions made during the annual budget preparation, year-end financial close and audit, or quarterly financial status updates.

DISCUSSION

On July 22, 2019, the Sacramento Regional Transit District (SacRT) Board of Directors approved the Revised Comprehensive Reserve Policy that helped lead SacRT into a time of improved financial stability, performance, and growth.

Over the past four fiscal years, SacRT has seen the operating reserve and working capital account grow from \$3M to just over \$36.5M, as of June 30, 2021. Preliminary Fiscal Year With SacRT's successful financial turnaround, it is necessary for the District to go back and reassess its policies to ensure they meet the needs of SacRT now and into the future.

Businesses worldwide will have lingering negative impacts as a result of the three-year pandemic crisis, and transit agencies are no exception. Therefore, SacRT staff recommends raising the target operating reserve balance from a 45 day reserve to a 60 day reserve of operating expenses as this is the Government Finance Officers Association best practice recommendation.

Update to Comprehensive Reserve Policy:

The purpose of the Comprehensive Reserve Policy (Exhibit A) is to formalize a fiscally responsible strategy for establishing, maintaining, and building reserves to address

SacRT's needs. The policy addresses five categories for which reserves are appropriate: operating reserves, working capital reserves self-insurance reserves, capital replacement reserves and grant/project reserves. The proposed amendment to the Comprehensive Reserve Policy is not making changes to the any of the previously established reserve categories; rather it is just a consideration of essential factors such as expense and revenue stability, and the overall vision of SacRT to increase the target operating reserve balance from 45 days to 60 days of operating expenses as a best financial safeguard.

RESOLUTION NO. 2022-12-136

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

**REPEALING RESOLUTION 19-07-0085 AND APPROVING THE REVISED
COMPREHENSIVE RESERVE POLICY**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, Resolution No. 19-07-0085 is hereby repealed.

THAT, the Comprehensive Reserve Policy as set forth in Exhibit A is hereby approved.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

COMPREHENSIVE RESERVE POLICY

Sacramento Regional Transit District

Original Policy Date: 09/27/10
Revised Policy (1st): 11/09/15
Revised Policy (2nd): 07/22/19
Revised Policy (3rd): 12/12/22

Sacramento Regional Transit District Comprehensive Reserve Policy

I. Introduction

The purpose of the Comprehensive Reserve Policy is to formalize a fiscally responsible strategy for establishing, maintaining, and building fiscal reserves to address Sacramento Regional Transit District's (SacRT) needs. The policy addresses four categories of needs for which reserves are appropriate: operating reserve, self-insurance reserves, capital replacement reserves, and grant/project specific reserves. Two of the categories are comprised of estimated costs or liabilities (i.e., self-insurance reserves, and capital reserves), and two categories represent contingent funds for emergencies or unanticipated needs (i.e., operating reserve, and grant/project specific reserves). In addition, to the four reserve categories the Board will have the ability to designate all or a portion of the annual operating surplus to working capital account. SacRT will comply with State and Federal laws, funding regulations and generally accepted accounting principles (GAAP) in establishing, maintaining, building, and using fiscal reserves.

II. Comprehensive Reserve Policy Objectives

SacRT will establish, maintain, and build fiscal reserves to accomplish the following objectives:

- Maintain adequate funds to meet cash flow needs in the event of emergency or unexpected operating contingences, to prevent an interruption of services.
- Maintain adequate reserves to meet SacRT's self-insurance retention obligations for Workers' Compensation and general liability claims.
- Build reserves to provide the local share of capital costs for replacement and refurbishment of assets at the end of the useful life, allowing timely refurbishment and replacement.
- Maintain reserves required by grant agreements, and/or for large capital projects, to provide contingent coverage for cost overruns.
- Maintain sufficient liquidity to reduce reliance on external short term borrowing sources.

III. Scope and Authority

Staff will determine the need for reserves in each of the four categories and working capital account, and include those needs in budgets, planning documents, grant applications, and the long-term financial plan, as appropriate. Staff will establish, build, and maintain fiscal reserves consistent with this policy. Staff may manage the reserve balance as its component parts or as a single, consolidated reserve. In either case, staff must account for all sources and uses of funds to demonstrate compliance with grant provisions and use restrictions.

SacRT will contribute to the reserves and or the working capital account annually, and communicate that intent in budgets, plans, and grant applications. The amount of contributions will be that required to maintain balances described in the approach section, below.

Staff may draw down reserves for self-insurance retention claims, and the local share of capital replacement and refurbishment costs, to the extent the costs are planned and funded in the reserve. Should staff require access to contingency funds, specifically the operating reserve, and/or the grant/project specific reserve, staff will prepare an estimated need request and justification for review by the Board of Directors (Board) prior to accessing the funds and within a reasonable time of learning of the need. An estimate of needs is appropriate to ensure timely engagement of the Board; final numbers may not be known until books are closed and the fiscal audit complete. If the difference between the estimated and final need is greater than 10%, staff will prepare an update to the Board explaining the change in need. The Board retains control over the surplus funds, with the exception of working capital cash account, and a 2/3rds majority vote is required to authorize the use of these funds.

Working capital will be identified by the Board annually with the declaration of the final operating surplus. Working capital funds will be placed into the general checking account and available for use on day to day operating costs. Infusion into working capital assists SacRT with liquidity needs and reduces reliance on the Line of Credit (LOC); as such this will not require board approval to utilize these funds.

Moving forward, should reserves fall below the levels described in the policy, staff will prepare an affordable catch-up plan describing the time period over which reserves will be established to meet at least the minimum in each category. It is the intent that reserves will be established in a timely manner, and staff will report gaps and progress to establish the reserves to the Board routinely.

IV. Approach to Establishing Reserves

SacRT will establish, maintain, and build reserves consistent with the following criteria by reserve category:

Operating Reserve: SacRT will strive to establish and maintain 16.4% ~~42.3%~~ of the annual operating budget, which is the equivalent of 2.0~~4.5~~ months of operating expense (less the current year Self-Insurance expense), in reserve for operations to be used if necessary to meet emergencies or unexpected operating contingencies. SacRT shall maintain at least a minimum operating reserve of 8%, or 30 days of operating expense (less the current year Self-Insurance expense). The Government Finance Officers Association best practice recommendation for an operating reserve balance is 60 days of operating expense.

- Self-Insurance Reserves: SacRT will strive to establish and maintain a reserve equal to the actuarially determined liability for SacRT's self-insurance retention, focusing on current liabilities to be paid in future years (i.e., total liability less funds

paid out in the current year). The actuarial study will be performed at least annually. The study will address expenses related to Workers' Compensation claims incurred and incurred, but not reported, as well as general liability claims incurred and incurred, but not reported. At minimum, SacRT will develop and maintain a reserve equal to the current year actuarially determined claim expense.

- **Capital Reserves:** SacRT will contribute annually to this fund recognizing that capital assets are depreciating at a known pace, and will require refurbishment or replacement at a future date. The amount of the annual contribution will be the local share of the replacement cost, pro-rated by years of useful life by asset class. At minimum, capital reserves will match the cash flow needs of local contributions to capital programs each and every year. At maximum, the reserve will fully fund the local share of capital costs on a pro-rata basis considering useful life of each asset class. Depending upon the expected fund balance, this amount might be discounted by expected investment earnings.
- **Grant/Project Specific Reserves:** The initial purpose of this category is to build and maintain a level of reserves equal to 10% of the total project cost for the Blue Line to Cosumnes River College (BLCRC) project by 2015, or the year the project is completed, to provide additional contingent coverage for cost overruns as required by the Federal Transit Administration (FTA). In subsequent years, additional contingent reserves might be required for large projects or as part of a grant agreement. Once the specific project or grant is closed out, funds remaining in this reserve may be allocated for other reserves or budgeted purposes of SacRT consistent with source and use of fund restrictions.
- **Working Capital Account:** The purpose of working capital account is to increase SacRT's liquidity to levels that reduce reliance on the LOC. There is no established minimum or maximum for this category. The funds will be utilized at the direction of management for purposes of maintaining adequate cash balances as a result of cyclical changes in receipts, disbursements, and economic changes.

V. Compliance with Regulations

SacRT will comply with all relevant laws and regulations governing fiscal responsibilities, reserves and sources and uses of funds. Among these are:

- The California Transportation Development Act and its amendments
- Federal funding guidelines and agreements
- Generally Accepted Accounting Principles (GAAP).

VI. Establishment of Reserves

SacRT received Board approval to use operating reserves to cover budget shortfalls during FY 2014 and FY 2015. During FY 2016, this trend stopped and since then, the annual operating surplus has been used to increase the reserve balances and working capital account. Staff will prepare an analysis of minimum and full reserve requirements for each of the four categories and the total. The reserve needs shall be presented to the Board no later than as part of the annual budget process each and every year. If reserves fall below

the minimum in one or more categories, staff will prepare an affordable catch-up plan to cover the shortfall. The annual contribution to reserves, working capital and the catch-up plan where needed, will become part of the budget, and be reflected in the Financial Forecasting Model, short range transit plans, grant applications (as appropriate), and general communications. Staff will report on reserve needs (minimum and full funding), planned contributions, shortfalls and the catch up plan (as appropriate) at least at mid-year and annual budget discussions.

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: David Topaz, VP, Employee Development and Engagement
SUBJ: APPROVING THE RENEWAL OF ALL SACRT HEALTH AND WELFARE BENEFITS FOR 2023

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The effect of the Board approving the renewal of all of the Health and Welfare insurance coverages is that employees will continue to receive the health and welfare benefits described below in accordance with SacRT's collective bargaining agreements and employment contracts.

FISCAL IMPACT

Total Fiscal Year (FY) 2023 increase will be \$86,084.46. Savings in other General Ledger Accounts will be used to cover these costs.

DISCUSSION

Each year, SacRT must determine whether to continue its current insurance benefit policies with its current benefit providers. The following is a summary of the results of the 2023 renewal process. Attachment 1 contains an Executive Summary prepared by SacRT's benefit broker, Keenan and Associates, providing details on all the renewal information. The rates are renewed on a calendar year basis as opposed to how funds are budgeted on a fiscal year basis.

Dental

The Delta Dental PPO and Delta HMO plans both renewed with a pass rate. Current rates and benefits for all employees enrolled remain the same for the 2023 plan year. The next plan renewal will be January 1, 2024.

Vision

Current rates for all employees enrolled in the VSP Basic or Enhanced Plan will remain the same for the 2023 plan year. This is the first year of a three-year rate guarantee. The next plan renewal will be January 1, 2026.

Life Insurance/Accidental Death & Dismemberment (AD&D)/Long Term Disability (LTD) Insurance

Effective January 1, 2023, the District increased the coverage amount for specific classes and the overall Basic Dependent Life Benefit in order to remain competitive with the benefit provided by other comparable agencies. SacRT has not increased this benefit since 1987. These benefit changes resulted in a slight decrease to the current Basic Life rate from \$0.265/\$1,000 to \$0.254/\$1000 of coverage. There was no change in the Basic Accidental Death & Dismemberment (AD&D) rate. There was a significant increase in the Basic Dependent Life rate from \$0.48 per unit to \$3.18 per unit. The rates remain unchanged for the Voluntary Life and Long Term Disability (LTD) plans. The decrease in the Basic Life premium and the increase in the Basic Dependent Life premium results in an increase of \$86,084.46 for FY 2023. The next plan renewal will be January 1, 2024.

Flexible Spending Account (FSA) and COBRA Administration

The current rate of \$4.40 per month per participant will increase to \$4.55 per participant for calendar year 2023, which is a rate increase of \$297.00 for FY 2023. The contract with Navia Benefits Solutions is an evergreen contract meaning that it continues in force indefinitely but may be terminated with a 30-day notice of cancellation.

Employee Assistance Program

In July 2021, SacRT entered into a contract with Optum, for with a three-year rate guarantee. Current rates will remain the same for the 2023 plan year. This is the second year of a three-year rate guarantee. The next plan renewal will be July 1, 2024.



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Keenan & Associates | CA License #0451271

Sacramento Regional Transit District
2023 Health & Welfare Renewal
Executive Summary

On behalf of Sacramento Regional Transit District, Keenan & Associates is pleased to present the 2023 renewal overview for the ancillary benefit plans.

Renewal and Marketing Objectives

Keenan's primary goal has been and will continue to be negotiating on behalf of Sacramento Regional Transit District in order to provide ancillary benefit programs that bring value to the employees while being affordable and include multi-year rate guarantees in order to provide stability to the rates.

Dental and Vision Care Trends

Keenan & Associates is forecasting the following dental and vision trend increases for the third year in a row:

<u>Dental</u>	<u>Vision</u>
PPO – 5.0%	3.0%
Prepaid – 4.0%	

Delta Dental

The current Delta Dental PPO and DHMO rates are going into the second year of a two-year rate guarantee that started January 1, 2022. All rates and benefits will remain the same until the next renewal effective January 1, 2024.

VSP

The VSP Vision Base, Buy-Up Option 1 and Buy-Up Option 2 plans renewed with a rate pass and a 3-year rate guarantee with benefit enhancements including but not limited to higher frame and contact lens allowances on the Base plan and VSP's LightCare program on Buy-Up Option 1 and Buy-Up Option 2 plans. All current rates will remain the same until the next renewal effective January 1, 2026.

The Hartford

The District increased the coverage amount for specific classes and the overall Basic Dependent Life Benefit. These benefit changes resulted in a slight decrease to the Basic Life rate from \$0.265 per \$1,000 of coverage to \$0.254 per \$1,000 of coverage, no change in the Basic Accidental Death & Dismemberment (AD&D) rate of \$0.031 per \$1,000 of coverage and a significant increase in the Basic Dependent Life rate from \$0.48 per unit to \$3.18 per unit. The benefits for the Voluntary Life and Long-Term Disability (LTD) plans were not changed. The rates for the Basic Life/AD&D, Voluntary Life and LTD plans will remain the same until the next renewal effective January 1, 2024.

Flexible Spending Account

Navia Benefits administration had a slight increase from \$4.40 per participant per month to \$4.55 per participant per month for the 2023 plan year. Although a request was made to Navia for a rate pass, Navia declined the request.

Optum EAP

The current Employee Assistance Program (EAP) rates are going into the second year of a three-year rate guarantee that started July 1, 2021. All rates and benefits will remain the same until the next renewal effective July 1, 2024.

Summary

We appreciate the long-term partnership we've had with Sacramento Regional Transit District and look forward to working with the District during the 2023 plan year. We will continue to work with the current lines of coverage while keeping the District informed of new regulations and changes that affect the employee benefits offered to District employees.

Sincerely,

Chris Jordan

Chris Jordan
Account Executive
Employee Benefits

RESOLUTION NO. 2022-12-137

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

APPROVING THE RENEWAL OF ALL SACRT HEALTH AND WELFARE BENEFITS FOR 2023

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby approves the 2023 Health and Welfare Renewals for dental coverage with Delta Dental, vision coverage with Vision Services Plan, life insurance and long-term disability insurance with The Hartford Life Insurance Company, flexible spending account management with Navia Benefit Solutions, and employee assistance program services with Optum; and

THAT, the Board hereby authorizes the General Manager/CEO to fill out, execute, and submit any and all forms, applications, documents, and agreements necessary to effectuate the renewal of all insurance coverages herein approved.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Lisa Hinz, VP, Security, Safety and Customer Satisfaction
SUBJ: ADOPT THE REVISED PUBLIC TRANSPORTATION AGENCY SAFETY PLAN

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approval of the Public Transportation Agency Safety Plan (PTASP) maintains compliance with FTA and CPUC regulation changes outlined in the “*Bi-Partisan Infrastructure Bill*”.

FISCAL IMPACT

Approval will prevent the interruption of FTA 5307 funding.

DISCUSSION

FTA and CPUC regulation mandate that the Board of Directors provide approval when changes are made to the PTASP.

The “*Bi-Partisan Infrastructure Bill*” mandated the establishment and structure of an additional advisory committee for PTASP change approval and changes to the content of two (2) required training programs.

The proposed revision of the PTASP provides the structure for the additional committee and lists the additional changes to the training requirement. All changes in the PTASP are highlighted in yellow in the attached Exhibit A.

Staff recommends that the Board adopt the revised PTASP for SacRT.

RESOLUTION NO. 2022-12-138

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

**ADOPT THE REVISED PUBLIC TRANSPORTATION AGENCY SAFETY PLAN
(PTASP)**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby adopts the revised Public Transportation Agency Safety Plan as depicted in Exhibit A.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



Regional Transit

Exhibit A

PUBLIC TRANSPORTATION AGENCY SAFETY PLAN

May 2022





Public Transportation Agency Safety Plan

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Public Transportation Agency Safety Plan

Accountable Executive Statement

Safety is recognized as a core value in Sacramento Regional Transit (SacRT) and impacts everything we do. I commit to championing culture of safety from the “top down” and will continue to demonstrate through my actions my commitment to safety and its importance in the success of our agency and the health and wellbeing of our employees and customers.

Our safety culture is founded upon these guiding principles:

- The team at SacRT relies on a high degree of trust and respect between staff and management. Everyone at SacRT has my promise that they will be supported in all decisions made in the interest of safety.
- SacRT embodies a positive safety culture that is fostered by management and shared by all employees. This positive safety culture is critical for the effective operation of our Safety Management System.
- SacRT recognizes safety as one of the organization’s primary core values and is continually promoted by the senior management team.
- The ongoing pursuit of an accident-free workplace, including no harm to people and no damage to equipment, the environment or property.

Non-Punitive Reporting Policy

SacRT embodies a culture of open reporting of all safety hazards in which management will not initiate disciplinary action against any personnel who, in good faith, discloses a hazard or safety occurrence due to unintentional conduct. This policy applies to all personnel acting in accordance with agency procedures and/or regulations. Personnel willfully acting outside of stated agency policy, regulations, or in commission of criminal acts will be subject to appropriate disciplinary action.

Summary

Public Transportation Agency Safety Plan (PTASP) is a vital tool to link safety through all elements of our operations with clear direction and visibility, allowing us to maintain the high level of safety we all take pride in. As the SacRT PTASP evolves, we will maintain an open and constructive working environment that supports continuous improvement and operational excellence throughout all levels of our organization.

Henry Li

General Manager

Date: October 26, 2020



Public Transportation Agency Safety Plan

SacRT Board of Directors Approval

RESOLUTION NO. 20-10-0125

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

October 26, 2020

APPROVING THE PUBLIC TRANSPORTATION AGENCY SAFETY PLAN (PTASP)

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

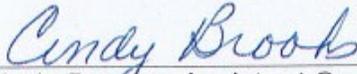
THAT, the Board hereby adopts the Public Transportation Agency Safety Plan as depicted in Exhibit A.



STEVE HANSEN, Chair

ATTEST:

HENRY LI, Secretary

By: 

Cindy Brooks, Assistant Secretary



Public Transportation Agency Safety Plan

Introduction to Sacramento Regional Transit System

Overview

SacRT is governed by an 11-member Board of Directors comprised of members of the Sacramento, Citrus Heights, Elk Grove, Folsom and Rancho Cordova city councils as well as the Sacramento County Board of Supervisors.

General Overview and History of SacRT

SacRT is divided into nine (9) divisions: Operations, Administrative Services/EEO, Finance, Marketing and Communications, Facilities & Business Support Services, Engineering and Construction, Planning/Transit System Development, Legal, and Security, Safety, and Customer Satisfaction.

The Public Transportation Safety Agency Plan (PTASP) applies to all organizational units affecting, or affected by, the SacRT Light Rail system throughout operations and maintenance phases. The PTASP addresses SacRT rail system planning, design, construction, procurement, installation, pre-revenue testing, safety certification and startup. The Security and Emergency Preparedness Program Plan (SEPPP) is a separate program and is handled by SacRT's Police Services Department for issues pertaining to security.

SacRT employs a work force of approximately 1,300 people, 80 percent of whom are dedicated to front-line operations and maintenance of the bus and light rail systems. SacRT operates seven maintenance and operations facilities: one for bus, three for Community Bus Services (Folsom Stage Line, SmaRT Ride and SacRT GO) and two locations for light rail. SacRT also operates and maintains e-tran and e-van services in the City of Elk Grove

The Sacramento Regional Transit District (SacRT) operates 30 fixed routes, 19 commuter routes, 17 seasonal routes in addition to nine SmaRT Ride on-demand microtransit service zones, ADA paratransit service (SacRT GO), Airport Express bus service (temporarily suspended due to ridership impacts from the COVID-19 pandemic), UC Davis service (Causeway Connection), and 43 miles of light rail that covers a 400 square-mile service area.

SacRT buses and light rail trains operate 365 days a year using 97 light rail vehicles, 186 buses powered by compressed natural gas (CNG), six zero emission electric buses, 26 shuttle buses powered by CNG, nine zero emission electric shuttle buses, and 120 ADA paratransit vehicles. Buses operate daily from 5 a.m. to 11 p.m. every 12 to 60 minutes, depending on the route. Light rail trains begin operation at 4 a.m. with service every 15 minutes during the day, and every 30 minutes in the evening and on weekends. Blue Line and Gold Line trains operate until approximately 12:30 a.m. and the Gold Line to Folsom operates until 11:30 p.m. Green Line trains operate every 30 minutes Monday through Friday from approximately 6 a.m. to 8:30 p.m. (no weekend or holiday service).

Passenger amenities include 52 light rail stations, 30 bus and light rail transfer centers and 22 park-and-ride lots. SacRT also serves over 3,100 bus stops throughout Sacramento County.

Annual ridership has fluctuated recently on both bus and light rail systems and has grown from 14 million passengers in 1987 to over 21 million passengers in FY19. Weekday light rail ridership averages approximately 37,500 passengers per day. Bus weekday ridership has reached an average of approximately 35,000 passengers per day (note: during the COVID-19 pandemic due to shelter in



Public Transportation Agency Safety Plan

place orders, distance learning and telecommuting, ridership is averaging around 40% and growing every month).

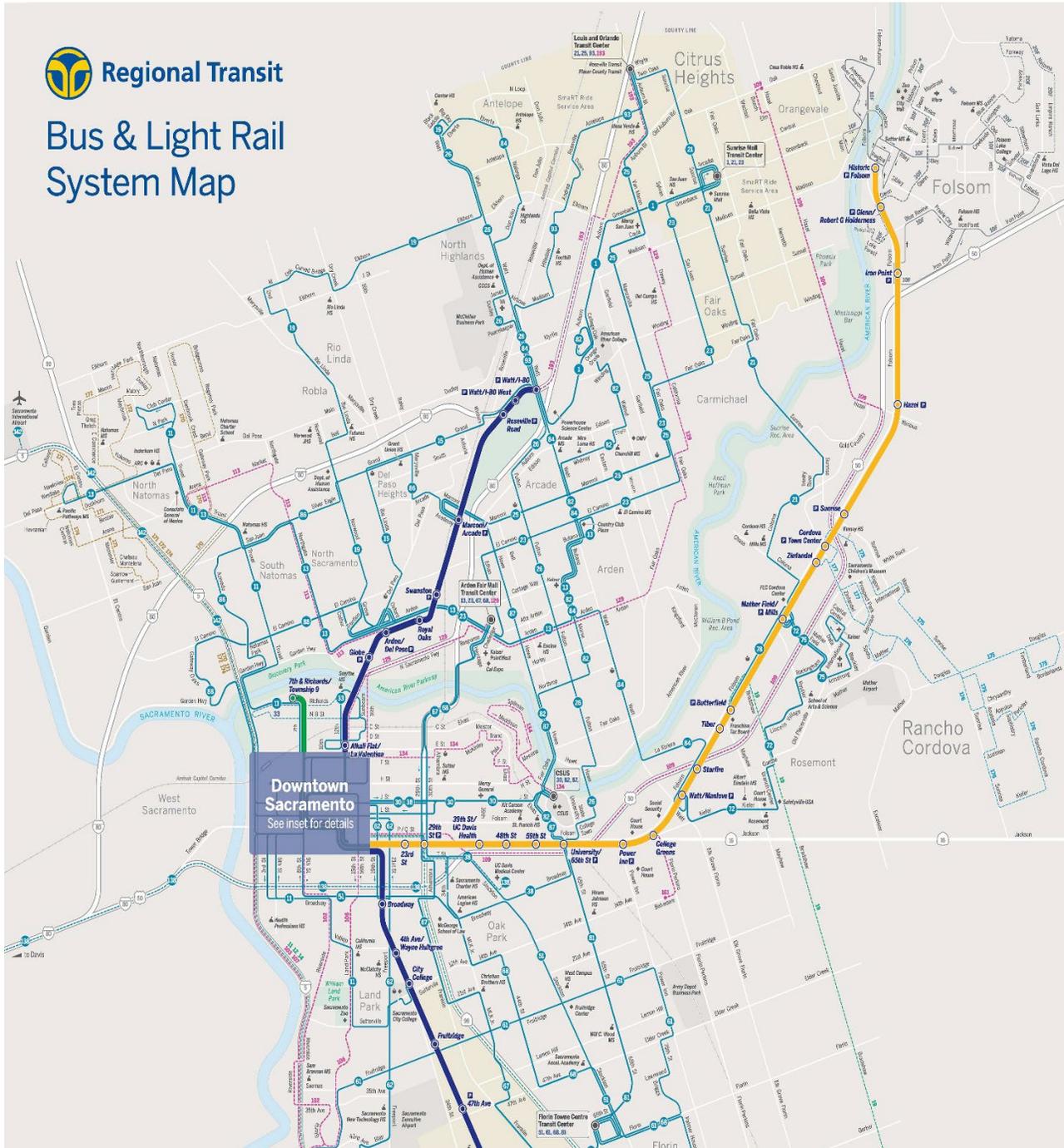
SacRT's entire bus and light rail system is accessible to the disabled community. SacRT GO paratransit service also provides a door-to-door transportation service (in accordance with its responsibilities under the Americans with Disabilities Act) for Sacramento area residents who are unable to use fixed-route service.

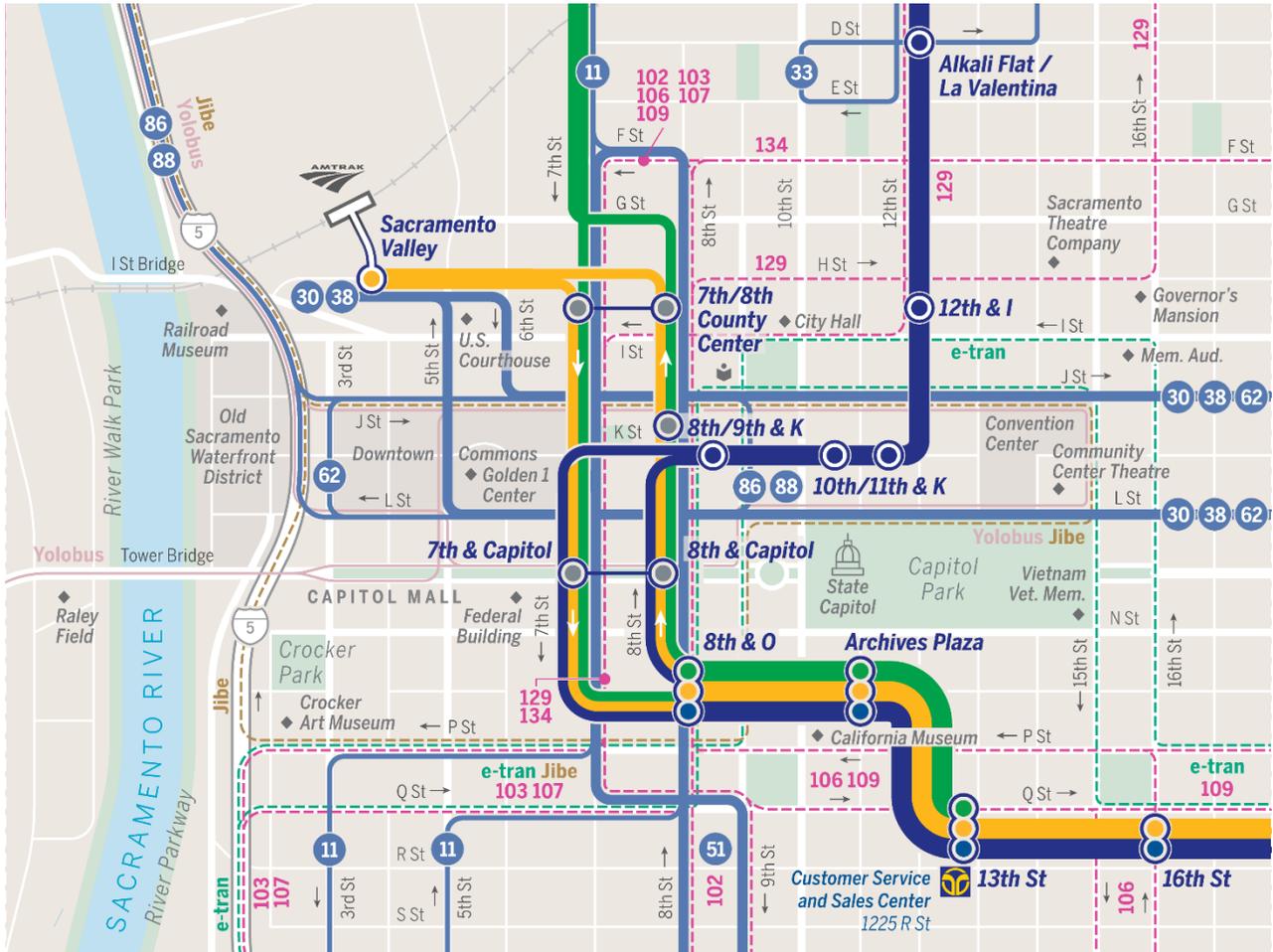
With a total of nine active SmaRT Ride service zones, SacRT is the largest microtransit provider in the country, operating with 45 shuttle buses. SmaRT Ride service is on-demand using an app, website or phone, and operates in the communities of Arden, Carmichael, Citrus Heights, Downtown-Midtown-East Sacramento, Folsom, Franklin- South Sacramento, Gerber-Calvine, North Sacramento and Rancho Cordova, with a focus on serving disadvantaged communities.

The Causeway Connection electric bus service operates Monday through Friday from 5:30 a.m. to 8:50 p.m. between the cities of Davis and Sacramento. When in service, the Airport Express bus operates from downtown Sacramento to the Sacramento International Airport every 20/30 minutes, seven days a week.

Operations

The operational SacRT Rail System Map:





Blue Line

Trains stop at every station on the Blue Line and travel the entire line between the Watt/I-80 Station and the Cosumnes River Station. Minimum scheduled headways are 30 minutes. Maximum scheduled headways are 15 minutes during peak hours. Service is provided from 3:53AM to 12:59 AM weekdays, 5:26 AM to 12:59 AM Saturdays, 4:57 AM to 10:59 PM on Sundays and holidays.

Gold Line

Trains stop at every station and travel the entire line between the Sacramento Valley Station at Amtrak and the Historic Folsom Station. Minimum scheduled headways are 30 minutes. Maximum scheduled headways are 15 minutes during peak hours. Service is provided from 3:49 AM to 12:25 AM weekdays, 4:49 AM to 12:25 AM on Saturdays, and 4:50 AM to 10:25 PM on Sundays and holidays.

Green Line

Trains stop at every station on the Green Line and travel the entire line between the Township 9 Station and the 13th Street Station. Scheduled headways are 30 minutes and service is provided from 5:59 AM to 8:49 PM on weekdays only. There is no Saturday, Sunday or holiday service.

Public Transportation Agency Safety Plan

Definitions:

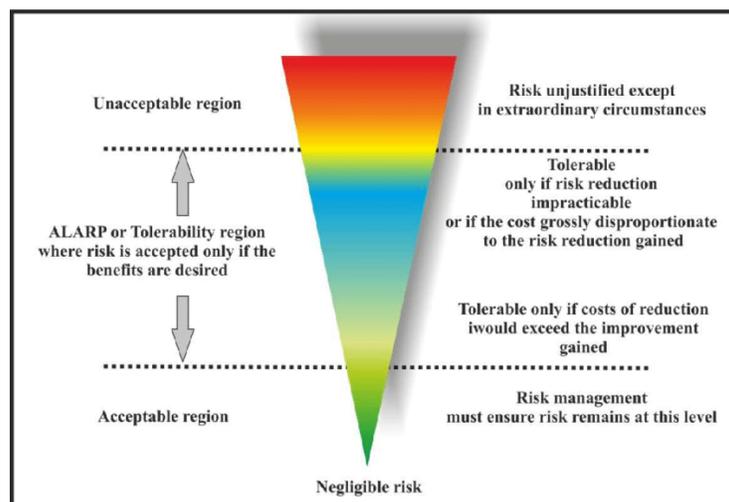
Accident means an Event that involves any of the following: A loss of life; a report of a serious injury to a person; a collision of public transportation vehicles; a runaway train; an evacuation for life safety reasons; or any derailment of a rail transit vehicle, at any location, at any time, whatever the cause.

Accountable The one ultimately answerable for the correct and thorough completion of the deliverable or task, the one who ensures the prerequisites of the task are met and who delegates the work to those responsible. An accountable must sign off or approve work that responsible provides. There must be only one accountable specified for each task or deliverable.

Accountable Executive means a single, identifiable person who has ultimate responsibility and accountability for the implementation and maintenance of the Public Transportation Agency Safety Plan (PTASP) of a public transportation agency; responsibility for carrying out the agency's Transit Asset Management (TAM) Plan; and control or direction over the human and capital resources needed to develop and maintain both plans.

Application Program Interface (API) is a computing interface exposed by a software program, library, operating system or internet service, to allow third parties to use the functionality of that software application.

As Low as Reasonably Practicable (ALARP) is a term often used in the regulation and management of safety-critical and safety-involved systems. The ALARP principle is that the residual risk shall be reduced as far as reasonably practicable.



California Highway Patrol (CHP) inspects and oversees bus vehicle safety, and operator licensing.

California Public Utilities Commission (CPUC) serves as the State Safety Oversight Agency (SSOA) for the FTAs rail-related operations.

Certifiable Elements List means a list that contains all facilities, systems, rail at-grade crossings, and other items that are subject to safety certification due to their safety functions.

Chief Safety Officer means an adequately trained individual who has responsibility for safety and reports directly to a transit agency's chief executive officer, general manager, president, or equivalent officer. A Chief Safety Officer may not serve in other operational or maintenance capacities, unless the Chief Safety Officer is employed by a transit agency that is a small public transportation provider as

Public Transportation Agency Safety Plan

defined in 49 CFR Part 673, or a public transportation provider that does not operate a rail fixed guideway public transportation system.

Close-calls are incidents in which no property was damaged and no personal injury was sustained.

Consult Those whose opinions are sought, typically subject-matter experts; and with whom there is two-way communication.

Contractor means an entity that performs tasks required on behalf of the Commission or Rail Transit Agency (RTA).

Corrective Action Plan (CAP) means a plan developed by an RTA that describes the actions the RTA will take to minimize, mitigate, control, correct, or eliminate hazards, and the schedule for implementing those actions.

Eligible projects means projects that are reasonably likely to assist the recipient in meeting the performance targets established in the ASP Safety Committee, including modifications to rolling stock and deesclation training. Funds will be set aside for these projects.

Event means any Accident, Incident, or Occurrence.

Existing Industry Standards means the currently accepted industry and professional engineering standards and/or guidelines relating to the design, construction, operation, and maintenance of Rail Fixed Guideway Systems such as ANSI, APTA, AREMA, ASCE, ASEE, ASME, FRA, FTA, IEEE, NFPA, and others.

FRA means the Federal Railroad Administration.

FTA means the Federal Transit Administration.

General Orders means rules established by the California Public Utilities Commission (CPUC).

Hazard means any real or potential condition (as defined in the RTA's hazard management process) that can cause injury, illness, or death; damage to or loss of a system, equipment or property; or damage to the environment.

Hazard Analysis means any analysis performed to identify hazards or safety risks for the purpose of their elimination, mitigation, or control.

Incident means an event that involves any of the following: a personal injury that is not a serious injury; one or more injuries requiring medical transport; or damage to facilities, equipment, rolling stock, or infrastructure that disrupts the operations of a transit agency.

Individual means a passenger; employee; contractor; other rail transit facility worker; pedestrian; trespasser; or any person on rail transit-controlled property.

Inform Those who are kept up-to-date on progress, often only on completion of the task or deliverable; and with whom there is just one-way communication.

Integrated Risk Identification System (IRIS) means a centralized data collection software that collects identified safety risk throughout SacRT. The identified safety risks are then assessed and evaluated based upon the severity and probability.

Investigation means the process used to determine the causal and contributing factors of an accident or hazard, so that actions can be identified to prevent recurrence.

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Light Rail Vehicle (LRV) means a vehicle type with motive capability, driven by electric power taken from overhead lines, and configured for passenger traffic.

Mainline means all tracks used for the purpose of the movement of passengers on rail transit vehicles. Mainline does not include storage tracks, yard tracks or other tracks used for the purpose of storage.

Major Projects (Projects) means new rail systems or extensions, the acquisition and integration of new vehicles and safety critical technologies into existing service or major safety critical redesign projects, excluding functionally and technologically similar replacements.

Near-miss means an incident infringing on the safety on the safety of a *roadway worker* on or near the tracks, but without contact or injury.

Occurrence means an Event without any personal injury in which any damage to facilities, equipment, rolling stock, or infrastructure does not disrupt the operations of a transit agency.

Operation and Maintenance (O&M) Manual contains the information required for the operation, maintenance, repair, and decommissioning of equipment, building, or a facility.

Organizational Safety Procedures (OSPs) means agency-wide procedures which define the agency's safety objectives and the accountabilities and responsibilities regarding managing specific safety risks.

Outlier means a data point that differs significantly from other observations. An outlier may be due to variability in the measurement or it may indicate error; the latter are sometimes excluded from the data set.

Passenger means a person who is on board, boarding, or alighting from a rail transit vehicle for the purpose of travel.

Performance Criteria means categories of measures indicating the level of safe performance within a transit agency.

Performance target means a specific level of performance for a given performance measure over a specified timeframe.

Person means any individual.

Personal Electronic Device (PED) means any wireless or portable electronic device. This includes, but is not limited to, wireless phones, personal digital assistants, smart phones, two-way pagers, portable internet devices, laptop computers, DVD players, audio players, iPods, MP3 players, games, Bluetooth devices, or any headphones or earbuds. The following devices are excluded from this definition:

1. RTA-owned licensed radio communication equipment such as cab mounted or portable two-way radios with channels dedicated solely for RTA operations.
2. Electronic or electrical devices prescribed by a licensed medical practitioner to permit an employee to meet minimum levels of hearing ability as required by the RTA or contractor.
3. Roadway worker protection devices.

Public Transportation Agency Safety Plan (PTASP) means the overarching organization-wide document that contains safety management processes. The PTASP utilizes safety management system (SMS) processes to achieve the objectives defined. The PTASP and SMS may be used interchangeably.

Rail Fixed Guideway System (RFGS) means any light, heavy, or rapid rail system, monorail, inclined plane, funicular, trolley, cable car, automatic people mover, or automated guideway transit system



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used for public transit and not regulated by the FRA or not specifically exempted by statute from Commission oversight.

Rail Transit Agency (RTA) means the entity that plans, designs, constructs, and/or operates a RFGS.

Rail Transit-Controlled Property means property that is used by the RTA and may be owned, leased, or maintained by the RTA.

Rail Transit Vehicle means an RTA's rolling stock, including but not limited to passenger and maintenance vehicles.

Responsible Those who do the work to complete the task. There is at least one role with a participation type of *responsible*, although others can be delegated to assist in the work required. .

Risk Assessment Code (RAC) means assessed risks are expressed as a RAC, which is a combination of one severity category and one probability level. The RAC provides a rating to classify the safety risk that is present.

Risk-based decision making provides a process to ensure that optimal decisions, consistent with the goals and perceptions of those involved are reached. This process ensures that all available information is considered and used as appropriate to the decision at hand.

Risk elimination means a method or methods to remove the hazard or the effects of hazards.

Risk mitigation means a method or methods to reduce the effects of hazards.

Safety means freedom from harm resulting from unintentional acts or circumstances.

Safety Certification means the series of acts or processes that collectively verify the safety readiness of a Project for public use.

Safety Certification Plan (SC Plan) means a Project-specific document developed by a RTA, which ensures that elements critical to safety are planned, designed, constructed, analyzed, tested, inspected, and implemented, and that employees are trained and rules and procedures followed, in compliance with RFGS and regulatory safety requirements.

Safety Certification Verification Report (SCVR) means a Project-specific document that will be the final certificate of compliance verifying that the Project complies with all safety requirements identified by an RTA's SC Plan.

Safety Design Criteria means the organized listing of safety codes, regulations, rules, design procedures, existing industry standards, recommended practices, analyses, handbooks and manuals prepared to provide guidance to Project designers in development of technical specifications that meet minimum safety parameters.

Security means freedom from harm resulting from intentional acts or circumstances.

Staff means Commission employees responsible for safety oversight of RTAs.

Safety Management Procedures means department level documented task specific processes defining how safety risks will be managed in accordance with the Organizational Safety Procedures (OSP). Safety management procedures are typically appendices to Organizational Safety Procedures.

Safety Management System (SMS) means the formal, top-down, organization-wide approach to managing safety risk and assuring the effectiveness of a transit agency's safety risk mitigation. SMS includes systematic procedures, practices, and policies for managing risks and hazards. May be used interchangeably with PTASP.

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Safety Performance Target means a Performance Target related to safety management activities.

Safety Promotion means a combination of training and communication of safety information to support SMS as applied to the transit agency's public transportation system.

Safety Risk means the assessed probability and severity of the potential consequence(s) of a hazard, using as reference the worst foreseeable, but credible, outcome.

Safety Risk Evaluation means the formal activity to determine Safety Risk Management priorities by establishing the significance or value of its safety risks.

Safety Risk Management means process within the Safety Management System for identifying hazards and analyzing, assessing, and mitigating safety risk.

Serious Injury means any injury which:

1. Requires hospitalization for more than 48 hours, commencing within 7 days from the date of the injury was received;
2. Results in a fracture of any bone, excluding simple fractures of fingers, toes, or nose;
3. Causes severe hemorrhages, nerve, muscle, or tendon damage;
4. Involves any internal organ; or
5. Involves second- or third-degree burns, or any burns affecting more than 5 percent of the body surface, as estimated using the "Rule of Nines".

State of Good Repair (SGR) means the condition in which a capital asset can operate at a full level of performance.

Subject Matter Expert (SME) is an individual with a deep understanding of, and wealth of experience in, a particular job, process or technology.

System Security Plan (Security Plan) means a document adopted by an RTA detailing its security policies, objectives, responsibilities, and procedures.

Transit Asset Management (TAM) Plan means the strategic and systematic practice of procuring, operating, inspecting, maintaining, rehabilitating, and replacing transit capital assets to manage their performance, risks, and costs over their life cycles, for the purpose of providing safe, cost-effective, and reliable public transportation.



Public Transportation Agency Safety Plan

Safety Policy



Safety Policy

Safety Management Policy component is divided into four components:

- Safety Management Policy Statement
- Employee Safety Reporting Program
- Safety Policy Communication
- Safety Accountabilities and Responsibilities

1.1 *Safety Management Policy Statement*

SacRT's accountable executive, management, and staff recognizes that safety is a core value of the organization. SacRT is committed to ensure that all employees are proactive in minimizing risk of injury or incident and will ensure that no disciplinary action will be taken against any employee for reporting an incident or a safety hazard to the agency's management, while acting in accordance with agency procedures and regulations. SacRT will maintain an open and constructive working environment that supports continuous improvement of operational excellence throughout all levels of SacRT.

The purpose of the Public Transportation Agency Safety Plan (PTASP) and Organizational Safety Policies (OSPs) is to manage identifiable risks proactively and effectively. This is done by:

- Establishing safety policy, procedures and requirements that integrate safety in SacRT decision making and operations;
- Identifying and managing risks related to safety;
- Obtaining consistent and optimal human and organizational performance;
- Establishing open lines of communication related to safety issues with anyone with whom the organization exchanges services; and
- Actively seeking feedback on and improving the organizations safety management activities.

An important part of ensuring that the PTASP is effective is setting out performance goals and measuring the performance of the safety management system relative to those goals. The performance goals of the SacRT PTASP are as follows:

- Identify internal trends relative to safety and review these trends to monitor safety related hazards.
- Maintain assigned time frames for managing safety related events and their associated corrective actions.
- Perform required audits and reviews on a timely basis to ensure the SacRT's continued ability to carry out its activities effectively and safely.
- Continuously improve safety within the organization's operations.
- Continuously monitor the safety management system for areas of improvement and implement changes as required.

SacRT's Safety Management Policy is communicated to all personnel, management, executives, contractors, and to the Board of Directors.

1.1.1 Scope and Applicability

The PTASP Plan applies to all of SacRT's transportation system modes including: the two fixed-route bus system modes - motor coaches and Community Bus Services (CBS); the two demand-response modes - SacRT GO and SmarT Ride; and light rail operations and maintenance.

The PTASP Plan defines SacRT's technical and managerial safety activities of our transit system. The PTASP Plan applies to all organizational units affecting, or affected by, the SacRT bus and rail systems from planning through the operations and maintenance phases. Management's compliance with the PTASP Plan ensures that its goals and objectives are achieved.

The PTASP Plan demonstrates SacRT's commitment to safety by identifying programs and processes that minimize all safety events. This PTASP Plan complies with the requirements of 49 Code of Federal Regulations Parts 672, 673 and 674, issued by the Federal Transit Administration (FTA), as well as General Order 164 (Current Series), CPUC RTSB Program Standard, issued by the California Public Utilities Commission (CPUC).

1.1.2 Objectives

The following are the objectives of the Public Transportation Agency Safety Plan:

- Identify, eliminate, and/or control hazards and their associated risks using safety management system processes.
- Provide a level of safety in transit services that meets, and strives to exceed, industry standards and practices.
- Improve safety communication throughout the agency.
- Continuously improve safety of our transportation system by incorporating innovative technologies and improved efficiencies.
- Achieve Vision Zero by eliminating all transit related traffic deaths.
- Ensure regulatory compliance.
- Provide a uniform frame of reference and accountability.

1.1.3 Manual Structure

The manual is structured with three interconnected components:

1. Public Transportation Agency Safety Plan (PTASP) defines the following:
 - a. The safety data and processes to collect it;
 - b. The processes used to report safety risks;
 - c. The processes to evaluate safety risks;
 - d. The processes to mitigate or eliminate the safety risks; and
 - e. How safety information is communicated throughout the organization.
2. The Organizational Safety Policies (OSPs):
 - a. The overarching organization-wide collection of documents containing safety policies;
 - b. The policies are developed and maintained by the Safety Department; and

Public Transportation Agency Safety Plan

- c. Departmental safety procedures are appendices to the OSPs. The departmental safety procedures require review and approval by the Safety Department.
3. Departmental Safety Procedures:
 - a. The task-specific procedures define how each department will meet the policies defined in the PTASP and OSP.
 - b. The Departmental Safety Procedures will be used as appendices to the OSPs.

The Security and Emergency Preparedness Program Plan (SEPPP) is a separate program and is handled by SacRT's Police Services Department for issues pertaining to security.

1.1.4 Public Transportation Agency Safety Plan

SacRT's PTASP establishes accountability and responsibility at the top levels of the organization, evidenced by the SacRT Board's approval and the General Manager's commitment to allocate necessary resources to sustain and improve SacRT's safety culture. This PTASP explains each organizational unit's function within the larger SacRT transportation system and how accountability for safety is integrated throughout the organization. This PTASP also describes the four SMS components integral to the successful implementation of PTASP within SacRT: Safety Management Policy, Safety Risk Management, Safety Assurance, and Safety Promotion.

This plan is designed to comply with 49 CFR Part 673, Part 674, and CPUC General Orders.

SacRT's Safety Management Policy component is divided into four elements:

- Safety Management Policy Statement
- Employee Safety Reporting Program
- Safety Policy Communication
- Safety Accountabilities and Responsibilities

SacRT's Safety Risk Management component includes three sub-elements:

- Safety Hazard Identification
- Safety Risk Assessment
- Safety Risk Mitigation

SacRT's Safety Assurance component includes three sub-elements:

- Safety Performance Monitoring and Measurement
- Management of Change
- Continuous Improvement

SacRT's Safety Promotion component includes the following sub-elements:

- Safety Risk Communication
- SSOA Communication
- Safety Management System Committees
- Hazard Resolution Fire Life Safety Committee

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- Public Safety Training
- Drug and Alcohol Program
- Safety Competency and Training Program
- Safety Communication

1.1.5 Organizational Safety Policies (OSPs)

The OSP is the overarching organization-wide document containing safety policies. The policies are developed and maintained by the Safety Department

Departmental safety procedures are appendices to the OSPs. The departmental safety procedures require review and approval by the Safety Department.

The following procedures are part of the OSP:

Procedure Name	Purpose	Procedure Developer
Event Investigation Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities for accident investigation. • Identification of factors that caused or contributed to the accident and setting forth a Corrective Action Plan (CAP) as appropriate. • Compliant with 49 CFR Parts 673, 674, CPUC GO-164 (current series). 	Safety Department
Aerial Work Platform Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding aerial work platforms. • Describes procedure for safe use and operation of aerial work platform. • Compliant with applicable Title 8 California Code of Regulations requirements. 	Safety Department
Asbestos Awareness Procedure	<ul style="list-style-type: none"> • Establishes requirements on controlling asbestos exposure in order to protect employees and contractors. • Compliant with applicable Title 8 California Code of Regulations requirements, and Environmental Protection Agency (EPA). 	Safety Department

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Procedure Name	Purpose	Procedure Developer
Bloodborne Pathogen and Infection Prevention Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities during blood and/or bodily fluid clean up. • Minimize the safety and health hazards and risk to personnel related to bloodborne pathogens and infection. • Compliant with applicable Title 8 California Code of Regulations, and Health and Safety Code requirements. 	Safety Department
Business Continuity and Recovery Plan	<ul style="list-style-type: none"> • Defines roles and responsibilities during emergencies. • Defines the coordination with Federal, State, Regional, and Local Officials regarding emergency preparedness response. • Describes the emergency preparedness evaluation process. • This document meets the requirements of 49 CFR Part 673.11. 	Safety Department
Confined Space Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding confined space entry. • Compliant with applicable Title 8 California Code of Regulations. 	Safety Department
Contagious Disease Response Plan	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding contagious disease response. • Describes the contagious disease response process. • Defines the coordination with Federal, State, Regional, and Local Officials regarding contagious disease response. 	Safety Department
Electrical Worker Safety Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding electrical worker safety. 	Safety Department

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Procedure Name	Purpose	Procedure Developer
	<ul style="list-style-type: none"> Minimize the safety and health hazards and risk to personnel related to discharge of electrical energy when working within the arc flash boundary distance. Provide a uniform frame of reference for work on or near energized conductors or equipment. Compliant with applicable Title 8 California Code of Regulations, and NFPA 70E Standards. 	
Fall Protection Procedure	<ul style="list-style-type: none"> Defines roles and responsibilities regarding fall protection requirements. Compliant with Title 8 California Code of Regulations. 	Safety Department
Fire Prevention Procedure	<ul style="list-style-type: none"> Defines roles and responsibilities regarding fire prevention. Compliant with applicable Title 8 California Code of Regulations. 	Safety Department
Hazard Communication Procedure	<ul style="list-style-type: none"> Defines roles and responsibilities regarding hazard communication. Describes the process for hazard communication. Compliant with applicable Title 8 California Code of Regulations. 	Safety Department
Hazardous Materials Management Procedure	<ul style="list-style-type: none"> Defines roles and responsibilities regarding management of hazardous materials. Describes how to manage hazardous materials. Compliant with applicable Title 8 California Code of Regulations, Title 40 Environmental Protection Agency, Title 49 Department of Transportation. 	Safety Department

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Procedure Name	Purpose	Procedure Developer
Hearing Conservation Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding hearing conservation. • Describes the process for hearing conservation. • Compliant with applicable Title 8 California Code of Regulations. 	Safety Department
Heat Illness Awareness and Prevention Plan	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding heat illness awareness and prevention. • Describes the process for heat illness communication, awareness, prevention. • Compliant with applicable Title 8 California Code of Regulations. 	Safety Department
Hot Work Procedure	<ul style="list-style-type: none"> • Minimize the safety and health hazards and risk to personnel related hot work. • Describes the process during work involving hot work. • Compliant with applicable Title 8 California Code of Regulations. 	Safety Department
Illness and Injury Prevention Plan (IIPP)	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding illness and injury prevention. • Compliant with applicable Title 8 California Code of Regulations, Labor Code, and Penal Code. 	Safety Department
Job Hazard Analysis Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding workplace hazard evaluation and analysis. • Describes the process for analyzing, and communication of workplace hazard(s). • Compliant with applicable Title 8 California Code of Regulations. 	Safety Department
Ladder Safety Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding ladder safety. 	Safety Department

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Procedure Name	Purpose	Procedure Developer
	<ul style="list-style-type: none"> • Describes procedures regarding safe use of ladders. • Compliant with applicable Title 8 California Code of Regulations. 	
Lock-Out/Tag-Out Procedure (LO/TO)	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding LO/TO. • Minimize the safety and health hazards and risk to personnel related to hazardous energy sources. • Provide a uniform frame of reference when performing LO/TO. • Compliant with applicable Title 8 California Code of Regulations, and NFPA 70E Standards. 	Safety Department
Operations and Maintenance Procedure for Paint Shops	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding operations and maintenance of the Paint Shops. • Minimize the safety and health hazards and risk to personnel related to hazardous materials used when painting. • Provide a uniform frame of reference when operating and maintaining the Paint Shops. • Compliant with applicable Title 8 California Code of Regulations, and Sacramento Metropolitan Air Quality Management District (SMAQMD). 	Safety Department
Personal Protective Equipment (PPE) Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding PPE. • Describes procedure to ensure appropriate PPE is available to the workers, when required. • Compliant with applicable Title 8 California Code of Regulations. 	Safety Department

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Procedure Name	Purpose	Procedure Developer
Powered Industrial Truck Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding powered industrial truck. • Describes procedure for safe use and operation of powered industrial trucks. • Compliant with applicable Title 8 California Code of Regulations. 	Safety Department
Respiratory Protection Plan	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding respiratory protection. • Describes procedure for respiratory protection. • Compliant with applicable Title 8 California Code of Regulations. 	Safety Department
Safety Certification Procedure	<ul style="list-style-type: none"> • Certification process to ensure safety concerns and hazards are adequately addressed prior to initiation of passenger operations for major projects and modifications. 	Safety Department
Scaffold Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding scaffold requirements. • Describes procedure for safe use of scaffold. • Compliant with applicable Title 8 California Code of Regulations. 	Safety Department
Silica Hazard Awareness and Control Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding silica hazard awareness and control. • Minimize the safety and health hazards and risk to personnel related to silica exposure. • Compliant with applicable Title 8 California Code of Regulations. 	Safety Department
Spill Prevention, Control, and Countermeasures Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding spill prevention, control and countermeasures. 	Safety Department

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Procedure Name	Purpose	Procedure Developer
	<ul style="list-style-type: none"> Describes procedure for spill prevention, control, and countermeasure. Compliant with applicable Title 24 California Code of Regulations, Health and Safety Code, and STI SP001. 	
Universal Waste Management Procedure	<ul style="list-style-type: none"> Defines roles and responsibilities regarding management of universal waste. Describes how to properly manage universal waste. Compliant with applicable Title 8 California Code of Regulations, Title 40 Environmental Protection Agency, Title 49 Department of Transportation. 	Safety Department
Worker Protection Standard Procedure (EPA)	<ul style="list-style-type: none"> Defines roles and responsibilities regarding worker protection. Describes procedures for worker protection. 	Safety Department
SacRT Safety Committee	<ul style="list-style-type: none"> Defines roles and responsibilities of the safety committee. Establish the collaboration of the committee to identify risk-based corrective measures. 	Safety Department

The following policies and procedures are incorporated by reference to the OSP. These documents are developed and managed by other departments. This includes:

Procedure Name	Purpose	Procedure Developer
Basic Bus Operator's Training	<ul style="list-style-type: none"> Describe basic safe operations of a bus. 	Bus Operations
Basic LRV Operator's Training	<ul style="list-style-type: none"> Describe basic safe operations of a light rail vehicle. 	Light Rail Operations

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Procedure Name	Purpose	Procedure Developer
Bus Maintenance Standard Operating Procedures, Bulletins, Rules, and Notices	<ul style="list-style-type: none"> Describe procedures to ensure safe work procedure for maintaining buses. Provide a uniform frame of reference performing maintenance on bus. Provide a uniform communication. Compliant applicable California Code of Regulations, California Highway Patrol, and Federal Transit Agency. 	Bus Maintenance
Coach Operator Rule Book	<ul style="list-style-type: none"> Describe basic safe operations of a bus. Compliant with applicable California Code of Regulations. 	Bus Operations Community Bus Service (CBS) SacRT GO SmaRT Ride e-Trans
Change Review Committee	<ul style="list-style-type: none"> Identifies internal and external sources of change; Documentation of communication and coordination activities Use of documented field activities to help identify changes in the operational environment that may not have been planned; Develop criteria to identify and determine the extent of changes in the operational environment that would trigger the initiation of management of change activities; Documented criteria ensuring information regarding management of change activity is distributed to all relevant service delivery functions. 	Engineering Department
Defensive Driving	<ul style="list-style-type: none"> Defines roles and responsibilities regarding defensive driving. Describe procedures to ensure defensive driving when driving a company vehicle. 	Operations Trainers

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Procedure Name	Purpose	Procedure Developer
Drug and Alcohol Program	<ul style="list-style-type: none"> • Policies and Procedures to ensure compliance with 49 CFR Part 655 for safety sensitive personnel. 	Labor Relations
Facilities and Equipment Safety Inspection Program	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding facilities maintenance. • Provide a uniform frame of reference when performing facilities maintenance. 	Facilities Maintenance
LRV Operations Standard Operating Procedures, Bulletins, and Notices	<ul style="list-style-type: none"> • Describe procedures to ensure worker, contractor, and public safety on the right-of-way. • Provide a uniform frame of reference when operating a light rail vehicle. • Provide a uniform communication. • Compliant with applicable CPUC General Order requirement. 	Light Rail Operations
Light Rail Vehicle (LRV) Maintenance Standard Operating Procedures, Bulletins, Rules, and Notices	<ul style="list-style-type: none"> • Describe procedures to ensure safe work procedure for maintaining the light rail vehicles. • Provide a uniform frame of reference performing maintenance on a light rail vehicle, camera, and recording devices. • Provide a uniform communication. • Compliant with applicable CPUC General Order requirement. 	LRV Maintenance
Maintenance of Way Standard Operating Procedures, Bulletins, and Notices	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding maintenance of way. • Provide a uniform frame of reference when performing maintenance of way. • Compliant with applicable CPUC General Order requirements. 	Wayside Department
On-Track Safety Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding on-track safety. 	Wayside Department

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Procedure Name	Purpose	Procedure Developer
	<ul style="list-style-type: none"> • Describes procedures to ensure worker, and contractor safety when work on or near the tracks. • Compliant with applicable CPUC General Order. 	
Operation and Maintenance (O&M) Manuals	<ul style="list-style-type: none"> • Contains the information required for the operation, maintenance, repair, and decommissioning of equipment, building, facility, and the development of operational rules and procedures. 	Various Departments
Personal Electronic Device (PED) Procedure	<ul style="list-style-type: none"> • Defines devices which fall under PED. • Describes prohibited use of PED when operating full size bus, CBS bus, light rail vehicle, or any on-track maintenance vehicle while high-railed. • Compliant with applicable CPUC General Order requirement, and California Vehicle Code (CVC). 	Transportation Departments
Procurement Procedure	<ul style="list-style-type: none"> • Measures, controls, and assurances in place to ensure safety principles and requirements, and designated representative are included in the procurement process. 	Procurement Department
Regional Transit Rail Operation Rule book – Light Rail Employees	<ul style="list-style-type: none"> • Describe procedures to ensure worker, contractor, and public safety on the right-of-way. • Provide a uniform frame of reference when operating a light rail vehicle. • Compliant with applicable CPUC General Order requirements. 	Light Rail Operations
Roadway Worker Protection Procedure	<ul style="list-style-type: none"> • Defines roles and responsibilities regarding roadway worker protection. 	Wayside Department

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Procedure Name	Purpose	Procedure Developer
	<ul style="list-style-type: none"> • Describes procedures to ensure worker, and contractor roadway protection. • Compliant with applicable CPUC General Order. 	
SacRT Personnel Policy Manual	<ul style="list-style-type: none"> • Provide a uniform frame of reference for SacRT personnel. • Compliant with applicable Title 8 California Code of Regulations, and Public Utilities Code. 	Human Resources
SacRT Organization Chart	<ul style="list-style-type: none"> • Illustrate the roles, responsibilities, and chains of command within the organization. 	Office of the General Manager
SacRT System Overview	<ul style="list-style-type: none"> • Organizational structure is clearly defined and includes: <ul style="list-style-type: none"> ○ History and scope of service; ○ Physical characteristics of operations. 	Communication Department
SacRT Records Retention Policy	<ul style="list-style-type: none"> • Defines the retention period for all documents, records, and files related to SacRT administration and operations. 	Office of the General Counsel
Security and Emergency Preparedness Program Plan (SEPPP)	<ul style="list-style-type: none"> • Incident management systems, and external plans for coordinating with local law enforcement, other local responders, local planning agencies, and state or federal agencies. • The basic principles and concepts are applicable to all emergency situations. • Annual exercises are used to evaluate emergency preparedness, and document performance findings. 	SacRT Police Services

1.1.6 Record Keeping

SacRT will maintain PTASP documentation and ensure that all documentation will be maintained for a period of no less than four (4) years after they are created. These documents must be made available upon request by the Federal Transit Administration or other Federal entity, or a State Safety Oversight Agency having jurisdiction in compliance with §673.31. This is in compliance with SacRT Records Retention Policy.

1.1.7 Changes to Manual

The PTASP will be reviewed and reaffirmed or updated annually. This process will be facilitated by the Safety Department. Departments may recommend changes throughout the year when the need for a change is identified. All SacRT employees may submit proposed PTASP changes to their department management. Department Heads will submit proposed changes to the Safety Department.

The Safety Department is responsible for the preparation, maintenance and updating of the PTASP. The Safety Department will maintain SMS documentation and ensure that all SMS documentation will be maintained for a period of no less than four years after they are created. Changes to this PTASP that are urgent in order to meet regulatory compliance can be made by the position fulfilling the Chief Safety Officer role in concurrence with the approval of the General Manager/CEO. The annual review will be completed by the fourth quarter of each calendar year, and will be ready for SacRT Board of Director's approval by January of the following year.

Any change to the PTASP requires:

- SacRT must notify the CPUC, by letter, before February 15th of each year, and certify the PTASP will be modified or updated. This will be done in compliance with CPUC GO 164 (current series).
- Review and acceptance by the SacRT Safety Committee.
- Acceptance by the SacRT Board of Directors.
- Management of change is required for each department impacted to ensure personnel have the knowledge, skills, and supporting procedures to succeed.
- Review and acceptance of the planned changes by the California Public Utilities Commission.

1.2 Employee Safety Reporting System

1.2.1 Reporting

All personnel are encouraged and required to report safety risks they encounter during their work activities.

1.2.2 Non-Punitive Reporting

SacRT embodies a culture of open reporting of all safety hazards in which management will not initiate disciplinary action against any personnel who, in good faith, discloses a hazard or safety occurrence due to unintentional conduct.

This applies to all personnel acting in accordance with agency procedures and/or regulations.

1.2.3 Exempted Actions

Personnel willfully acting outside of stated agency policy, procedures, regulations, or in commission of criminal acts will be subject to appropriate disciplinary action.

1.2.4 Right to Refuse Dangerous Work and Good Faith Challenge

Personnel that believe working conditions are unsafe or unhealthful should:

- Inform their Supervisor of the need to correct the hazard, or to assign other work;
- Advise the Supervisor that you cannot perform the work unless and until the hazard is corrected;
- Report the event through the reporting portal;
- Contact the Safety Department; and
- Remain at the worksite until directed otherwise.

Your right to refuse to do a task is protected if all of the following conditions are met:

- Where possible, you have asked for the danger to be eliminated, and the condition was not corrected; and
- You refused to work in “good faith.” This means that you must genuinely believe that an imminent danger exists; and
- A reasonable person would agree that there is a real danger of death or serious injury; and
- There isn’t enough time, due to the urgency of the hazard, to get it corrected through regular reporting procedures.
- Personnel working in light rail operations, wayside maintenance, and light rail vehicle maintenance have an additional defined Good Faith Challenge procedure, in compliance with CPUC GO 175 (current series).

1.2.5 Whistle Blower Protection

SacRT will not discharge or in any manner retaliate against personnel because the individual: filed any complaint or instituted or caused to be instituted any proceeding under or related to the Occupational Safety and Health Act.

1.3 Roles and Responsibilities

1.3.1 General Manager/CEO-Accountable Executive

The Accountable Executive will:

- Controls the financial and human resources that are necessary for the activities and operations, including the establishment and implementation of the Public Transportation Agency Safety Plan (PTASP), Transit Asset Management (TAM) Plan, and the Organizational Safety Policies (OSPs).
- Ensure that SacRT PTASP and OSP are effectively implemented throughout SacRT.
- Monitor SacRT safety performance and address substandard performance.

- Be accountable and responsible for setting the tone for the PTASP and enabling a positive safety culture within the organization.

1.3.2 Executive Management Team (EMT)

The Executive Management Team will:

- Be accountable for ensuring compliance with all PTASP and OSP requirements applicable to their department(s).
- Be accountable for the timely completion of corrective action plans (CAPs) assigned to their department(s)
- Be accountable for the identification of needed change management within their department(s).
- Be accountable for the establishment of a positive safety culture within their department(s).
- Be accountable for the dissemination of safety related information to personnel.
- Analyze any information deemed to be related to safety that is received from any person with whom they exchange services and take appropriate action to mitigate any hazard to safety.
- Report any safety risks identified.
- Consist of the General Manager, all Chiefs, General Council, and Vice-Presidents.

1.3.3 Senior Management Team (SMT)

The Senior Management Team will:

- Be responsible for ensuring compliance with all PTASP and OSP requirements applicable to their department(s).
- Be responsible for the timely completion of corrective action plans (CAPs) assigned to their department(s).
- Be responsible for the identification of needed change management within their department(s).
- Be responsible for the establishment of a positive safety culture within their department(s).
- Be accountable for the dissemination of safety related information to personnel.
- Analyze any information deemed to be related to safety that is received from any person with whom they exchange services with and take appropriate action to mitigate any hazard to safety.
- Report any safety risks identified.
- Consist of the Assistant Vice-Presidents, Superintendents, Managers, and Supervisors.

1.3.4 Vice President of Safety, Security, and Customer Satisfaction

The Vice President of Safety, Security, and Customer Satisfaction is accountable for:

- Representing the needs of the Safety, Security, and Customer Satisfaction Departments to the Executive Management Team (EMT).

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- Reports directly to the Accountable Executive.
- This position will serve as the Chief Safety Officer.
- Has accountability for day-to-day implementation of the PTASP.
- Advocating on behalf of the Safety Department to have the appropriate resources.
- Ensuring the Safety Department shall be involved in all stages including the conceptual design, procurement, construction, integrated testing, safety certification and also throughout the operational life cycle of the system.
- Presenting the Accountable Executive, Legal, Risk Management, and involved EMT of all Risk Register items classified as being in the “Serious” category when continued operation is under consideration. Continued operation requires review and acceptance by the involved EMT members, Safety, Risk Management, Legal, and the Accountable Executive, with monthly updates.
- Presenting and updating the Accountable Executive, Legal, Risk Management, and involved EMT of all Risk Register items classified as being in the “Medium” category when continued operation is occurring. These updates are to be provided twice a year.
- Providing the Safety Department with priorities and concerns identified by the Accountable Executive and the EMT.
- Administrative oversight and stewardship of the Safety Department.
- Develop a positive top-down Safety Culture throughout the EMT.

1.3.5 Senior Manager of Environmental, Health, and System Safety and the Safety Department Personnel

The Safety Department is directed and empowered to develop, administer and implement a comprehensive PTASP and OSP with specific goals and objectives, purposes, programs and activities to prevent, control and resolve unsafe conditions/hazards which may occur during the life cycle of the transportation systems. The Safety Department shall be involved in all stages including the conceptual design, procurement, construction, integrated testing, safety certification and also throughout the operational life cycle of the system.

The Safety Department works with all departments and executive leadership to provide information, identify safety concerns, conduct internal reviews and inspections, develop recommendations and corrective action plans to address safety concerns, track and verify the Implementation or recommendations and corrective action plans, and report, on a regular basis, to EMT.

The Safety Department is responsible for the overall effectiveness of the SacRT PTASP and OSP through the following actions:

- Create, document, and maintain procedures for managing safety related hazards and incidents, including risk analysis and management.
- Maintain and support a reporting and data collection system for collecting and communicating information relating to safety related hazards and incidents.
- Assist in the investigation of safety related hazards and incidents and the determination of any related corrective actions.

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- Monitor the implementation of corrective action plans (CAPS) to ensure that they are effective.
- Ensure that safety related information is disseminated to personnel, including the interdepartmental communication of safety related information with managers.
- Ensure that all personnel are trained in the concepts, principles and operation of the safety management system.
- Maintain training records for all safety training.
- Manage all records and documents resulting from the PTASP and OSP.
- Promote safety management system principles in all aspects of the operation and positively engage with staff in discussions of safety policy and continuous improvement.

1.3.6 Director of Bus Maintenance

The Director of Bus Maintenance is accountable to ensure the activities of the following departments are compliant with the PTASP and OSP:

- Bus maintenance
- Non-revenue vehicle maintenance

1.3.7 Director of Light Rail Maintenance

The Director of Light Rail Maintenance is accountable to ensure the activities of the following departments are compliant with the PTASP and OSP:

- Light Rail Vehicle Maintenance
- Track Maintenance
- Traction Power Maintenance
- Rail Signal Maintenance

1.3.8 Superintendent of Bus Maintenance

The Superintendent of Bus Maintenance is responsible for ensuring the responsibilities of the department are met and to:

- Provide top-down leadership and promote a positive safety culture
- Ensure safety reporting is completed in the IRIS database of:
 - Maintenance Failure Reports
 - Identified bus life-safety related inspection deficiencies
 - Deferred maintenance tracking and reporting
 - Life safety deficiencies identified during inspection of buses and non-revenue vehicles
- Timely development, completion, and submission of Corrective Action Plans (CAPs)

1.3.9 Superintendent of Light Rail Vehicle Maintenance

The Superintendent of light Rail Vehicle Maintenance is responsible for ensuring the responsibilities of the department are met and to:

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- Provide top-down leadership and promote a positive safety culture
- Ensure safety reporting is completed in the IRIS database of:
 - Maintenance Failure Reports
 - Identified LRV life safety related inspection deficiencies
 - Deferred maintenance
 - Life safety deficiencies identified during inspection of LRVs
- Timely development, completion, and submission of Corrective Action Plans (CAPs)

1.3.10 Bus Maintenance

Bus Maintenance is responsible for providing a safe and mechanically reliable fleet of buses and non-revenue vehicles. The bus maintenance system utilizes preventive maintenance programs which involve performing maintenance on vehicles at regularly scheduled mileage or life cycle driven intervals. The intent is to retain vehicles in a condition compatible with safety, dependability and appearance standards. Well-designed preventive maintenance procedures, and enforcement of these procedures, maintain the effectiveness of these maintenance programs and provide regulatory compliance.

The Preventive Maintenance Program strives to identify problem areas before they require corrective maintenance. Therefore, reporting requirements are developed for each inspection procedure to support future preventive maintenance activities as well as effectively communicate the specific need for corrective maintenance. The flow of information between preventive and corrective maintenance activities is critical to the success of both types of maintenance.

Records of actions are maintained in the Bus Maintenance Shop for the four prior calendar years, and include the following:

- Inspection - All vehicles are subjected to a periodic inspection program to determine if conditions exist that require a maintenance action. The level and frequency of inspections is consistent with contractor and supplier recommendations, industry standards, criticality of the equipment, probability of finding a defect and operational experience.
- Servicing - Servicing consists of regularly scheduled activities that are necessary to maintain the performance of the vehicle and its components. These activities include lubrication and adjustment and may also involve the replacement of consumable parts. Servicing schedules are normally provided by equipment manufacturers in their maintenance manuals. Although manufacturer recommendations will be followed during the warranty period of vehicles, servicing schedules may subsequently be modified to suit the operational conditions.
- Cleaning -All active buses are swept, cleaned, and wiped down daily, floors are scrubbed at least weekly, and exterior washed weekly.
- Video Recording Retention - Video recordings shall be saved and retained on a separate storage media if a Bus Operator is observed violating SacRT rules. Recordings shall be retained at least until the last appeal of any litigation or disciplinary action is completed.
- Preventive maintenance requirements will be developed by the manufacturer together with maintenance management, and performance will be monitored to verify adequacy. The requirements will be revised as needed to address a changing environment.

- Deferred Maintenance will be submitted in the Integrated Risk Identification System for safety risk evaluation, and determine if the deferral is acceptable.
- Maintenance Failure reports will be submitted in the Integrated Risk Identification System for safety risk evaluation.

1.3.11 Light Rail Vehicle Maintenance

Light Rail Vehicle Maintenance is responsible for providing a safe and mechanically reliable fleet of rail cars and Hi-Rail equipment. The rail vehicle maintenance system utilizes preventive maintenance programs which involve performing maintenance on vehicles at regularly scheduled mileage or life cycle driven intervals. The intent is to retain vehicles in a condition compatible with safety, dependability and appearance standards. Well-designed preventive maintenance procedures, and enforcement of these procedures, maintain the effectiveness of these maintenance programs and provide regulatory compliance.

The Preventive Maintenance Program strives to identify problem areas before they require corrective maintenance. Therefore, reporting requirements are developed for each inspection procedure to support future preventive maintenance activities as well as effectively communicate the specific need for corrective maintenance. The flow of information between preventive and corrective maintenance activities is critical to the success of both types of maintenance.

Records of actions are maintained in the Light Rail Vehicle Maintenance Shop for the four prior calendar years, and include the following:

- Inspection - All rail vehicles are subjected to a periodic inspection program to determine if conditions exist that require a maintenance action. The level and frequency of inspections is consistent with contractor and supplier recommendations, industry standards, criticality of the equipment, probability of finding a defect and operational experience.
- Servicing - Servicing consists of regularly scheduled activities that are necessary to maintain the performance of the vehicle and its components. These activities include lubrication and adjustment and may also involve the replacement of consumable parts. Servicing schedules are normally provided by equipment manufacturers in their maintenance manuals. Although manufacturer recommendations will be followed during the warranty period of rail vehicles, servicing schedules may subsequently be modified to suit the conditions of the rail system.
- Cleaning -All active rail vehicles are swept and cleaned daily, major interior scrubbed monthly, and exterior washed weekly.
- Video Recording Retention - Video recordings shall be saved and retained on a separate storage media if a rail transit vehicle operator is observed violating CPUC GO 172 (current series). Recordings shall be retained at least until the last appeal of any litigation or disciplinary action is completed.
- Preventive maintenance requirements will be developed by the car builder together with maintenance management, and performance will be monitored to verify adequacy. The requirements will be revised as needed to address a changing environment.
- Beyond preventive maintenance, SacRT also has a Siemens Rebuild Program, which includes: truck overhaul; replacement of motor alternators with static inverters; and overhaul, upgrade or replacement of various other components on these vehicles.

- Deferred Maintenance will be submitted in the Integrated Risk Identification System for safety risk evaluation, and determine if the deferral is acceptable.
- Maintenance Failure reports will be submitted in the Integrated Risk Identification System for safety risk evaluation.

1.3.12 Superintendent of Wayside Maintenance

The Superintendent of Wayside Maintenance is responsible for ensuring the responsibilities of the department are met and to:

- Provide top-down leadership and promote a positive safety culture
- Ensure safety reporting is completed in the IRIS database of:
 - Failure Reports
 - Identified life safety related inspection deficiencies
 - Deferred maintenance
 - Life safety deficiencies identified during inspection of the system
- Timely development, completion, and submission of Corrective Action Plans (CAPs)

1.3.13 Track Maintenance

Inspection, maintenance and construction programs are required by CPUC General Orders (GO) 143(current series), Section 14.05. A systematic inspection and maintenance program has been established in accordance with Title 49, Section 213.9 of the Federal Regulations as required by CPUC GO 143(current series), Section 14.05. Records of periodic track inspections showing the defects and deviations from the adopted standards along with the corrective action taken are kept on file for the four previous calendar years.

Frequent track inspection is performed to identify potential safety hazards and to report on the changing conditions of track geometry. Main line track is required to be inspected twice each week with at least one day interval between inspections. Track geometry and fit is inspected for obvious gage and alignment defects, improper ballast section and washouts, tightness and proper fit of switch points and other moving parts. Rail is checked for cracks, deterioration, corrugation, excessive wear. Inspection is conducted of footwalks, handrails, signs and signals for any obvious deficiencies. There are also inspections of the right-of-way for possible clearance infringements, such as vegetation growth.

- Deferred Maintenance will be submitted in the Integrated Risk Identification System for safety risk evaluation, and determine if the deferral is acceptable.
- Track Inspection and repair reports will be submitted in the Integrated Risk Identification System for safety risk evaluation to allow trending.

1.3.14 Traction Power Maintenance

The Traction Power Section preventive maintenance plan is a scheduled program that was developed through standard maintenance and operating procedures based on manufacturer recommendations and experience. Inspection forms have been developed for each piece of equipment and document that the preventive maintenance has been performed. These forms are reviewed prior to being filed to determine whether further action is needed. A spreadsheet lists all equipment and associated

preventive maintenance intervals. Groups of inspectors are assigned specific areas for which they have responsibility of completing preventive maintenance as scheduled. Records of traction power maintenance and inspection activity, including any defects or deviations from the adopted standards, are kept on file for the four previous calendar years.

The corrective maintenance plan consists of trouble-shooting failures and returning equipment to service. Personnel are dispatched by Metro Control via radio regardless of their assigned preventive maintenance areas. Once on the scene, the inspector will determine what the failure is and take the corrective measures necessary to maintain continuity of revenue service. Temporary repairs are made in order to maintain revenue service and permanent repairs are scheduled for non-revenue hours.

- Deferred Maintenance will be submitted in the Integrated Risk Identification System for safety risk evaluation, and determine if the deferral is acceptable.
- Traction Power failure and repair reports will be submitted in the Integrated Risk Identification System for safety risk evaluation to allow trending.

1.3.15 Rail Signal Maintenance

The Rail Signal Section preventive maintenance plan is a scheduled program routinely performed at specific intervals. The maintenance intervals are set by equipment O&M manuals, and by tracking equipment performance through routine inspections and failure reports. Manpower deployment is accomplished by means of a check off schedule which lists the routine tasks to be accomplished during the set time frame. This system is designed to prevent duplication of tasks and provide a means whereby many different tasks can be performed in an efficient and timely manner. Reports are filed for each task that is completed and are reviewed to determine if any further action is needed. The objectives of the preventive maintenance plan are to:

- Ensure operational safety and system dependability by means of periodic testing and inspections;
- Reduce service failures;
- Prolong equipment life;
- Minimize maintenance costs; and
- Optimize resource allocations.

The corrective maintenance plan consists of troubleshooting failures, the repairing of failed equipment and returning equipment to operations in a safe, efficient and timely manner. Equipment failures which affect the operation of revenue service are handled by immediate response crews which are notified by Metro Control through radio dispatched trouble calls. Failed equipment is replaced in kind and repaired later in order to minimize disruption to revenue service. Trouble reports are filed by the response crews to track equipment failures and to aid in troubleshooting the failed equipment. Equipment is repaired in-house whenever possible or through an exchange program with the manufacturer and returned to stores as spare equipment. The philosophy of the corrective maintenance plan is to repair failed equipment as quickly as possible with minimal effect on revenue service. Grade crossings shall be maintained to comply with the CPUC GO 143(current series), GO 75(current series), and FRA requirements – Title 49 CFR Part 234.

- Deferred Maintenance will be submitted in the Integrated Risk Identification System for safety risk evaluation, and determine if the deferral is acceptable.

- Signal failure and repair reports will be submitted in the Integrated Risk Identification System for safety risk evaluation to allow trending.

1.3.16 Directors of Bus Operations

The Directors of Bus Operations are accountable for verifying bus operations meet all safety requirements. Bus Operations is responsible for the training of personnel as required to verify compliance with Rules and Standard Operating Procedures (SOPs).

The Directors of Bus Operations are accountable for the following activities:

- Confirm that Bus Operators have the required licenses and up-to-date medical certificates.
- Make urgent changes in rules and procedures by issuing bulletins and notices to Bus Operators; and to ensure that the Daily Bulletins are made available to every Operator.
- Develop and maintain bus system emergency preparedness and response plans for bus facilities.
- Conduct/participate in emergency preparedness drills at least once every year.
- Train new Bus Operators in rules pertaining to safe vehicle operation, emergency procedures and injury and illness prevention; perform re-training following accidents and occupational injuries.
- Maintain certification and re-certification programs.
- Ensure that Bus Operators have received the required safety training prior to working.
- Respond to emergencies and accidents and preserve evidence for later analysis.
- Investigate bus system operational accidents, incidents, injuries and property losses; make recommendations to mitigate or prevent recurrences. The investigations are conducted through the facilitation of the Safety Department.
- Ensure Bus Operations staff personnel are trained in:
 - Injury and illness prevention;
 - Emergency procedures;
 - Equipment operation for Bus Operators; and
 - Conducting post-accident check-rides.
- Investigate accidents and occupational injuries.
- Take corrective actions to prevent or mitigate recurrences including discipline and counseling.
- Inspect facilities.
- Take appropriate action(s) to resolve reported or otherwise identified hazards in a timely manner and report hazards as warranted and in accordance the PTASP and OSP. This process is conducted in coordination with the Safety Department.
- Participate in the analysis of accident data to determine trends and develop corrective action plans. This process is facilitated by the Safety Department.

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- Oversee the functioning of Bus Transportation as line Supervisors, Emergency Response Team Leaders and Bus Operation Trainers.
- Investigate reports of unsafe conditions and carry out emergency procedures. This process is facilitated by the Safety Department.
- Provide top-down leadership and promote a positive safety culture.
- Ensure safety reporting is completed in the IRIS database of:
 - Failure Reports
 - Identified life safety deficiencies
 - Deferred training
 - Life safety deficiencies identified during operation of the system
- Timely development, completion, and submission of Corrective Action Plans (CAPs).

1.3.17 Director of Light Rail Operations

The Director of Light Rail Operations is accountable for verifying rail operations meet all safety requirements. Light Rail Operations responsible for the training of employees as required to verify compliance with Rules and Standard Operating Procedures (SOPs).

The Director of Light Rail Operations is accountable for the following activities:

- Confirm that Train Operators have the required licenses and up-to-date medical certificates.
- Make urgent changes in rules and procedures by issuing bulletins and notices to Train Operators; and to ensure that the Daily Bulletins are made available to every operator.
- Develop and maintain rail system emergency preparedness and response plans for rail facilities.
- Conduct/participate in emergency preparedness drills at least once every year.
- Train new Train Operators in rules pertaining to safe vehicle operation, emergency procedures and injury and illness prevention; perform re-training following accidents and occupational injuries.
- Maintain certification and re-certification programs.
- Ensure that Train Operators have received the required safety training prior to working.
- Respond to emergencies and accidents and preserve evidence for later analysis.
- Investigate rail system operational accidents, incidents, injuries and property losses; make recommendations to mitigate or prevent recurrences. The investigations are conducted through the facilitation of the Safety Department.
- Ensure Light Rail staff personnel are trained in:
 - Injury and illness prevention;
 - Emergency procedures;
 - Equipment operation for LRV Operators; and

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- Conducting post-accident check-rides.
- Investigate accidents and occupational injuries.
- Take corrective actions to prevent or mitigate recurrences including discipline and counseling.
- Inspect facilities.
- Take appropriate action(s) to resolve reported or otherwise identified hazards in a timely manner and report hazards as warranted and in accordance the PTASP and OSP. This process is conducted in coordination with the Safety Department.
- Participate in the analysis of accident data to determine trends and develop corrective action plans. This process is facilitated by the Safety Department.
- Oversee the functioning of Rail Transportation as line Supervisors, Emergency Response Team Leaders and Rail Operation Trainers.
- Investigate reports of unsafe conditions and carry out emergency procedures. This process is facilitated by the Safety Department.
- Provide top-down leadership and promote a positive safety culture.
- Ensure safety reporting is completed in the IRIS database of:
 - Failure Reports
 - Identified life safety deficiencies
 - Deferred training
 - Life safety deficiencies identified during operation of the system
- Timely development, completion, and submission of Corrective Action Plans (CAPs).

1.3.18 Bus Transportation Superintendent

The Bus Transportation Superintendent are responsible for the following:

- Supervision of the Bus Control room staff.
- Certifying selected Bus Transportation Supervisors as qualified Bus Controllers or Dispatchers.
- Confirm that Bus Transportation Supervisors have the required licenses and up-to-date medical certificates.
- Make urgent changes in rules and procedures by issuing bulletins and notices to Bus Transportation Supervisors.
- Collect, receive, and verify signatures from Bus Transportation Supervisors for the instructions and training provided.
- Develop and maintain the bus system emergency preparedness and response plan for rail facilities.
- Maintain certification and re-certification programs for Bus Transportation Supervisors.
- Ensure safety reporting is completed in the IRIS database of:

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- Failure Reports
- Identified life safety deficiencies
- Deferred training
- Life safety deficiencies identified during operation of the system
- Timely development, completion, and submission of Corrective Action Plans (CAPs).
- Participate as one of the management representative in the SacRT safety committee meetings to assist in identifying and recommending risk-based mitigations.

1.3.19 Light Rail Transportation Superintendent

The Light Rail Transportation Superintendent is responsible for the following:

- Supervision of Metro Control staff and has authority over work permits of personnel working on the system.
- Certifying selected Rail Transportation Supervisors as qualified Rail Controllers or Dispatchers.
- Confirm that Rail Transportation Supervisors have the required licenses and up-to-date medical certificates.
- Make urgent changes in rules and procedures by issuing bulletins and notices to Rail Transportation Supervisors.
- Collect, receive, and verify signatures from Rail Transportation Supervisors for the instructions and training provided.
- Develop and maintain the rail system emergency preparedness and response plan for rail facilities.
- Maintain certification and re-certification programs for Rail Transportation Supervisors.
- Ensure safety reporting is completed in the IRIS database of:
 - Failure Reports
 - Identified life safety deficiencies
 - Deferred training
 - Life safety deficiencies identified during operation of the system
- Timely development, completion, and submission of Corrective Action Plans (CAPs).
- Participate as one of the management representative in the SacRT safety committee meetings to assist in identifying and recommending risk-based mitigations.

1.3.20 Bus Transportation Supervisor

Bus Transportation Supervisor is responsible for the following:

- Responding to accidents and conducting thorough field investigations.
- Taking charge of accident investigation activities at accident and emergency scenes and assumes the role of the On-Scene Coordinator (OSC).

- At accident and emergency scenes gathers and preserves evidence and disseminates information to authorized SacRT personnel.
- Ensure safety reporting is completed in the IRIS database of:
 - Failure Reports
 - Identified life safety deficiencies
 - Deferred training
 - Life safety deficiencies identified during operation of the system
- Participate as one of the representatives in a labor group in the SacRT safety committee meetings to assist in identifying and recommending risk-based mitigations.

1.3.21 Rail Transportation Supervisor

Rail Transportation Supervisor is responsible for the following:

- Responding to accidents and conducting thorough field investigations.
- Taking charge of accident investigation activities at accident and emergency scenes and assumes the role of the On-Scene Coordinator (OSC).
- At accident and emergency scenes gathers and preserves evidence and disseminates information to authorized SacRT personnel.
- Ensure safety reporting is completed in the IRIS database of:
 - Failure Reports
 - Identified life safety deficiencies
 - Deferred training
 - Life safety deficiencies identified during operation of the system
- Participate as one of the representatives in a labor group in the SacRT safety committee meetings to assist in identifying and recommending risk-based mitigations.

1.3.22 Bus Controller

Bus Controllers manage bus operations from a central location. Bus Control personnel are responsible for the following:

- Overseeing and directing all bus movements on all routes.
- Arranging replacement of defective equipment.
- Alerting emergency response personnel.
- Carrying out emergency procedures, including:
 - Provide notification of SacRT staff through timely notification through InformaCast
- Controllers must document and report system failures, equipment malfunctions, incidents, security problems, accidents and unusual occurrences.
- Controllers direct Bus Operators during emergencies.

- Overseeing and directing all operator activities on all routes.
- Ensuring safety reporting is completed in the IRIS database of:
 - Failure Reports
 - Identified life safety deficiencies
 - Deferred training
 - Life safety deficiencies identified during operation of the system

1.3.23 Rail Controller

Rail Controllers manage train operations from a central location. Rail Control personnel are responsible for the following:

- Overseeing and directing all train movements on the Mainline.
- Controlling and authorizing power, switch routing, train movement and failure management.
- Arranging replacement of defective equipment.
- Alerting emergency response personnel.
- Carrying out emergency procedures, including:
 - Provide notification of SacRT staff through timely notification through InformaCast
 - Provide 2-Hour CPUC Notification
 - FTA 2-Hour Notification
 - FRA 2- Hour Notification
 - FRA 4-Hour Notification
 - NTSB notification is provided through the National Response Center (NRC).
- Controllers must document and report system failures, equipment malfunctions, incidents, security problems, accidents and unusual occurrences.
- Controllers direct Train Operators during emergencies.
- Overseeing and directing all operator activities on the Mainline.
- Ensuring safety reporting is completed in the IRIS database of:
 - Failure Reports
 - Identified life safety deficiencies
 - Deferred training
 - Life safety deficiencies identified during operation of the system

1.3.24 Bus Dispatcher:

The Bus Dispatcher is responsible for the following:

- Preparing the schedule for the following day.
- Assigning operators to open pieces of work.
- Calculating the extra number of operators required for unknown work that may occur.
- Calculating pay.
- Assisting Bus Controllers, when needed.
- Ensuring safety reporting is completed in the IRIS database of:
 - Failure Reports
 - Identified life safety deficiencies
 - Deferred training
 - Life safety deficiencies identified during operation of the system

1.3.25 Light Rail Dispatcher:

The Rail Dispatcher is responsible for the following:

- Marking up the board for the following day.
- Assigning operators to open pieces of work.
- Calculating the extra number of operators required for unknown work that may occur.
- Calculating pay.
- Issuing work permits and track warrants.
- Assisting Rail Controllers, when needed.
- Ensuring safety reporting is completed in the IRIS database of:
 - Failure Reports
 - Identified life safety deficiencies
 - Deferred training
 - Life safety deficiencies identified during operation of the system

1.3.26 Transit Ambassadors

Transit Ambassadors are responsible for:

- Provide positive customer service by assisting passengers with questions or concerns
- Notify the SOC of safety or security related events
- Identify and report safety risks encountered.
- Direct passengers during emergency evacuations
- Report any events through the IRIS software.

1.3.27 All Personnel

All Personnel will:

- Identify and report safety risks encountered.
- Report any events through the IRIS software.
- Keep informed of safety communication and updates provided.
- Follow the procedures established in the Organizational Safety Procedures (OSP).

Safety Risk Management



2 Safety Risk Management

Safety Risk Management component includes three sub-elements:

- Safety Hazard Identification
- Safety Risk Assessment
- Safety Risk Mitigation

Safety Risk Management is a cornerstone of the PTASP. During this process SacRT identifies, evaluates, and devises means to eliminate, mitigate, or accept hazards. Not all hazards can be eliminated given the resources available. SacRT's goal with Safety Risk Management is to mitigate hazards to a level as low as reasonably practicable (ALARP).

The SacRT Safety Risk Management (SRM) process involves identifying, reporting, assessing, and mitigating hazards affecting our transportation system.

The SacRT Safety Risk Management process is led throughout our agency by various employees including those involved in the initial design of transit systems, organizational changes, development of operational procedures, and the Safety Assurance process, where newly identified hazards are analyzed and mitigated through the Safety Risk Management process.

When a technical operational or maintenance safety concern or condition is identified, the Safety Department will contact the appropriate Subject Matter Expert (SME) for an initial review. Should the SME's opinion be that the concern or condition is not hazardous, the Safety Department will document that finding in the IRIS database and, if it was reported by an employee, Safety will notify the reporting employee. When the SME agrees the concern or condition to be a hazard, the SME will participate in a formal hazard analysis and identify potential consequences. The hazard assessment will be facilitated by the Safety Department

Once complete, the Safety Department, who, in collaboration with the SME, will perform a safety risk assessment of the hazard's potential consequences. The findings will be entered into the Risk Register.

When the assessment determines that the safety risk is unacceptable, the Safety Department will then notify the responsible department head and coordinate the development of a corrective action plan. When the hazard was reported by an employee, the Safety Department will also notify the reporting employee of the results of the safety investigation.

Once the responsible department head completes a proposed corrective action plan, they will submit it to the SME for review. Once reviewed, the CAP will be provided to Safety who will review and accept the Corrective Action Plan.

Rail related event proposed corrective action plans will be submitted for CPUC review and acceptance of the proposed CAP.

Once the SME, Safety, and the CPUC when applicable, approves the corrective action plan, the responsible department head will then mitigate or eliminate the hazard and document this in the IRIS database. Some of the methods the responsible department head may use to mitigate the consequences of a hazard include implementing design changes, installing safety devices, installing warning devices, signage, changing work practices, or procedures to provide a level of safety that is practical with the available resources of SacRT.

Once the mitigation is implemented, the Safety Department will regularly monitor it to determine if the hazard has been adequately mitigated and no longer represents an unacceptable risk, close the

hazard report in the IRIS database, and subsequently notify the reporting employee of the actions taken, if applicable. When the hazard is reported anonymously, the Safety Department will post the summary results of the reported hazard investigation on the involved Department's Bulletin Boards throughout the SacRT.

2.1 Safety Hazard Identification

SacRT identifies hazards through analyses of its facilities, vehicles, transit systems, operations, and operational environment. SacRT uses the following methods and processes to identify hazards:

- Occupational injury or illness investigations
- Safety Event investigations
- Safety concern and condition employee reporting
- Conducting safety focus groups to address current safety concerns
- Analysis of safety report trending
- Routine and non-routine inspections
- Internal and external audits
- Lessons learned
- Data and information provided by regulatory agency inspections
- Data and information provided by the FTA
- Transit Asset Management (TAM) Plan

2.1.1 Integrated Risk Identification System (IRIS)

The safety risk reporting tool that will be used at SacRT is called the Integrated Risk Identification System (IRIS). The software permits trending and analysis to be completed for evaluation and assessment. It will aggregate the reporting from the following identified data streams:

2.1.1.1 Personnel Reporting:

All reports are filled out through a paper documentation. SacRT will evaluate the following reports and determine the appropriate software to convert to electronic reporting:

- Operator event reporting
- Personnel Injury Reports
- Personnel Safety Risk Reports submitted via AlertSacRT
- Reporting will also permit anonymous reporting.

2.1.1.2 Public:

- Alert SacRT reporting
- Customer Service reports

2.1.1.3 Rail Operations:

All reports are filled out through a paper documentation. SacRT will evaluate the following reports and determine the appropriate software to convert to electronic reporting:

- Operator event reporting
- Collision Investigation Reports
- Maintenance Failure Reports
- Deferred Maintenance Reports
- Revenue Vehicle Inspection Safety Deficiencies
- Non-revenue Vehicle Inspection Safety Deficiencies
- Rail Control Log
- Light Rail Station Inspections

2.1.1.4 Bus Operations

All reports are filled out through a paper documentation. SacRT will evaluate the following reports and determine the appropriate software to convert to electronic reporting:

- Operator event reporting
- Collision Investigation Reports
- Maintenance Failure Reports
- Deferred Maintenance Reports
- Revenue Vehicle Inspection Safety Deficiencies
- Non-revenue Vehicle Inspection Safety Deficiencies
- Bus Control Log

2.1.1.5 Facilities Maintenance

- Equipment Failure Report
- Deferred Maintenance Events
- Facility Inspection Safety Deficiencies
- Safety Work Requests

2.1.1.6 Transit Asset Management Plan (TAM)

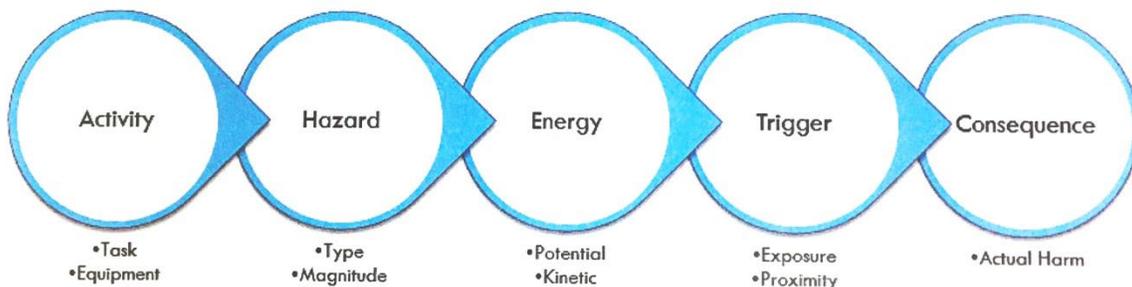
- Asset evaluations that rated at less than satisfactory will be provided to the Safety Department by the TAM Plan Manager.
- Evaluation of the potential to use an API to export from the TAM software into the IRIS software

- The Safety Department, in partnership with an SME will conduct a safety risk investigation, assessment, corrective action, and include findings on the Risk Register.

2.2 Safety Risk Investigation and Assessment

There are numerous tools and methods that can be used to investigate a safety risk or safety event. There is not one all-encompassing tool or method. Some of the methods used include:

- AcciMap
- Barrier Analysis
- Bowtie Methodology
- Causal Factor Analysis
- Event Tree Analysis
- Failure Mode Effect Analysis (FMEA)
- Fault Tree Analysis
- Human Factors Analysis
- Ishikawa Diagram
- Root Cause Analysis
- Systematic Cause Analysis Technique (SCAT)
- Statistical Process Control (SPC)
- Tripod Beta Analysis



The investigation is intended to identify the four interlinked injury pathways and identify where the most effective, and achievable point to eliminate or mitigate the safety risk. Without a thorough analysis, the focus shifts to managing the consequence, not preventing it.

Once the investigation analysis has been completed, all safety risks will be classified by a standardized safety risk assessment.

2.2.1 Safety Risk Assessment

SacRT, through the Safety Department and SMEs, will assess the safety risk of the potential consequences of each safety risk identified.

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SacRT has established its standards for determining the likelihood and severity of the potential consequences based on the Mil Standard 882E. Once unacceptable safety risks and the potential consequences are identified, the Safety Department assesses the risk of the potential consequences. This includes evaluating the likelihood and severity of the potential consequences.

SME's, in coordination with the Safety Department, then determines the necessary mitigation. Responsible managers complete these mitigations to effect hazard resolution. Corrective actions are tracked and managed throughout the entire Safety Risk Management process using a combination of methods including the agency-wide safety management database and Safety-Risk Register. The risk register and corrective action tracking is a component of the IRIS database.

The Safety Risk Assessment process begins with an assessment of the potential severity. The appropriate severity category, as defined in the table below, is determined for a given hazard at a given point in time, identify the potential for:

- Death or injury to personnel;
- Death or injury to passengers and the public;
- Equipment, facility, or infrastructure loss or damage;
- environmental damage or impact;
- Decrease in operational readiness;
- Regulatory noncompliance; or
- Damage to reputation or image.

A given hazard may have the potential to affect one or all of these areas.

SEVERITY CATEGORIES		
Description	Severity Category	Mishap Result Criteria
Catastrophic	1	Could result in one or more of the following: death, permanent total disability, irreversible significant environmental impact, or monetary loss equal to or exceeding \$10M.
Critical	2	Could result in one or more of the following: permanent partial disability, injuries or occupational illness that may result in hospitalization of at least three personnel, reversible significant environmental impact, or monetary loss equal to or exceeding \$1M but less than \$10M.
Marginal	3	Could result in one or more of the following: injury or occupational illness resulting in one or more lost work day(s), reversible moderate environmental impact, or monetary loss equal to or exceeding \$100K but less than \$1M.
Negligible	4	Could result in one or more of the following: injury or occupational illness not resulting in a lost work day, minimal environmental impact, or monetary loss less than \$100K.

SacRT will then determine the appropriate probability level as defined in the table below for a given hazard at a given point in time, assess the likelihood of occurrence of a mishap. Probability level F is used to document cases where the hazard is no longer present. No amount of doctrine, training, warning, caution, or Personal Protective Equipment (PPE) can move a safety risk probability to "Eliminated", level F.

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PROBABILITY LEVELS			
Description	Level	Specific Individual Item	Fleet or Inventory
Frequent	A	Likely to occur often in the life of an item.	Continuously experienced.
Probable	B	Will occur several times in the life of an item.	Will occur frequently.
Occasional	C	Likely to occur sometime in the life of an item.	Will occur several times.
Remote	D	Unlikely, but possible to occur in the life of an item.	Unlikely, but can reasonably be expected to occur.
Improbable	E	So unlikely, it can be assumed occurrence may not be experienced in the life of an item.	Unlikely to occur, but possible.
Eliminated	F	Incapable of occurrence. This level is used when potential hazards are identified and later eliminated.	Incapable of occurrence. This level is used when potential hazards are identified and later eliminated.

When available, the use of appropriate and representative quantitative data that defines frequency or rate of occurrence for the hazard, is generally preferable to qualitative analysis. The Improbable level is generally considered to be less than one in a million.

In the absence of such quantitative frequency or rate data, reliance upon the qualitative text descriptions of the table is necessary and appropriate.

Assessed risks are expressed as a Risk Assessment Code (RAC) which is a combination of one severity category and one probability level. For example, a RAC of 1A is the combination of a Catastrophic severity category and a Frequent probability level. The table below assigns a risk level of High, Serious, Medium, or Low for each RAC.

RISK ASSESSMENT MATRIX				
SEVERITY \ PROBABILITY	Catastrophic (1)	Critical (2)	Marginal (3)	Negligible (4)
Frequent (A)	High	High	Serious	Medium
Probable (B)	High	High	Serious	Medium
Occasional (C)	High	Serious	Medium	Low
Remote (D)	Serious	Medium	Medium	Low
Improbable (E)	Medium	Medium	Medium	Low
Eliminated (F)	Eliminated			

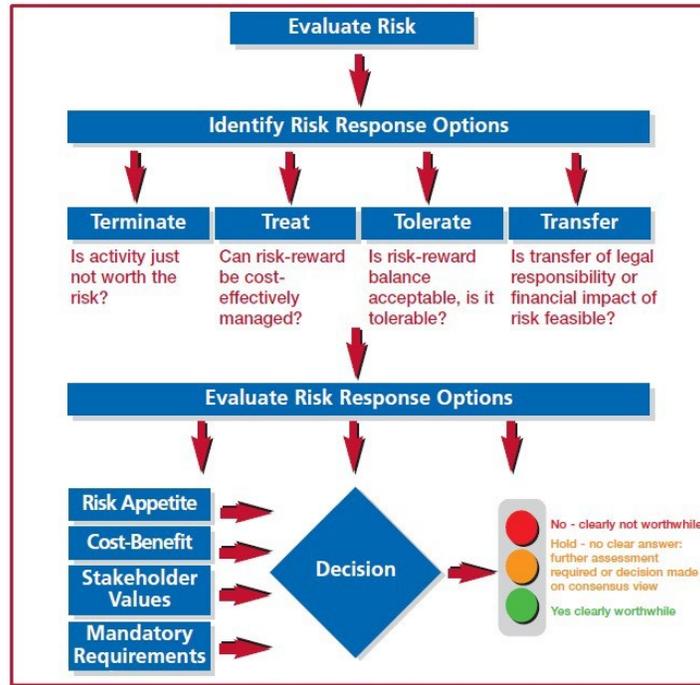
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Once a Risk Assessment Code (RAC) has been determined the priority for mitigation will be based on the table below:

Risk Assessment Code (RAC)	Required Action
High	<p>Immediate mitigation and controls that reduce the RAC below the “High” classification are required, or activity must be suspended. This risk cannot be accepted.</p> <p>Light Rail related safety risks classified as “High” will be communicated to the SSOA, as soon as is reasonably practicable.</p>
Serious	<p>Prompt mitigation and controls are required to reduce the RAC to “Medium”.</p> <p>Continued operation in a “Serious” category requires review and acceptance by the involved EMT members, Safety, Risk Management, Legal, and the Accountable Executive.</p> <p>Monthly review and assessment are required by the Safety Department and an update to the involved EMT members, Safety, Risk Management, Legal, and the Accountable Executive.</p>
Medium	<p>Mitigation and controls are required to reduce the RAC to ALARP. Continued operation in a “Medium” category requires periodic documented review by Safety, Risk Management, and the involved EMT. Legal and the Accountable Executive are to be updated at least every six months of the unresolved “Medium” RACs.</p>
Low	<p>Mitigation should be considered. Continued operation in a “Low” category requires at least annual review by Safety, Risk Management, and the involved EMT. Legal and the Accountable Executive are to be updated at least annually.</p>
Eliminated	<p>No amount of doctrine, training, warning, caution, or Personal Protective Equipment (PPE) can move RAC to eliminated</p>

2.2.2 Risk-Based Decision-Making Process

Risk-based decision making is made up of five major components.



2.2.2.1 Establish the decision structure

Understanding and defining the decision that must be made is critical. This first component of risk-based decision making must be performed to accomplish this critical component:

- Define the decision. Specifically describe what decision(s) must be made. Major categories of decisions include accepting or rejecting a proposed facility or operation, determining who and what to inspect, and determining how to best improve a facility or operation.
- Determine who needs to be involved in the decision. Identify and solicit involvement from key stakeholders who should be involved in making the decision or will be affected by actions resulting from the decision-making process.
- Identify the options available to the decision maker. Describe the choices available to the decision maker. This will help focus efforts only on issues likely to influence the choice among credible alternatives.
- Identify the factors that will influence the decisions, including risk factors. Few decisions are based on only one factor. Most require consideration of many factors, including costs, schedules, risks, etc., at the same time. The stakeholders must identify the relevant decision factors.
- Gather information about the factors that influence stakeholders. Perform specific analyses such as risk assessments and cost studies to measure against the decision factors.

2.2.2.2 Perform the risk assessment

Different types of risk are important factors in many types of decisions. Risk assessment is the process of understanding the following:

- What consequences are possible
- What is the likelihood
- What is the severity

The consequences may be safety and health losses, property losses, environmental losses, schedule impacts, political issues, etc.

Risk assessment can range from very simple, personal judgments by individuals to very complex assessments by expert teams using a broad set of tools and information, including historical loss data. The following steps must be performed to assess risk:

Establish the risk-related questions that need answers. Decide what questions, if answered, would provide the risk insights needed by the decision maker.

Determine the risk-related information needed to answer the questions. Describe the information necessary to answer each question posed in the previous step. Specify the following:

- Information type needed
- Precision required
- Certainty required
- Analysis resources (staff-hours, costs, etc.) available

Select the risk analysis tool(s). Select the risk analysis tool(s) that will most efficiently develop the required risk-related information.

Establish the scope for the analysis tool(s). Set any appropriate physical or analytical boundaries for the analysis.

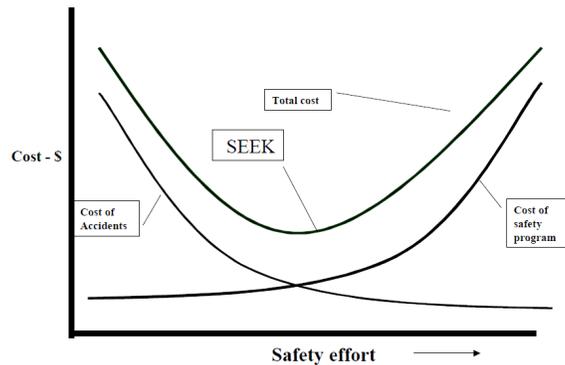
Generate risk-based information using the analysis tool(s). Apply the selected risk analysis tool(s). This may require the use of more than one analysis tool and may involve some iterative analysis.

2.2.2.3 Apply the results to risk management decision making

One goal in most decision-making processes is to lower risk as much as possible. Sometimes the risk will be acceptable; at other times, the risk must change to become acceptable. Mitigating action must be taken to reduce risk. These actions must provide more benefit than they cost. They must also be acceptable to stakeholders and not cause other significant risks. The following steps must be performed to manage risk:

- Assess the possible risk management options. Determine how the risks can be managed most effectively. This decision can include accepting/rejecting the risk or finding specific ways to reduce the risk.
- Use risk-based information in decision making. Use the risk-related information within the overall decision framework to make an informed, rational decision. This final decision-making step often involves significant communication with a broad set of stakeholders.

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2.2.2.4 Monitor effectiveness through impact assessment

Impact assessment is the process of tracking the effectiveness of actions taken to manage risk. The goal is to verify that the organization is getting the expected results from its risk management decisions. If not, a new decision-making process must be considered.

2.2.2.5 Facilitate risk communication

Risk communication is a two-way process that must take place during risk-based decision making. Stakeholders must:

- Provide guidance on key issues to consider. Stakeholders identify the issues of importance to them. They present their views on how each step of the process should be performed, or at least provide comments on plans suggested by others.
- Provide relevant information needed for assessments. Some or all of the stakeholders may have key information needed in the decision-making process.
- Provide buy-in for the final decisions. Stakeholders should agree on the work to be done in each phase of the risk-based decision-making process. They can then support the ultimate decisions.

2.2.3 IRIS Risk Register

All safety risks once evaluated and assessed will be included in the SacRT Risk Register. All the safety risks are aggregated in a centralized location. The entry in the risk register will include:

- Identification of the safety risk
- Location of the safety risk
- Date of submission
- Source of the submission
- The risk assessment code (RAC)
- Corrective Action Plan (CAP) and Accountable and Responsible persons, when applicable
- Projected completion date if a CAP has been developed, when applicable
- Current status of the safety risk. Not all safety risks can be immediately corrected. The status will be listed as:

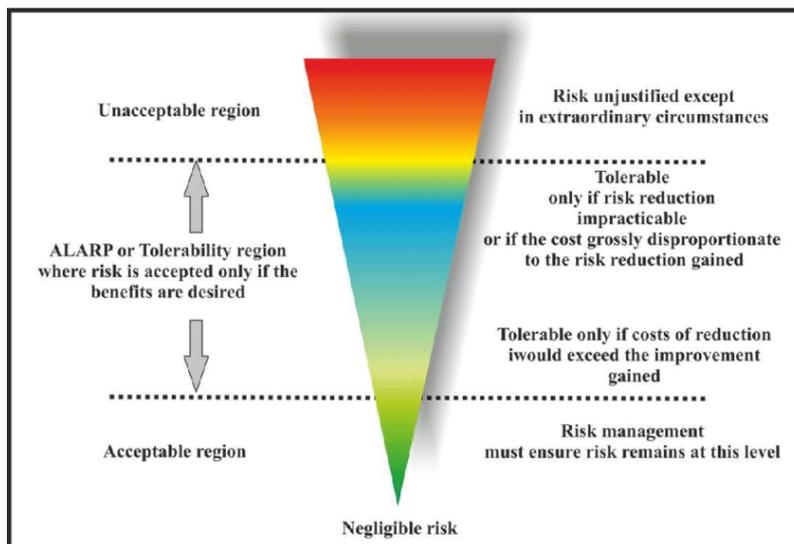
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- No Action
 - Investigating
 - Analyzing
 - In-Process Behind Schedule
 - In-Process On-Schedule
 - Blocked/Waiting
 - Complete-Monitoring
 - Complete
 - Tracking
 - Deferred
- Any mitigation taken to reduce the safety risk and the subsequent RAC
 - The risk register can be viewed by any SacRT personnel

2.3 Mitigation and Elimination of Safety Risks

SacRT has processes and methods in place to identify mitigations and implement strategies to reduce the agency's safety risks. The five (5) general processes include:

- Corrective action to mitigate the safety risk to ALARP is taken when the safety risk cannot be eliminated, or not indicated based on a risk-based decision making (RBDM)



- Corrective action to eliminate the safety risk
- Corrective action and preventative action to reduce the likelihood or reoccurrence (CAP)
- Track to evaluate if the safety risk was an outlier
- Defer or accept risk

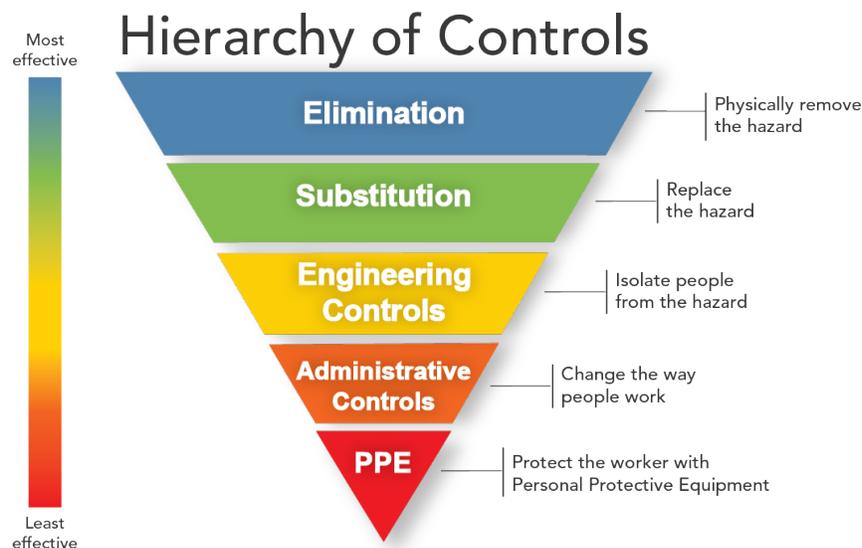
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The corrective action plan (CAP) will include a description, immediate mitigation, origin of hazard, the proposed actions, permanent hazard resolution, or temporary mitigation if necessary, accountable person, responsible person, and the schedule for implementing those actions for the identified hazard, including date the hazard was identified.

Once the responsible department head completes a proposed corrective action plan, they will submit it to the SME for review. Once reviewed, the CAP will be provided to Safety who will review the hazard resolution verification and follow-up activities.

Events with corrective actions, which are under the authority of SSOA oversight, will be submitted for CPUC review and acceptance of the proposed CAP. Development of the CAP must be completed within 30 days. Monthly updates of the CAPs status will be provided to the CPUC. Once the CAP is completed it must be submitted to the SSOA for acceptance.

The appropriate hierarchy of controls is depicted below:



Some of the methods the responsible manager may use to mitigate the consequences of a hazard include:

- Elimination
 - Implementing design changes
 - Installing safety devices
 - Modification of equipment or facilities design
- Substitution
- Engineering Controls
 - Implementing design changes
 - Installing safety devices
 - Modification of equipment or facilities design

- Installation of traffic control devices
- Administrative Controls
 - Changes to maintenance schedules or practices
 - Revision of operating rules or procedures
 - Changing work practices or work procedures
 - Employee training
 - Installation of traffic signs or pavement markings
 - Installing warning devices
 - Signage
- Personal Protective Equipment

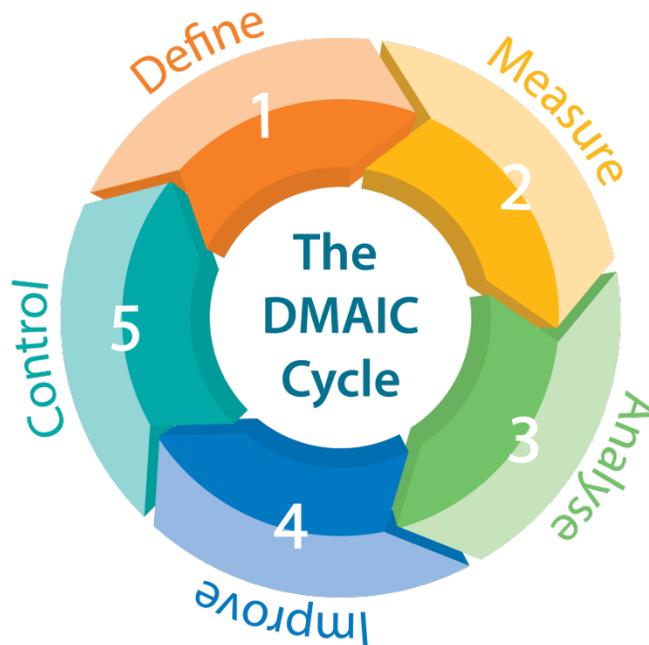
Safety regularly monitors mitigations to determine if the hazard has been reduced to an as low as reasonably practicable, or no longer represents an unacceptable risk. Safety will close the hazard report in the IRIS database and notify the reporting employee of the actions taken. If the hazard was reported anonymously, the department will post the summary results of the investigation and mitigation for the reported hazard on the departments Bulletin Boards.

2.4 Corrective Action Plan Process

Development of a corrective action plan provides an organized, and structured framework, to improve policies , process, and or procedures. This formalized process is recommended for all corrective actions, but is required for the following:

- Final Investigation Report (FIR) of rail reportable events;
- SSOA Inspection;
- Triennial audit findings
- Internal audit findings

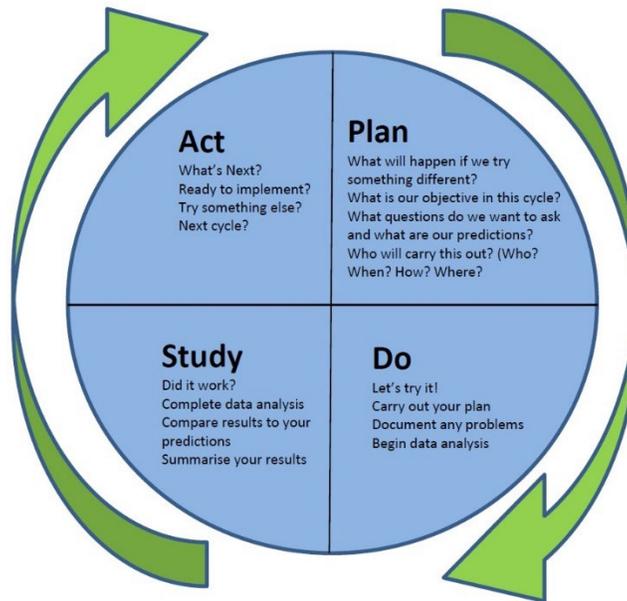
This formalized process is not intended to prevent or delay the implementation of corrective actions for emergency and critical events. The CAP process must be documented as soon as is practicable, after an emergency and critical event.



The development of a corrective action is a five-step process. The DMAIC process includes:

1. Define the problem
 - The hazard assessment process. Without a thorough assessment of the safety risk the focus of the corrective action tends to focus on managing consequence, not prevention.
 - CAP Objectives need to be clearly defined and measurable to focus the scope, direction, and motivation.
 - Solicit stakeholder feedback to validate the CAP.
 - Perform a root cause analysis (RCA) to uncover causes.
 - Perform an event chain analysis.
2. Measure current and historical process performance.
 - Parse the data and chart to analyze the frequency of problems or causes.
 - Process map for recording the activities performed as part of a process.
3. Analyze historical data or from sampling data and select from the following tools as applicable:
 - Analyze the process to determine root causes of variation and poor performance.
 - Capability analysis to assess the ability of a process to meet the defined objectives.
 - Multi-variant chart to detect different types of variation within a process.
 - Failure mode and effects analysis (FMEA) for identifying possible product, service, and process failures.
 - Layers of protection analysis.
4. Implement improvement after design.
 - Improve process performance by addressing and eliminating the root causes.
 - Kaizen event to introduce rapid change by focusing on a narrow project and using the ideas and motivation of the people who do the work.
 - Apply change management to determine the need for training and performance evaluation.
 - Consider use of PDSA to test solution and provide for a phased implementation.

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5. Control and monitor the improvement

- Statistical process control (SPC) for monitoring process behavior.
- Use quality control to monitor key performance indicators plan to monitor process improvement and identify corrections.
- Verify change meets the planned objectives.
- Evaluate and adjust at 30-days, 90-days, and 1-year.

Safety Assurance



3 Safety Assurance

The Safety Assurance component is divided into six (6) elements:

1. Auditing
2. Investigation
3. Inspection
4. Configuration Control Committee
5. Change Management Process
6. Continuous Quality Improvement

Continuous monitoring of these six (6) elements serves as the basis of the Safety Assurance process.

3.1 Auditing

The Safety Department will submit the Internal Safety Audit Report directly to the Accountable Executive and the Chief Safety Officer for review. This will include an evaluation of the adequacy and effectiveness of the PTASP with findings, conclusions and recommendations.

The Internal Safety Audit Report and the corrective action plan, for rail related items, will be submitted to the CPUC, with a certification letter, signed by the General Manager/CEO. Any problems or disagreements with findings will be reviewed by the Executive Management Team and if the issues still cannot be resolved they will be elevated to the General Manager/CEO for final decision. The final Internal Safety Audit Report with approved recommendations and action plans will then be provided to all departments for implementation.

3.1.1 Annual Audit Report

The final audit report will be issued each year prior to February 15, summarizing the results of the audit(s) performed during the previous year, including a summary of required corrective actions (if any) and previous follow-ups to maintain timely implementation. A copy of the final Internal Safety Audit Report will be submitted to the CPUC, with a formal letter certifying compliance with the PTASP, signed by the accountable executive.

3.1.2 Coordination with Oversight Agency

The internal safety audits will be scheduled and coordinated with the CPUC representative and the CPUC Staff, will be provided a 30 day advance notice, and is invited to participate in the audit process. The CPUC will be provided with the completed reports and status updates regarding implementation of recommendations and corrective action plans.

3.1.3 Audit Completeness

The internal audit will identify the types of documentation that may be required to ensure audit completeness such as: Maintenance Procedures, Training Manuals, Proceedings of Meetings, Equipment Specifications, Rules/Regulations, Management Program Plans, PTASP and OSPs, Operations Standard Operating Procedures, Emergency Procedures, Configuration Management Plan, Hazardous Materials Management Plan, Administrative Procedures, Rule Book, Safety Rules, Fire Codes, and Engineering Design Criteria.

The internal annual safety audits are completed in a coordinated manner, with full management support. Once schedules are approved by SacRT, all involved departments must participate and cooperate.

3.2 Investigation

All accidents and incidents, as defined by the NTD reporting criteria will be investigated in accordance with the SacRT Organizational Safety Procedure “*Event Investigation Procedure*”, and in compliance with CPUC GO 164 (current series).

Accidents	Incidents	Occurrences
<p><i>An Event that involves any of the following:</i></p> <ul style="list-style-type: none"> - a loss of life; - a report of a serious injury to a person; - a collision involving a rail transit vehicle; - a runaway train; - an evacuation for life safety reasons; or - any derailment of a rail transit vehicle, at any location, at any time, whatever the cause. 	<p><i>An Event that involves any of the following:</i></p> <ul style="list-style-type: none"> - a personal injury that is not a serious injury; - one or more injuries requiring medical transport; or - damage to facilities, equipment, rolling stock, or infrastructure that disrupts the operations of a rail transit agency. 	<p><i>An Event without any personal injury in which any damage to facilities, equipment, rolling stock, or infrastructure does not disrupt the operations of a rail transit agency.</i></p>

All investigations will be facilitated and coordinated by the Safety Department, who have received accident investigation training in compliance with §674.35(c).

3.2.1 Investigation Components:

The following components will be evaluated and documented in all investigations:

- Equipment or Tools
- Materials
- Environment
- Policy and Procedure
- Personnel
 - Including evaluation of human factors

3.2.2 Investigation Timeline:

All investigations are to be completed as soon as is practicable, and in compliance with CPUC GO 164 (current series), and the SacRT Accident Investigation Procedure.

The Safety Department will serve as the SacRT single point of contact (SPOC) for communication with the SSOA. Required components of an investigation includes:

- 2-Hour Notification of reportable events as defined by the CPUC General Order 164 (current series)
- Notification of investigation
 - Final Investigation Report must be completed within 60 days
 - Interim status report every 30 days for reports which take more than 60 days

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- Notify SSOA when additional investigation is conducted by an investigation team or panel performing interviews, questioning witnesses, or conducting inspections, measurements, examinations, or tests, etc. as part of the investigation beyond the initial on scene investigation
- Provide for SSOA's participation to the fullest extent possible in accident investigations, and make all information related to the accident investigation, including data from event recorders, available to SSOA for review.
- Safety Risks with a risk assessment code (RAC) of "Unacceptable"
 - This notification will be as soon as is practicable
- Within 30-days develop and propose a Corrective Action Plan (CAP) resulting from:
 - Final Investigation Report (FIR) of rail reportable events;

A completed investigation report is submitted to the SSOA for review and acceptance. The SSOA may request corrections, changes, or additional information. Additionally, the SSOA may choose to complete its own investigation, when SacRT and the SSOA cannot agree on causal factors and recommended actions. Should this occur, SacRT may request the inclusion of letter of dissent be included with the report, as defined in §674.35(b) GO 164 (current series).

Bus event investigation will comply with the timelines and thresholds established by the SacRT Accident Investigation Procedure.

3.3 Inspection

Facility, building, and equipment inspection requirements are defined in O&M Manuals and the SacRT IIPP.

3.3.1 Compliance Monitoring Light Rail Operations

The effectiveness of supervisors in implementing operating rules and maintenance procedures is determined during the performance evaluation process for each supervisor. Also, during the weekly/monthly Staff meetings, the effectiveness of supervisors is monitored and used as compliance verifications.

The compliance checks with train operators are documented with comments and any actions needed. Video recordings shall be saved and retained on a separate storage media, if a train operator is observed violating CPUC General Order. Recordings shall be retained at least until the last appeal of any litigation or disciplinary action is completed. The monthly shop/site inspection for maintenance personnel are documented along with any corrective actions needed. The annual performance evaluations for supervisors are also documented. Based on reports, operators are provided instructions, advice to improve any noted deficiency or weakness.

SacRT has installed inward facing video camera monitoring systems in the operating cab of all LRVs. SacRT will use video camera recordings to conduct random monitoring and enforcement of operating rules and policies governing the use of personal electronic devices.

Light Rail Operations shall conduct, and document, random inspections of 10 percent of all active light rail operators on a quarterly basis, to ensure compliance with operating rules and policies governing the use of personal electronic devices.

The in-cab cameras video shall be reviewed for:

- Any derailment.

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- Any impact between a rail transit vehicle and any other vehicle, object, or person.
- After any activity or event on the right-of-way, involving an LRV, that results in a death, or injury to any person or employee that requires medical treatment.
- After any credible reported complaint or observation of an alleged violation of GO 172, or a rules violation that may suggest distraction due to PED use.

3.3.2 Compliance Monitoring Bus Operations

The effectiveness of supervisors in implementing operating rules and maintenance procedures is determined during the performance evaluation process for each supervisor. Also, during the weekly/monthly Staff meetings, the effectiveness of supervisors is monitored and used as compliance verifications.

The compliance checks of bus operators are documented with comments and any actions needed. Video recordings shall be saved and retained on a separate storage media, when needed. Recordings shall be retained at least until the last appeal of any litigation or disciplinary action is completed. The monthly shop/site inspection for maintenance personnel are documented along with any corrective actions needed. The annual performance evaluations for supervisors are also documented. Based on reports, operators are provided instructions, advice to improve any noted deficiency or weakness.

SacRT has installed inward facing video camera monitoring systems in the operator area of all buses. SacRT will use video camera recordings to conduct random monitoring and enforcement of operating rules and policies governing the use of personal electronic devices.

Bus Operations shall conduct, and document, random inspections of 10 percent of all active light operators on a quarterly basis, to ensure compliance with operating rules and policies governing the use of personal electronic devices.

The in-vehicle cameras video shall be reviewed for:

- Any impact between a bus and any other vehicle, object, or person.
- After any activity or event involving a bus that results in a death, or injury to any person or employee that requires medical treatment.
- After any credible reported complaint or observation of an alleged SacRT rules violation that may suggest distraction due to PED use.

3.3.3 Facilities and Equipment Inspections

Facility and equipment inspections are to be conducted by all departments to identify unsafe or unhealthy conditions and to monitor District-wide compliance with SMS requirements.

Results of inspections conducted by division or departments are to be recorded in established standard formats and submitted to the Safety Department.

Periodic inspection programs are used to determine if conditions exist that require a maintenance action. Rail system inspections must be done by their respective departments in accordance with CPUC General Order 143 (current series), Sections 14.04-14.06 and the SacRT Injury and Illness Prevention Program (IIPP). Personnel conducting rail system inspections must be qualified/trained to conduct inspections.

Each department is required to conduct facility inspections at least monthly, and equipment is inspected on a periodic basis according to preventive maintenance schedules. The frequency of

equipment inspections is dependent upon the level of hazard associated with the operation, industry standards and OEM inspection requirements.

Written Checklists are used for conducting facility and equipment inspections.

3.4 Change Management Process

A lack of familiarity with new processes and equipment can lead to accidents that could impact the environment, lives, and property. SacRT will review the following types of changes

1. Changes in Operating Procedures

Each piece of equipment comes with procedures on how to operate. Each aspect of work should have systematic end-to-end procedures that personnel can simply follow and execute repeatedly.

Whenever operation guidelines or procedures are changed or updated by the district, there is a risk for personnel to continue with old processes because they are more used to it. Years of following a particular process can lead to muscle memory, and personnel may enter a stage where they have difficulty adapting to new workflows. Accidentally following old procedures is extremely dangerous. Management of Change (MOC) is also required.

2. Changes in Inspection and Test Maintenance Procedures

MOC is needed when SacRT's way of inspecting and maintaining their equipment changes. This ensures that personnel don't get exposed to associated hazards.

Procedures related to preventive maintenance of machines, an inspection of piping, and servicing of equipment should be properly documented. Any changes to these maintenance procedures must go through MOC.

3. Facilities Changes

MOC is also required whenever there are changes to the facilities. When a new structure is built or if it is modified in some way, MOC must be performed. Proximity to machines and equipment can increase the risk of accidents.

4. Temporary Changes

Temporary events require MOC, such as:

- Transfer of equipment to a temporary location
- Temporary procedure changes due to the installation of new equipment features
- Even though these changes will not become a part of your standardized processes, it is still important to be prepared for any negative impact they may have on SacRT, its facilities, and its people.
- It is also critical for SacRT to close out any MOC documentation of a temporary change or to update the program if the temporary change becomes permanent.

3.4.1 Capitol Program Committee

The Capital Program Committee (CPC) has members from the Operating, Planning and Engineering, Integrated Services, Safety and Security, and Finance Divisions. The CPC generally meets once a month on a regular basis. Some of the key functions are as follows:

- Reviewing and approving capital improvement projects.

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- Allocating funding for the implementation of the capital improvement projects.
- Items proposed for review by the CPC should have a safety risk evaluation identifying the current safety risk associated with the proposal.

3.4.2 Safety Certification Program Plan (SCPP)

3.4.2.1 Design Review:

The PTASP addresses SacRT rail system design, acquisition, construction, procurement, installation, testing, safety certification and startup. All new rail system designs must be reviewed in accordance with California Public Utilities Commission (CPUC), applicable Federal Railroad Administration (FRA) requirements, and established industry standards. Light Rail and the Safety Department will participate in the system design review process from at least the 10 percent design review stage. Lessons learned from previous design problems or operational experiences should be incorporated into the design review process to control future hazards, as a part of the Safety Certification Plan (SC Plan) for a project.

3.4.2.2 Safety Certification Acceptance Tests

The Safety Certification Program establishes a process to verify that operating and safety related requirements are incorporated into new rail projects to verify operational readiness prior to entering revenue service. The verification process involves system testing, employee training, start-up activities, and document the findings in a Safety Certification Verification Report (SCVR). The Chief Safety Officer is responsible for overseeing the activities of the Safety Certification Program. The CPUC General Orders requires a safety certification process be established for all major rail projects.

3.4.2.3 Managing Safety System Modifications

The System Modification Review and Control Function involves the control, testing and documentation of identified modifications.

3.4.2.3.1 Control

Changes to systems and subsystems must not be made without first determining how the change might affect the safety of that system or any other system. The proposed modification is evaluated for its potential to create additional hazards or to reduce the effectiveness of existing hazard controls. This process involves determining whether all applicable safety requirements have been met and identifying opportunities for safety improvements.

Non-Configuration Changes: System modifications of a minor nature not involving a configuration change may be made by an individual manager. Other proposed system modifications are submitted to the Safety and Risk Management Departments. Engineering, Safety, Risk Management, and Legal Services are the control points for system evaluations and analysis. They, along with the requesting department will evaluate proposed modifications as related to warranty, reliability, product liability, design immunity, strict liability, third party issues and good engineering/operating practices.

Configuration Changes: Proposed system changes involving facilities, equipment/software or other physical plant modifications will be submitted to the Change Review Committee (CRC) for evaluation to ensure safety requirements have been met. The CRC is the District-wide central repository located within the Engineering Department.

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Individual departments may also submit proposed configuration modifications to the CRC. The CRC assigns a Change Request number and forwards the Change Request to the Change Review Committee (CRC) for review and approval. The CRC then either approves or rejects the proposed configuration modification, and the departments concerned are informed accordingly.

Change Review Committee (CRC): The CRC will review and approve all configuration changes. It is chaired by the Engineering Department and comprised of various operating departments and the Safety Department, as defined in the Configuration Management Plan (CMP). The CRC will evaluate the safety implications of the proposed modification and verify that all organizational units that are, or will be, affected by the proposed modification also have the opportunity to review the proposed modification prior to implementation. The CRC is responsible for informing affected departments and committees of system modifications so that changes to rules and procedures can be made. The CRC then verifies that all training and maintenance programs, rules and procedures, plans, drawings, specifications and other system documentation items have been modified as necessary.

When implemented, the plan will assist the CRC in verifying that the status of all configurations can be easily and accurately identified at any time. It will also formalize procedures for informing departments of modifications being considered and of modifications implemented. All proposed system modifications procedure are maintained by the Engineering Department and addresses the following elements of configuration control:

- Change Initiation
- Change Review Committee (CRC)
- Rail Activation Committee (RAC)
- Drawing Revision
- Preparing/Submitting the Change Request
- The RAC performs cost, schedule and quality checks and forwards change request forms to the CRC for review and evaluation.

In addition to the review and approval process described in this section, rail system design and operational modifications are also submitted to the CPUC for review as required. Modifications involving configuration changes require the approval of the Change Review Committee (CRC).

3.4.2.3.2 Testing:

The proposed modification is tested to identify and evaluate its effects on safety and performance. If the testing requires the use of test instruments, then it must be verified that these instruments are calibrated prior to testing. A formal test plan addressing system interfaces is completed prior to testing. Test results are evaluated by the CRC and must be acceptable by all members of the CRC and concerned departments prior to implementation. The CRC is responsible for documenting this testing. Upon completion of its evaluation, the CRC provides recommendations and approval decisions.

3.4.2.3.3 Documentation:

Configuration changes approved by the CRC are documented. In this process, the CRC and SMEs examine the as-built drawings, equipment drawings, schematics and specifications. It verifies that modifications to all systems are documented accurately and in a complete manner.

The Engineering Department is responsible for maintaining all documentation generated by contract close-out and which is required by Light Rail for SacRT Rail Projects (i.e. rail activation, operations and maintenance). These documents (Project Record [as built] Drawings & Specifications, Operation and Maintenance [O&M] Manuals) will be maintained under configuration- controlled conditions. Other documents (O&M deliverables) such as warranties, permits, and special tools and keys will be transferred to the responsible O&M user department.

Proposed system and equipment/design modifications (including operations software) will be evaluated to verify that all existing safety requirements are met, no new hazards are created and opportunities to improve safety are identified. Rail system equipment/design modifications are submitted to the California Public Utilities Commission for review as required. Approval must be obtained prior to incorporating the modification into the system

3.4.3 Change Review Committee (CRC)

The committee evaluates any planned changes to fit, form or function of SacRT equipment, vehicles, or facilities. The review process is designed to identify any safety risks that may be introduced in by the planned changes as a component of the Safety Risk Assessment process. The CRC is responsible for the following:

- Evaluating proposed hazard resolution and making approval decisions.
- Performing change reviews for Change Requests and making approval decisions.
- Providing continuing and timely review of changes proposed and/or ordered to the rail system.
- Performing cost, schedule and quality checks on Change Requests; conducting Change Technical Reviews if required; and scheduling the Change Request for CRC review.
- Assigning Change Order numbers to approved Change Requests, maintaining a computer data base log and distributing the approved Change Orders.
- Processing change control documents.
- Maintaining: Change Request/Order files and records; minutes, action items and records; general drawing and change status reports; operations and maintenance manuals, specifications and other bulk publications; and permits, vendor information and parts lists.
- Maintaining the Operations Baseline Drawing Configuration Status Accounting Report and distributing hard copies monthly or as needed.
- Overseeing and supplying all Operations (field) Technical Libraries.
- Fulfilling requests for latest drawing configuration, changes pending on drawings and the status of each change in the system.
- Responding to inquiries and verifying that the user's drawing(s) are of the latest revision and that the user has copies of all outstanding (unincorporated) Change Orders against the drawings.
- Revising drawings when Change Orders are implemented.
- Upon completion of the revision, issuing a Notice of Revision to all (Drawing) Controlled Copy recipients.

- Ordering drawings in hard copy media as required for distribution and updating the drawing configuration status database for release to Technical Libraries and other users as required.

3.4.4 Rail Activation Committee

The Rail Activation Committee (RAC) is comprised of professionals drawn from SacRT, Consultants and Contractors in order to provide a proactive, multi-disciplinary approach to the certification of Rail Projects.

RAC is co-chaired by the Director of Light Rail Operations and Director of Light Rail Maintenance. The committee oversees the final stages of developing test procedures, Rules and Procedures for conducting test operations, testing installations and witnessing contractor test/review of test results. Finally, with turnover of the Rail Project to the Light Rail Department, SacRT assures continuity and safety in its projects.

Some of the more specific responsibilities include:

- Resolving problems discussed at RAC meetings.
- Review and approve operations and maintenance plans.
- Review and approve Rules and Procedures.
- Preparing staffing and cost level.
- Ensuring readiness through emergency drills.
- Monitoring Construction Installation.
- Managing work performance of Rail Start-Up (i.e. Training and Operational Readiness).

3.5 Continuous Quality Improvement

The Quality Management Process includes three (3) distinct methods:

1. Prospective Quality Management is used in the design and implementation phase of a project process or policy, to increase the likelihood of success. Activities include training, education, and procedure development.
2. Concurrent Quality Management is used to provide “real-time” feedback and coaching, during performance of the monitored activity. Examples of this include compliance checks, ride checks, and video observation.
3. Retrospective Quality Management is used to review prior performance, to identify areas for improvement. Those areas are then moved to the prospective quality management process for development.

Combined, these three (3) methods and six (6) Safety Assurance Elements serve as the basis for the continuous quality improvement process. Data informed decision making will be used to identify areas of improvement. This includes review of operating, maintenance rules, and procedures that affect safety will be reviewed for effectiveness, and a determination made regarding the need to be modified.

3.5.1 SacRT Safety Committee Meeting

The SacRT Safety Committee is comprised of frontline employee representatives, or a contractor to SacRT, and management representative. The Committee will meet to discuss and identify strategies necessary to reduce the likelihood and severity of consequences identified through the agency's safety risk assessment as identified in the Plan.

SacRT will conduct the following meetings, chaired and facilitated by a member of the Safety Department, at least twice a year, but will strive to meet quarterly to review the safety risk register, corrective action plans, and performance target metrics.

The Committee will be convened by a joint labor management process and will consist of equal number of frontline employee representatives and management representatives, not exceeding twelve (12) members. The Safety Department will not be a voting member of this committee.:

- Six (6) Committee Management Representative under the Management and Confidential Employee Group (MCEG) will be present:
 - Bus Operations Superintendent
 - Bus Maintenance Superintendent
 - Light Rail Operations Superintendent
 - Light Rail Vehicle Maintenance Superintendent or Light Rail Maintenance- Wayside Superintendent
 - Regional Transit Police Services (RTPS) Director
 - Facilities Maintenance Director
- Frontline union representative will be present:
 - One (1) member of American Federation of State, County and Municipal Employees (AFSCME) – Supervisor Group
 - One (1) International Brotherhood of Electrical Workers (IBEW)
 - Four (4) Amalgamated Transit Union (ATU)

The specific responsibilities of the SacRT Safety Committee include:

- Identifying and recommending risk-based mitigations or strategies necessary to reduce the likelihood and severity of consequences identified through the safety risk assessment identified in this Plan.
- Identifying mitigations or strategies that may be ineffective, inappropriate, or were not implemented as intended.
- Identifying safety deficiencies for purpose of continuous improvement.
- The committee will approve the SacRT PTASP and any changes made to the Plan.

3.5.2 Metrics, Benchmarks, and Goal Setting

Revisions of policies and procedures will include the development of metrics and benchmarks which will be used to evaluate the efficacy of the policy or procedure, and identify the need for change.

Information from compliance checks will be used to develop metrics; establish benchmarks; and develop goals for continuous improvement.

Data used to develop benchmarks will be obtained from the following:



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- Workers Compensation Loss Runs
- US Bureau of Labor Statistics
- American Public Transportation Association (APTA)
- Federal Transportation Agency-National Transportation Database (NTD)

SacRT’s transportation safety performance measures are based on the measures established under the National Public Transportation Safety Plan. These measures will be evaluated over a fiscal year period with a baseline year being Fiscal Year 2021 (7/1/2020-6/30/2021)

RAIL METRICS, BENCHMARKS, AND GOALS - LIGHT RAIL

Performance Measures	Targets
Fatalities	Strive for 0, not to exceed 1
Fatality Rate Per 100,000 Revenue Miles	0
Reportable Injuries	≥ 10% Reduction of previous year’s NTD reported numbers
Reportable Injuries Rate Per 100,000 Revenue Miles	Based on Total Reported Injuries
Reportable Safety Events	≥ 10% Reduction of previous year’s NTD reported numbers
Reportable Safety Events Rate Per 100,000 Revenue Miles	Based on Total Reported Safety Events
System Reliability Light Rail (mean distance between major mechanical failures)	≥ 10% Increase in System Reliability based on previous year’s NTD reported numbers

BUS METRICS, BENCHMARKS, AND GOALS - SACRAMENTO & ELK GROVE

Performance Measures	Targets
Fatalities	0
Fatality Rate Per 100,000 Revenue Miles	0
Reportable Injuries	≥ 10% Reduction of previous year’s NTD reported numbers
Reportable Injuries Rate Per 100,000 Revenue Miles	Based on Total Reported Injuries
Reportable Safety Events	≥ 10% Reduction of previous year’s NTD reported numbers
Reportable Safety Events Rate Per 100,000 Revenue Miles	Based on Total Reported Safety Events
System Reliability Motor Coach (mean distance between major mechanical failures)	≥ 10% Increase in System Reliability based on previous year’s NTD reported numbers

BUS METRICS, BENCHMARKS, AND GOALS -COMMUNITY BUS SERVICES & SMART RIDE

Performance Measures	Targets
Fatalities	0
Fatality Rate Per 100,000 Revenue Miles	0
Reportable Injuries	≥ 10% Reduction of previous year’s NTD reported numbers



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Reportable Injuries Rate Per 100,000 Revenue Miles	Based on Total Reported Injuries
Reportable Safety Events	≥ 10% Reduction of previous year's NTD reported numbers
Reportable Safety Events Rate Per 100,000 Revenue Miles	Based on Total Reported Safety Events
System Reliability Motor Coach (mean distance between major mechanical failures)	≥ 10% Increase in System Reliability based on previous year's NTD reported numbers

BUS METRICS, BENCHMARKS, AND GOALS – SacRT GO*

Performance Measures	Targets
Fatalities	0
Fatality Rate Per 100,000 Revenue Miles	0
Reportable Injuries	≥ TBD Reduction of previous year's NTD reported numbers
Reportable Injuries Rate Per 100,000 Revenue Miles	Based on Total Reported Injuries
Reportable Safety Events	≥ TBD Reduction of previous year's NTD reported numbers
Reportable Safety Events Rate Per 100,000 Revenue Miles	Based on Total Reported Safety Events
System Reliability Motor Coach (mean distance between major mechanical failures)	≥ TBD Increase in System Reliability based on previous year's NTD reported numbers

*New service baseline being established

METRICS, BENCHMARKS, AND GOALS – VIOLENCE AGAINST OPERATORS*

Performance Measures	Targets
Fatalities	0
Fatality Rate Per 100,000 Revenue Miles	0
Reportable Injuries	≥ TBD Reduction of previous year's NTD reported numbers
Reportable Injuries Rate Per 100,000 Revenue Miles	Based on Total Reported Injuries
Reportable Events	≥ TBD Reduction of previous year's NTD reported numbers
Reportable Events Rate Per 100,000 Revenue Miles	Based on Total Reported Safety Events

*New metric, needs one (1) year data to establish baseline

3.5.3 Coordination with State and Metropolitan Planning Organizations

49 CFR, Part 673, the “Public Transportation Agency Safety Plan Regulation” requires SacRT make their Strategic Performance Targets (SPT) available to their State and Metropolitan Planning Organizations (MPOs) (§ 673.15(a)). That agency would be SACOG for SacRT. SacRT also must coordinate with States and MPOs in the selection of State and MPO safety performance targets, to the maximum extent practicable (§ 673.15(b)).

During this coordination process, to ensure consistency across the transportation modes represented in the state/regional planning process, States and MPOs may request that transit agencies use specific time periods for “total number” SPTs and specific Vehicle Revenue Mile (VRM) values for rate-based Strategic Performance Targets.

When establishing SPTs for total numbers, SacRT considers the total number of fatalities, injuries, and safety events they expect to experience per year (calendar, fiscal, or NTD reporting year). The annual timeframe may be established to ensure consistency with the state/regional planning process. Likewise, in setting rates per VRM, SacRT may use total annual VRM, or another number (e.g. 100,000 VRM, 1,000,000 VRM, or 10,000,000 VRM) as needed for consistency with state/regional planning requirements.

SacRT tracks the following current NTD metrics that will be used as a baseline to determine the Strategic Performance Targets:

- Light Rail
 - Fatalities
 - Fatalities per total revenue mile
 - Injuries
 - Injuries per total revenue mile
 - Safety Events (Evacuations, fires, etc.)
 - Safety Events per total revenue mile
 - System Reliability (Mean distance between failures)
- Motor Bus
 - Fatalities
 - Fatalities per total revenue mile
 - Injuries
 - Injuries per total revenue mile
 - Safety Events (Evacuations, fires, etc.)
 - Safety Events per total revenue mile
 - System Reliability (Mean distance between failures)
- Demand Service
 - Fatalities
 - Fatalities per total revenue mile
 - Injuries
 - Injuries per total revenue mile
 - Safety Events (Evacuations, fires, etc.)
 - Safety Events per total revenue mile
 - System Reliability (Mean distance between failures)

The data is currently tracked and reported to the FTA through the National Transit Database (NTD). The responsibility to report the required data is shared between Planning, Finance, and Safety.

3.5.4 Safety Data Acquisition and Analysis

This function involves collecting and analyzing safety-related data in order to identify areas that require improvement. Trend analysis is also performed as a means of identifying causes of accidents and occupational injuries. Analysis addresses accident variables, procedures, human factors,

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environmental conditions, and other factors. A formal link has been established between the Safety Data Acquisition/Analysis function data to support the areas identified for improvement.

The Safety Data Acquisition/Analysis Function also involves acquiring technical information and data for use in the Design Review and the System Modification Review and Control Functions. Sources for such data include, but are not limited to, the following:

- American National Standards Institute (ANSI)
- American Railway Engineering and Maintenance Association (AREMA)
- American Society for Testing and Materials (ASTM)
- American Public Transportation Association (APTA)
- National Fire Protection Association (NFPA)
- California Code of Regulations (CCR)
- California Public Utilities Commission (CPUC)
- Federal Railroad Administration (FRA)
- Federal Transit Administration (FTA)
- Safety Data Sheets (SDS)
- Society of Automotive Engineers (SAE)
- SacRT Accident and Employee Injury Data

Other data sources include building codes, professional society guidelines and others. Safety data is exchanged with other transit systems and is provided to external agencies as required. Safety provides required safety statistics to the California Public Utilities Commission and to the Department of Industrial Relations. The Safety Department reports statistical information to the Federal Transit Administration.

The Safety Department has access to accident data utilizing the IRIS database. Safety can perform various analyses and provide information to other departments utilizing this software. Similarly, Risk Management maintains claims data and provides analyses and reports on request. Exposure trends and recommendations are reported to SacRT management. The following are some of the core safety information reports that are available to all concerned departments:

- OSHA recordable injury rate
- Lost time cases
- Severity rate
- Days Away Restricted or Transferred (DART) Rate
- Injuries by department
- Injuries by job title
- Employee claims by injury type
- Injuries by day of week
- Accident by description
- Accident by category
- Accident by location
- Accident by day of week
- Accident by seniority
- Accident by type
- Accident by time of day
- Accident frequency per 100,000 miles
- Accident by route



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The Key Performance Indicators for reduction of employee lost time injuries per 100 employees, and bus/rail accidents are established using the latest available Bureau of Labor Statistics (BLS) data for the SIC or NAICS code.

Safety Promotion



4 Communication

SacRT Public Transportation Agency Safety Plan (PTASP), Organizational Safety Policies (OSPs), including all changes in policies or procedures are communicated to all SacRT personnel, managers, and executives, as well as SacRT contractors and to the Board of Directors. The PTASP and OSPs are accessible at:

- SacRT Intranet – SacRT personnel may access the PTASP and OSPs electronically at the Safety Division intranet website.
- SacRT Internet – SacRT contractors may access the PTASP and OSPs electronically at the SacRT internet website.
- Employee Handbook – All existing employees will be provided access to the PTASP and OSPs.
- Safety Bulletin Boards – Changes to the PTASP and OSPs are posted on each Safety Bulletin Board located at each SacRT Division, where applicable.
- New Employee Orientation – The PTASP and OSPs are presented at the new employee orientation process.

4.1 Safety Risk Communication

SacRT personnel will have access to view the risk register and the status of corrective action plans (CAPs). The access will be through SacRT Intranet.

The following methods or processes are used to convey information on hazards and safety risks relevant to the roles and responsibilities of various personnel:

- Pre-shift briefings
- Pre-task briefings
- Job Hazard Analysis (JHA) review
- Departmental Bulletin Boards
- Bulletins
- Notices
- Safety Data Sheets
- Chemical Hazard Analysis
- Toolbox Talks
- Training Programs
- InformaCast Announcements

Other methods of risk communication includes the labor management committees or safety committees.

4.2 SSOA Communication

The Safety Department will serve as the SacRT single point of contact (SPOC) for communication with the SSOA. Required notification to the SSOA includes:

- 2-Hour Notification of reportable events as defined by the CPUC General Order 164 (current series)
- Notification of investigation
 - Final Investigation Report must be completed within 60 days
 - Interim status report every 30 days for reports which take more than 60 days

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- Notify SSOA when additional investigation is conducted by an investigation team or panel performing interviews, questioning witnesses, or conducting inspections, measurements, examinations, or tests, etc. as part of the investigation beyond the initial on scene investigation
- Provide for SSOA's participation to the fullest extent possible in accident investigations, and make all information related to the accident investigation, including data from event recorders, available to SSOA for review.
- Safety Risks with a risk assessment code (RAC) of unacceptable
 - This notification will be as soon as is practicable
- Monthly Service Records and Event and/or Hazard and Corrective Action Plan (MSREHCAP) Summary
- Internal safety and security audit schedule
- Internal safety and security audit certification letter
- Annual PTASP review and modification notification
- Proposed Corrective Action Plan (CAP) resulting from:
 - Final Investigation Report (FIR) of rail reportable events;
 - SSOA Inspection;
 - Triennial audit findings
 - Internal audit findings
- Monthly status updates of CAPs under regulatory oversight by the SSOA
- Safety Certification Plan
- Rail Related SOP changes and notices

4.3 Safety Management System Committees

The Safety Management System (SMS) Committee is comprised of professionals drawn from SacRT, Consultants and Contractors in order to provide a proactive, multi-disciplinary approach to support the development, implementation and operation of SacRT's safety promotion.

SacRT will conduct the following meetings, chaired by a member of the Safety Department, at least quarterly to review the safety risk register, corrective action plans, and SMS metrics:

- Bus SMS Committee includes members from:
 - Bus Operations Department
 - Bus Maintenance Department
 - Facilities Maintenance Department
 - Engineering Department
 - Risk Management Department
 - Safety Department
 - Police Services
- Light Rail SMS Committee includes members from:
 - Light Rail Operations Department
 - Light Rail Vehicle Maintenance Department
 - Wayside Maintenance Department
 - Facilities Maintenance Department
 - Engineering Department
 - Risk Management Department
 - Safety Department



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- Police Services
- SSOA

4.4 Training

Employee safety training programs are developed to comply with federal, state and local regulatory requirements. The Safety Department develops these programs, facilitates implementation by other departments and monitors the programs.

SacRT has implemented the following Employee Safety Training Programs for personnel:

Training	LRV Maintenance	Wayside Maintenance	Facilities Maintenance	Bus Maintenance	Bus Operations	LRV Operations	Other Personnel
Injury and Illness Prevention Program (IIPP)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazard Communication Program	Yes	Yes	Yes	Yes	Yes	Yes	Awareness Level
SMS Orientation Program	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Asbestos Awareness Program	Yes	Yes	Yes	Yes	Yes	Yes	Yes
First Aid, CPR, & AED training	Yes	Yes	Yes	Yes	No	No	Job dependent
Bloodborne Pathogens/Infection Prevention Program	Yes	Yes	Yes	Yes	Awareness Level	Awareness Level	Awareness Level
Job Hazard Analysis	Awareness Level	Awareness Level	Awareness Level	Awareness Level	Awareness Level	Awareness Level	Awareness Level
Hazardous Materials Management	Yes	Yes	Yes	Yes	Awareness Level	Awareness Level	Awareness Level
Universal Waste Management	Yes	Yes	Yes	Yes	Awareness Level	Awareness Level	Awareness Level
Spill Prevention, Control, and Countermeasures	Yes	Yes	Yes	Yes	Awareness Level	Awareness Level	Awareness Level
Lockout - Tagout Program	Yes	Yes	Yes	Yes	No	No	Job dependent
Electrical Worker Safety	Yes	Yes	Yes	Yes	No	No	Job dependent
Qualified Electrical Worker Training	No	Job dependent	No	Job dependent	No	No	No
Personal Protective Equipment	Yes	Yes	Yes	Yes	Awareness Level	Awareness Level	Awareness Level
Heat Illness Awareness and Prevention	Yes	Yes	Yes	Yes	No	No	Job dependent



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Training	LRV Maintenance	Wayside Maintenance	Facilities Maintenance	Bus Maintenance	Bus Operations	LRV Operations	Other Personnel
Respiratory Protection Program	Yes	Yes	Yes	Yes	No	No	Job dependent
Hearing Conservation Program	Yes	Yes	Yes	Yes	No	No	Job dependent
Fall Protection Program	Job dependent	Job dependent	Job dependent	Job dependent	No	No	Job dependent
Confined Space Safety Program	No	Job dependent	Job dependent	No	No	No	Job dependent
Aerial Work Platform Operator Training	No	Job dependent	Job dependent	No	No	No	Job dependent
Powered Industrial Truck Operator Training	Job dependent	Job dependent	Job dependent	Job dependent	No	No	No
Business Continuity and Recovery Plan	Awareness Level	Awareness Level	Awareness Level	Awareness Level	Awareness Level	Awareness Level	Training Level Job dependent
Contagious Disease Response Plan	Awareness Level	Awareness Level	Awareness Level	Awareness Level	Awareness Level	Awareness Level	Training Level Job dependent
Drug and Alcohol Policy	Yes	Yes	Yes	Yes	Yes	Yes	Job dependent
On-Track Safety Program	Yes	Yes	Yes	No	No	Yes	Job dependent
Personal Electronic Devices (PED) Procedure	Yes	Yes	Yes	No	Yes	Yes	Job dependent
Roadway Worker Protection Program	Yes	Yes	Yes	No	No	Yes	Job dependent
De-escalation Training (Pending Training Development)	Yes	Yes	Yes	Yes	Yes	Yes	Job dependent

Personnel who conduct safety audits and examinations of public transportation systems and those who are directly responsible for safety oversight of public transportation agencies are also required to comply with the Public Transportation Safety Certification Training Program requirements. The training program includes the following training provided through the FTA’s Transportation Safety Institute.

Personnel who fill any of the positions listed below have three (3) years from their appointment to the position to complete the available training.

The training for rail personnel who conduct safety audits and examinations includes:

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Job	SMS Awareness Training	SMS Safety Assurance	SMS Principles for Transit	Transit Rail System Safety	Effectively Managing Transit Emergencies	Transit Rail Incident Investigation
Director of Light Rail Operations	Yes	Yes	Yes	Yes	Yes	Yes
Director of Light Rail Maintenance	Yes	Yes	Yes	Yes	Yes	Yes
Light Rail Operations Superintendent	Yes	Yes	Yes	Yes	Yes	Yes
Light Rail Vehicle Maintenance Superintendent	Yes	Yes	Yes	Yes	Yes	Yes
Light Rail Wayside Maintenance Superintendent	Yes	Yes	Yes	Yes	Yes	Yes
Police Service Superintendent	Yes	Yes	Yes	Yes	Yes	Yes
Light Rail Transportation Supervisor	Yes	Yes	Yes	Yes	Yes	Yes
Light Rail Vehicle Maintenance Supervisor	Yes	Yes	Yes	Yes	Yes	Yes
Light Rail Wayside Maintenance Supervisor	Yes	Yes	Yes	Yes	Yes	Yes
Police Service Supervisor	Yes	Yes	Yes	Yes	Yes	Yes
CSO & Safety Department Personnel	Yes	Yes	Yes	Yes	Yes	Yes

The training for bus personnel who conduct safety audits and examinations includes:

Job	SMS Awareness Training	SMS Safety Assurance	SMS Principles for Transit	Transit Bus System Safety	Effectively Managing Transit Emergencies	Transit Bus Incident Investigation
Director of Bus Operations (includes CBS and SacRT GO)	Yes	Yes	Yes	Yes	Yes	Yes
Director of Bus Maintenance	Yes	Yes	Yes	Yes	Yes	Yes
Bus Operations Superintendent	Yes	Yes	Yes	Yes	Yes	Yes
Bus Maintenance Superintendent	Yes	Yes	Yes	Yes	Yes	Yes
Bus Transportation Supervisor	Yes	Yes	Yes	Yes	Yes	Yes



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Bus Maintenance Supervisor	Yes	Yes	Yes	Yes	Yes	Yes
CSO & Safety Department Personnel	Yes	Yes	Yes	Yes	Yes	Yes

4.5 Refresher Training

Personnel who have previously completed training required by the Public Transportation Safety Certification Training Program must complete at least one (1) hour of refresher training every two (2) years. The SSOA will determine refresher training requirements which must include, at a minimum, one (1) hour of safety oversight training.

Applicable SacRT personnel will participate in at least one (1) of the training classes and/or activities below. The hours completed may apply towards the requirement of the refresher training:

- Transit Safety Institute (TSI) Classes must be \geq One (1) hour
- Occupational Safety and Health Administration (OSHA) Classes \geq One (1) hour

4.6 Safety Training Records

Safety training records are maintained electronically, in compliance with the SacRT Record Retention Policy.

4.7 Toolbox Talks

SacRT will provide a standardized monthly safety related toolbox topics, distributed to each maintenance department by the Safety Department. Each department will distribute, and present the toolbox talks to their personnel.

4.8 Public Safety Training

An On-Track Safety program has been developed for contractors working on or near rail tracks. The purpose of this program is to prevent accidents and casualties caused by moving LRVs or roadway maintenance machines striking roadway workers or roadway maintenance machines.

This program prescribes minimum safety standards for roadway workers. Each contractor may prescribe additional or more stringent operating rules, safety rules, and other special instructions that are consistent with this program.

This program prescribes safety standards related to the movement of roadway maintenance machines where such movements affect the safety of roadway workers. Employees, and Contractors prior to working within ten (10) feet of the rail tracks are required to attend the SacRT's On Track Safety Program.

SacRT maintains electronic records for persons, and organizations that have received On-Track Safety (OTS) training.

Completion of contractor OTS training is verified by the Safety Department as the final component of the Track Warrant Permit process.

4.9 Drug and Alcohol Program

The SacRT Drug and Alcohol Program Policy defines the methods of compliance to promote a drug and alcohol-free workforce. The program is in compliance with 49 CFR Part 655.



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4.10 Hazard Resolution Fire Life Safety Committee (HRFLSC)

SacRT will at least annually hold a HRFLSC meeting to review and coordinate with emergency services, utility companies, and public works to offer On-Track Safety training, system/facility changes, familiarization with accessing and safely working around the SacRT system.

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Carmen Alba, VP, Bus Operations
SUBJ: APPROVING THE CONTRACT FOR ON-CALL REVENUE VEHICLE AUTO BODY REPAIR SERVICES

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

This contract will allow for expedited repairs with established costs for any accident damage incurred on SacRT revenue vehicles.

FISCAL IMPACT

Year 1 (7 months)	OP23	\$ 72,479.16
Year 2	OP24	\$ 124,250.00
Year 3	OP25	\$ 124,250.00
Year 4 (5 months)	OP26	\$ 51,770.84

Total Consideration \$ 372,750.00

The fiscal impact is based on estimated labor and parts costs. At this time, a total of \$282,750 has been budgeted for this Contract, which is based solely on the labor costs that were bid, without consideration of parts costs, but the total consideration amount will be \$372,750 to include a parts contingency. Additional funds may need to be identified to fully fund the work under the Contract.

DISCUSSION

The current process for repairing damage to SacRT revenue vehicles is lengthy and time consuming. When damage is identified, Bus Maintenance staff must first schedule and request vendors to come onsite for inspections and repair quotes. After receiving multiple quotes, staff then creates a requisition for the selected vendor and begins the process for procuring the repair services. The entire process can take weeks depending on the extent of the damage and how far out the shops are scheduling repairs.

An on-call contract will allow for expedited repairs and consistent and predetermined labor costs with the selected vendor. The on-call contract will: create faster turnaround times

for essential revenue vehicles to get back on the road supporting SacRT operations; reduce the amount of staff time spent on procurement functions; and provide pricing stability in a high-inflation market.

On October 5, 2022, an Invitation for Bid (IFB) was released on PlanetBids and 94 vendors were notified. Staff also emailed the PlanetBids notification link to vendors who have provided recent services, along with instructions to register as a SacRT vendor on the PlanetBids site. SacRT received only 1 responsive and responsible bid from Transportation Services, Inc.

Staff reached out to vendors that chose not to bid on this contract to determine why a bid was not submitted and received a response from two vendors. One vendor had a medical emergency and was unable to submit its bid. Another vendor did register on PlanetBids but failed to download the solicitation and submit a bid prior to the bid due date.

Based on the bid received and comparison to previous purchases, staff has determined the price to be fair and reasonable.

RESOLUTION NO. 2022-12-148

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

APPROVING THE CONTRACT FOR ON-CALL REVENUE VEHICLE AUTO BODY REPAIR SERVICES

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Contract for On-Call Revenue Vehicle Auto Body Repair Services between Sacramento Regional Transit District, therein referred to as "SacRT," and Transportation Services, Inc., therein referred to as "Contractor," whereby Contractor agrees to provide on-call revenue vehicle auto body repair services, as further specified, for an amount not to exceed \$372,750.00, plus applicable sales tax, for a 3-year term, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute the Contract.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Devra Selenis, VP, Communications and Partnerships
SUBJ: AUTHORIZING THE GENERAL MANAGER/CEO TO APPROVE A
“FARE EQUIVALENT” FOR PERSONS NEEDING TO TRAVEL
ON EXISTING SACRT ROUTES SERVING WEATHER RESPITE
CENTERS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The SacRT General Manager/CEO will be authorized to approve an appropriate form of “Fare Equivalent” for persons needing to travel on existing SacRT transit services, which may include fixed-route, demand-response, and/or complementary paratransit service depending on the circumstances, that serve cooling and warming centers that align with forecasted activation of weather respite operations within SacRT’s service area and during regular service hours.

FISCAL IMPACT

There is no fiscal impact as a result of Board approval, as the number of daily free rides will fall within the General Manager/CEO authority to distribute complimentary passes each month for marketing promotions and partnerships (Resolution No. 19-07-0084).

Based on prior annual ridership to warming and cooling centers, SacRT estimates that there may be approximately 3,750 free rides provided per year.

DISCUSSION

On any given night in Sacramento, several thousand people live unsheltered outdoors. The 2022 Point in Time Homeless Count released by the Sacramento County Continuum of Care reported approximately 9,278 individuals experienced homelessness throughout the County.

In an effort to assist our community against the imminent health and safety threats to the unsheltered population during significant weather events, Staff is seeking a delegation of authority to the General Manager/CEO to establish an appropriate alternative form of “Fare Equivalent” to allow for travel at no cost on existing routes and services that provide access to weather respite centers. Last year, there were eight deaths from hypothermia,

“more than all the cases of hypothermia from the previous 19 years combined,” according to the Sacramento County 2022 Homeless Deaths Report.

The SacRT General Manager/CEO and staff, in partnership with local jurisdictions, will work together to identify the appropriate form of “Fare Equivalent” documentation, as well as the services, routes and times the free fare would be authorized for those needing to get to an activated respite center using SacRT transit services when weather reaches forecasted activation thresholds that follow criteria similar to the list below:

- Nighttime lows of 37 degrees or lower for two or more days within a five-day span; or
- Rain for two or more consecutive days (forecast 60% or more); or
- One day or night of rain combined with nighttime lows of 32 degrees or lower; or
- Publication of a National Weather Service (NWS) Heat or Freeze Advisory. An NWS Heat Advisory is issued within 12 hours of the onset of extremely dangerous conditions (e.g., typically when the maximum heat index temperature is expected to be 100° or higher for at least 2 consecutive days, and nighttime air temperatures will not drop below 75°).

Adopting this action would help eliminate the transportation barrier for those needing to seek shelter during extreme weather conditions.

RESOLUTION NO. 2022-12-149

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

AUTHORIZING THE GENERAL MANAGER/CEO TO APPROVE A “FARE EQUIVALENT” FOR PERSONS NEEDING TO TRAVEL ON EXISTING SACRT ROUTES SERVING WEATHER RESPITE CENTERS

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, in addition to the enumerated list contained in Resolution No. 20-03-0013, the definition of “Fare Equivalent” as set out in that Resolution and in Resolution 21-02-0011 will also include an appropriate form of Fare Equivalent established by the General Manager/CEO that will serve as payment of the Applicable Fare or basic fare for SacRT transit services, which may include fixed-route, demand-response, and/or complementary paratransit service, for the limited purpose of accessing weather respite centers established by local jurisdictions, subject to the terms and conditions set out by the General Manager/CEO, including required eligibility documentation and the applicable services, routes, and times where the Fare Equivalent will be valid during regular service hours.

THAT, each free ride taken under the authority granted by this Resolution will be counted toward the General Manager/CEO’s complimentary ticket allotment.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 12, 2022

TO: Sacramento Regional Transit Board of Directors

FROM: Jamie Adelman, VP, Procurement, Real Estate and Special Projects

SUBJ: DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO ENTER INTO A PROJECT AGREEMENT FOR TWO WATER LINES AND A SEWER LINE PROJECT AGREEMENT WITH NORTHPOINT DEVELOPMENT LLC AND GRANTING CONCURRENCE TO EASEMENT AGREEMENTS BETWEEN THE SACRAMENTO PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY, GOLDEN STATE WATER COMPANY, AND SACRAMENTO AREA SEWER DISTRICT

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Delegating authority to the General Manager/CEO to enter into a project agreement with Northpoint Development LLC (Northpoint) and concurring in the granting of an Easement to Golden State Water Company, in perpetuity, from the Sacramento-Placerville Transportation Corridor Joint Powers Authority (JPA) to include two waterline connections; and concurring in the granting of an Easement to Sacramento Area Sewer District, in perpetuity, from the JPA for a sewer connection. All three pipeline connections are on the south side of Folsom Boulevard west of Hazel Avenue.

FISCAL IMPACT

Sacramento Regional Transit (SacRT) will receive \$1,099 in consideration for concurring in the granting of each easement, totaling \$3,297. The dollar value of the easement is based on a recent similar easement granted in the same location to the City of Folsom. Northpoint will pay for all the costs for the transaction.

DISCUSSION

A portion of SacRT's Gold Line is located within JPA-owned right of way and SacRT's facilities are present within the JPA right of way by permanent easement. Northpoint needs to install two waterlines and a sewer line within the JPA right of way and has requested that the JPA grant easements to the Golden State Water Company within SacRT's easement area for two waterlines. In addition, the JPA is being asked to grant an easement to the Sacramento Area Sewer District to manage a sewer line within SacRT's easement area. The water and sewer lines are necessary infrastructure for Northpoint's new Rancho Cordova Logistics Center development south of Folsom Boulevard, which is expanding industrial uses west of Hazel Avenue. In addition, these waterline and sewer line services will precede developments that SacRT will have the opportunity to serve in the future.

To complete the work, Northpoint requires access to the JPA right of way over which SacRT has a permanent easement. To facilitate the work, SacRT, Northpoint and the JPA will enter into a project agreement setting forth the conditions upon which work can be performed in the JPA right of way and granting Northpoint and their contractors' temporary access to the right of way for pre-construction and construction activities. Upon completion of the installation of the water lines, the JPA will grant permanent easements to the Golden State Water Company that will authorize the waterlines' presence within the JPA right of way and grant the Golden State Water Company access to the right of way to maintain and repair the waterlines in perpetuity. In addition, the JPA will grant a permanent easement to the Sacramento Area Sewer District that will authorize the sewer line's presence within the JPA right of way and grant the Sacramento Area Sewer District access to the right of way to maintain and repair the sewer line in perpetuity. Because the waterlines and the sewer easement will be within SacRT's existing easement in the JPA right of way, SacRT will need to concur in the granting of the easements to the Golden State Water Company and the Sacramento Area Sewer District.

The three pipelines would be placed underneath SacRT and Union Pacific tracks on a portion of APN 069-0040-014 between Schnitzer Steel and Hazel Ave. near Folsom Blvd., which is owned by the JPA. The waterlines will be owned and operated by the Golden State Utility Company and the sewer line will be owned and operated by the Sacramento Area Sewer District.

Staff recommends that the Board authorize the General Manager/CEO to enter into a project agreement with the JPA and with Northpoint Development, LLC authorizing Northpoint to install two waterlines and a sewer line within the JPA right of way and concur in the JPA granting of these three easements over JPA right of way upon completion of the installation of the pipelines contingent upon Federal Transportation Administration (FTA) concurrence.

RESOLUTION NO. 2022-12-145

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

DELEGATE AUTHORITY TO THE GENERAL MANAGER/CEO TO ENTER INTO A PROJECT AGREEMENT WITH NORTHPOINT DEVELOPMENT LLC AND GRANTING CONCURRENCE TO TWO EASEMENT AGREEMENTS BETWEEN THE SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY AND GOLDEN STATE WATER COMPANY FOR TWO WATERLINES, CONTINGENT UPON SECURING FTA CONCURRENCE

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby delegates authority to the General Manager/CEO to enter into a Project Agreement with Northpoint Development LLC and the Sacramento-Placerville Transportation Corridor Joint Powers Authority (JPA) granting Northpoint Development LLC access to the JPA Right of Way to construct and install two waterlines within the parcel identified as Assessor Parcel Number 069-0040-014, on behalf of the Golden State Utility Company; and

THAT, the Board hereby delegates authority to the General Manager/CEO to concur in the granting of two easements in gross by the Sacramento-Placerville Transportation Corridor Joint Powers Authority to the Golden State Utility Company, upon construction and installation of the waterline by Northpoint Development for the purpose of maintaining the waterline by the Golden State Utility Company upon and within the parcel identified as Assessor Parcel Numbers 069-0040-014 in consideration of receipt of payment in the amount of \$2,198, conditioned on Federal Transit Administration (FTA) concurrence in the proposed use of the property; and

THAT, the General Manager/CEO is hereby authorized to execute the above described Project Agreement with Northpoint Development LLC and the Sacramento-Placerville Transportation Corridor Joint Powers Authority and upon satisfaction of the foregoing condition, the General Manager/CEO is hereby authorized and directed to

execute said Easement Agreements, and all documents necessary to demonstrate SacRT's concurrence with the Sacramento-Placerville Transportation Corridor Joint Powers Authority's granting of said Easements to the Grantee.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 2022-12-146

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

DELEGATE AUTHORITY TO THE GENERAL MANAGER/CEO TO ENTER INTO A PROJECT AGREEMENT WITH NORTHPOINT DEVELOPMENT LLC AND GRANTING CONCURRENCE TO AN EASEMENT AGREEMENT BETWEEN THE SACRAMENTO-PLACERVILLE TRANSPORTATION CORRIDOR JOINT POWERS AUTHORITY AND SACRAMENTO AREA SEWER DISTRICT FOR A SEWER LINE, CONTINGENT UPON SECURING FTA CONCURRENCE

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby delegates authority to the General Manager/CEO to enter into a Project Agreement with Northpoint Development LLC and the Sacramento-Placerville Transportation Corridor Joint Powers Authority (JPA) granting Northpoint Development LLC access to the JPA Right of Way to construct and install a sewer line within the parcel identified as Assessor Parcel Number 069-0040-014, on behalf of the Sacramento Area Sewer District; and

THAT, the Board delegates authority to the General Manager/CEO to concur in the granting of an easement in gross by the Sacramento-Placerville Transportation Corridor Joint Powers Authority to the Sacramento Area Sewer District, upon construction and installation of the sewer line by Northpoint Development for the purpose of maintaining the sewer line by the Sacramento Area Sewer District upon and within the parcel identified as Assessor Parcel Numbers 069-0040-014 in consideration of receipt of payment in the amount of \$1,099, conditioned on Federal Transit Administration (FTA) concurrence in the proposed use of the property; and

THAT, the General Manager/CEO is hereby authorized to execute the above described Project Agreement with Northpoint Development LLC and the Sacramento-Placerville Transportation Corridor Joint Powers Authority and upon satisfaction of the foregoing condition, the General Manager/CEO is hereby authorized and directed to

execute said Easement Agreement, and all documents necessary to demonstrate SacRT's concurrence with the Sacramento-Placerville Transportation Corridor Joint Powers Authority's granting of said Easement to the Grantee.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Shelly Valenton, Deputy General Manager/CEO
SUBJ: APPROVING CONTRACTS FOR SAP OPERATIONAL SUPPORT AND ENHANCEMENT SERVICES AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO AWARD A CONTRACT FOR SAP ENHANCEMENT SERVICES

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving the recommended action will award a contract to Labyrinth Solutions LLC (Labyrinth) for SAP operational support and enhancements. This will allow SacRT to bring its end-of-life unsupported SAP system to current standards/licensing and implement additional modules for business process improvements.

Approving a Contract for SAP Enhancement Services with Sage Group Technologies, Inc. and delegating authority to award a Contract for SAP Enhancement Services to EPI-Use America, Inc. will provide SacRT with a stable of qualified SAP vendors capable of performing enhancement services/projects on an as-needed basis.

FISCAL IMPACT

The SAP Operational Support costs are budgeted in the Fiscal Year 2023 Information Technology Operations Budget. Future Fiscal Year costs will be included in the respective Operating Budgets.

The Labyrinth contract will include a base Operational Support of \$1,860,000 over 10 years and an additional \$1,875,000 for potential Work Orders that may be issued for Enhancement Services, for a total not-to-exceed amount of \$3,735,000.

The other Enhancement Service contracts (Sage Group Technologies, Inc. and EPI-Use) will each have a not-to-exceed amount of \$1.5 million.

Enhancement Services will be provided on a Work Order basis. Funding for SAP Enhancement Services will be identified as part of the enhancement estimate and approval process over the term of the agreement. Individual Work Orders that exceed \$150,000 will be approved by the Board.

DISCUSSION

On October 8, 2001, the Board awarded a contract to Solbourne/SAP for the purchase and implementation of SAP as an Integrated Enterprise Resource Management System (ERMS). This procurement replaced the end-of-life and no longer supported IBM AS-400 computer system and included software, user licenses, annual maintenance, system implementation, and training services with an initial budget of \$3,500,000.

SAP continues to be recognized as an industry leader for providing comprehensive integrated software applications and since the initial implementation, SAP has been a critical SacRT information system used for Financial Management, Material Management, Payroll, and Human Resources Management. While the system is vital, it has not received a substantial upgrade since 2014. SacRT recognizes the value that SAP brings to the agency and has determined that updating and enhancing the system is both necessary and cost effective in the support of ongoing critical business operations. These contracts will return SAP to a robust, resilient, and supported platform. The planned enhancements will replace many manual processes and reduce errors while increasing staff efficiencies and achieving greater employee engagement.

There were two components to the procurement. In the interest of promoting competition and allowing firms with particular SAP specializations to propose, proposers were allowed to submit for either or both components:

1. SAP Operational Support Services – these are services to bring the existing system to present-day standards, keep it current, and provide day-to-day operational support to supplement SacRT’s limited Information Technology staff; and/or
2. SAP Enhancement Services – these would be services to add additional functionality or complete special projects.

The Request for Proposals (RFP) was published on December 22, 2021, on PlanetBids eProcurement system. SacRT received 7 proposals, which were collectively evaluated and scored by staff from Information Technology, Finance, and Human Resources. Respondents were evaluated and scored on the following criteria:

- Project Understanding
- Project Staff and Experience
- Project Work Plan
- Price

Separate evaluations were conducted for each of the two components. The Operational Support Services component of the contract is to be awarded to a single contractor, while the SAP Enhancement Services portion of the contract could be awarded to multiple qualified proposers.

The Senior Manager, Enterprise Business Solutions will be responsible for managing both components of the contract. The SAP Operational Support Services component has fixed pricing over the 10-year term, while funding for enhancements will be identified and encumbered as part of the task order approval process.

The potential exists that work performed under either component of the contract may substantially change the SAP Operational Support Services contract cost. Therefore, as part of approving any Work Order, this cost will be identified separately within the overall cost of the work proposed and may trigger an amendment to the Contract for Operational Support Services. The Senior Manager, Enterprise Business Solutions will engage with the SacRT Procurement and Legal departments to amend the agreement and incorporate the change, subject to Board approval, if necessary.

Operational Support Services

Labyrinth achieved the highest score and is being recommended for award of a Contract for Operational Support Services. Labyrinth has the necessary resources and has proven public sector experience supporting SAP. During the first 12 months of the contract, Labyrinth will perform an intense period of hyper-care to bring the system to within 1 - 2 versions of currently-released software levels. Once hyper-care is completed, Labyrinth will continue to maintain the system (within 1 – 2 levels of supported software) as well as provide day-to-day support responding to and resolving issues, performing configuration management, as well as providing data backup, data archive, and data restoration services.

Configuration items that require more than 40 hours to complete and are required as part of the current production environment, such as major configuration changes related to union agreements, are designated as mini-operational projects. Mini-operational projects are critical to operations and very time sensitive. These mini-operational projects will be approved through a Work Order as “Enhancement Services,” though only Labyrinth will have the opportunity to provide these services.

Enhancement Services

In addition to maintaining the SAP production environment, SacRT also seeks to improve the capability of the system. For example, electronic time and attendance management could replace current paper-based timekeeping processes. This would simplify administrative processes and reduce administrative costs, including payroll data entry errors and overtime costs, while improving employee engagement. Based on the evaluations and scoring, three contractors were selected for the SAP Enhancement Services.

- Labyrinth Solutions, LLC
- EPI-Use America Inc.
- Sage Group Technologies, Inc.

To evaluate potential enhancements, SacRT staff will collaborate with the authorized contractors to review already- identified enhancements; identify potential and yet unidentified enhancements; identify which enhancements could be implemented during hyper-care; and propose the initial prioritization, cost, and implementation timelines. This information will be presented to SacRT leadership for review and approval. Funding for enhancement services must be identified before advancement of the project through the Work Order process.

EPI-Use America, Inc. has proposed exceptions to SacRT’s form of contract, which are

still being negotiated. Therefore, a delegation of authority to the General Manager/CEO is being requested to award that contract upon successful conclusion of negotiations.

RESOLUTION NO. 2022-12-150

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

APPROVING A CONTRACT FOR SAP OPERATIONAL SUPPORT SERVICES AND ENHANCEMENT SERVICES TO LABYRINTH SOLUTIONS, LLC

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Contract for SAP Operational Support and Enhancement Services by and between the Sacramento Regional Transit District (therein "SacRT) and Labyrinth Solutions, LLC (therein "Contractor"), whereby Contractor agrees to provide SAP Operational Support Services on a fixed-price basis for the amount \$1,860,000 for a 10-year period and provide Enhancement Services on a Work Order basis not to exceed \$1,875,000, as further specified therein, for a total not-to-exceed amount of \$3,735,000, is hereby approved.

THAT, the Board Chair and General Manager/CEO are hereby authorized and directed to execute the foregoing Contract.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 2022-12-151

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

APPROVING A CONTRACT FOR SAP ENHANCEMENT SERVICES TO SAGE GROUP TECHNOLOGIES, INC.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Contract for SAP Enhancement Services by and between the Sacramento Regional Transit District (therein "SacRT") and Sage Group Technologies, Inc. (therein "Contractor"), whereby Contractor agrees to provide SAP Enhancement Services on a Work Order basis for an amount not to exceed \$1.5 million, as further specified therein, is hereby approved.

THAT, the Board Chair and General Manager/CEO are hereby authorized and directed to execute the foregoing Contract.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 2022-12-152

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO AWARD A CONTRACT FOR SAP ENHANCEMENT SERVICES TO EPI-USE AMERICA, INC.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, authority is delegated to the General Manager/CEO to award the Contract for SAP Enhancement Services to EPI-Use America, Inc. (therein "Contractor"), whereby Contractor agrees to provide SAP Enhancement Services on a Work Order basis for an amount not to exceed \$1.5 million, as further specified therein, upon successful conclusion of contract negotiations.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Patrick Kennedy, Vice Chair, Board of Directors
SUBJ: COMMENDING STEVE MILLER

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Recognizes Steve Miller for his service on the Sacramento Regional Transit (SacRT) District Board of Directors.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

Steve Miller has been a member of the SacRT Board of Directors since 2007. During 2021 and 2022, Steve Miller represented SacRT as the Chair of the Board of Directors. The Resolution presented acknowledges Steve Miller's service on the Sacramento Regional Transit Board of Directors and his term as Chair.

Staff recommends that the Board adopt the attached Resolution commending Steve Miller.

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:
December 12, 2022

COMMENDING Steve Miller

Whereas, Steve Miller has faithfully represented the City of Citrus Heights on the Sacramento Regional Transit District Board of Directors from January 2007 through December 2022; and

Whereas, Steve Miller served as Chair of the Sacramento Regional Transit District Board of Directors for 2010, 2021 and 2022; and

Whereas, Steve Miller was instrumental in piloting SacRT's first SmART Ride microtransit service zone in the City of Citrus heights in 2018, which has since grown to one of the largest and most successful microtransit services in the country, and as Chair approved free rides for COVID-19 vaccination within SacRT's service area in 2021 to help keep our region healthy and safe; and

Whereas, Steve Miller served on numerous committees and regional boards representing SacRT; and

Whereas, during Steve Miller's term on the Board of Directors, Sacramento Regional Transit District accomplished the following among many others:

- Opened the 7th & I/County Center Station in 2007.
- Opened the Green Line to the River District in 2012, which extended light rail 1.1 miles north connecting downtown Sacramento to the River District.
- Opened a second Bus Maintenance Facility in McClellan to approve operational efficiencies and service coverage throughout the County.
- Opened the Blue Line to Cosumnes River College extension in 2015, which extended light rail 4.3 miles from the terminus at Meadowview Road to Cosumnes River College and opened four new stations ahead of schedule and under budget.
- Benefited from the passage of Senate Bill 1 (SB1), the Road Repair and Accountability Act of 2017, which invested approximately \$54 billion across California to fix bridges, roads, freeways and includes funding for public transit.
- Approved the agency's first fare reduction in its 47-year history in 2018, after implementing fiscal policies that renewed financial stability.
- Reimagined SacRT's entire bus network in 2019, which provides improved frequency, more weekend and evening service, and better routing to serve activity, employment and education centers.
- Launched the nation's first unrestricted systemwide student fare-free program in 2019, called RydeFreeRT, which offers free rides for youth and students in grades TK through 12th.
- Successfully executed transit annexation agreements with the cities of Folsom and Citrus Heights in 2019, and Elk Grove in 2020.
- Launched a new public intercity express bus service in 2020 that travels between the UC Davis campus and the UC Davis Medical Center, called Causeway Connection, using 12 zero emission electric buses secured through an Electrify America grant.
- Launched SacRT GO paratransit services in 2020, which transitioned the operation of ADA paratransit and non-ADA demand response service back in-house after more than 30 years of contracting.
- Launched the Airport Express bus route 142 in 2020 with service between downtown Sacramento and the Sacramento International Airport in partnership with Yolobus.
- Completed the South Sacramento Corridor Phase 2 (Blue Line to Cosumnes River College) project with the opening of the Morrison Creek Station between the Meadowview and Franklin stations in 2021.
- Approved SacRT's Zero Emission Bus Rollout Plan in 2021, which will transition SacRT's fleet to 100% zero emission by 2040.
- Partnered with Caltrans, Visa, Littlepay, and SC Soft in 2021 to launch the first contactless method for payment on board light rail trains in California.
- Progressed transit-oriented development with the opening of the first student transit-oriented housing project in the region at the University/65th Street Station in 2022, called the Wexler, and additional property sales.

Whereas, SacRT was awarded American Public Transportation Association's – 2021 North America's Outstanding Public Transportation System of the Year Award for accomplishment and innovations in public transportation; and

Whereas, serving on the Board of Directors, Steve Miller had a guiding vision for development of public transit and has advocated and contributed to many public transit initiatives dedicated to improving transit for the Sacramento community; and

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

That, all members of the Sacramento Regional Transit Board of Directors and staff wish to convey their appreciation to Steve Miller for his outstanding leadership, his dedicated service as both Board member and Board Chair, his commitment to high-quality public transportation throughout the District during his 16 years of service.

ATTEST:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

PATRICK KENNEDY, Vice Chair

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Steve Miller, Chair, Board of Directors
SUBJ: COMMENDING DON NOTTOLI

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Recognizes Don Nottoli for his service on the Sacramento Regional Transit (SacRT) District Board of Directors.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

Don Nottoli has been a member of the SacRT Board of Directors since 1998. The Resolution presented acknowledges Don Nottoli's service on the Sacramento Regional Transit Board of Directors.

Staff recommends that the Board adopt the attached Resolution commending Don Nottoli.

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:
December 12, 2022

COMMENDING Don Nottoli

Whereas, Don Nottoli has faithfully represented the County of Sacramento on the Sacramento Regional Transit District Board of Directors from December 1998 through December 2022; and

Whereas, Don Nottoli served as Chair of the Sacramento Regional Transit District Board of Directors for 2003 and 2011; and

Whereas, Don Nottoli was instrumental in televising SacRT Board Meetings on public access and setting up the five retirement boards; and

Whereas, Don Nottoli served on numerous committees and regional boards representing SacRT; and

Whereas, during Don Nottoli's term on the Board of Directors, Sacramento Regional Transit District accomplished the following among many others:

- Extended light rail to the Mather Field/Mills Station in 1998, a 2.3-mile extension east from Butterfield Station.
- Started construction of the South Line (future Blue Line) in November 1999.
- Extended light rail to the Amtrak/Sacramento Valley Station in 2001, marking the start of the Amtrak/Folsom Gold Line extension.
- Introduced the McClellan Shuttle and the Rancho CordoVan.
- Opened the first phase of the Blue Line to south Sacramento in 2003, a 6.3-mile extension with seven new stations.
- Extended light rail in 2004 from the Mather Field/Mills Station to Sunrise Boulevard with three new stations.
- Extended light rail in 2005 by 7.4 miles east from the Sunrise Station to the city of Folsom, which included four new stations.
- Completed the final segment of the Gold Line (also referred to as the Amtrak/Folsom Corridor) project in 2006, with the opening of the .7-mile light rail extension to Sacramento Valley Station with the addition of two new stations, connecting light rail with Amtrak/Capitol Corridor rail service, and fixed route bus.
- Opened the 7th & I/County Center Station in 2007.
- Opened the Green Line to the River District in 2012, which extended light rail 1.1 miles north connecting downtown Sacramento to the River District.
- Opened a second Bus Maintenance Facility in McClellan in 2013 to approve operational efficiencies and service coverage throughout the County.
- Opened the Blue Line to Cosumnes River College extension in 2015, which extended light rail 4.3 miles from the terminus at Meadowview Road to Cosumnes River College and opened four new stations ahead of schedule and under budget.
- Benefited from the passage of Senate Bill 1 (SB1), the Road Repair and Accountability Act of 2017, which invested approximately \$54 billion across California to fix bridges, roads, freeways and includes funding for public transit.
- Launched one of the nation's first on-demand microtransit services, called Smart Ride, in 2018, which has grown to one of the largest and most successful microtransit services in the country.
- Approved the agency's first fare reduction in its 47-year history in 2018, after implementing fiscal policies that renewed financial stability.
- Approved the Light Rail Modernization Project in 2018, which includes new accessible low-floor light rail vehicles, updated station platforms, and adding a "passing track" to Folsom area stations to allow the light rail system to operate every 15 minutes systemwide.
- Reimagined SacRT's entire bus network in 2019, which provides improved frequency, more weekend and evening service, and better routing to serve activity, employment and education centers.
- Launched the nation's first unrestricted systemwide student fare-free program in 2019, called RydeFreeRT, which offers free rides for youth and students in grades TK through 12th.
- Successfully executed transit annexation agreements with the cities of Folsom and Citrus Heights in 2019, and Elk Grove in 2020.
- Launched a new public intercity express bus service in 2020 that travels between the UC Davis campus and the UC Davis Medical Center, called Causeway Connection, using 12 zero emission electric buses secured through an Electrify America grant.
- Launched SacRT GO paratransit services in 2020, which transitioned the operation of ADA paratransit and non-ADA demand response service back in-house after more than 30 years of contracting.
- Launched the Airport Express bus route 142 in 2020 with service between downtown Sacramento and the Sacramento International Airport in partnership with Yolobus.
- Completed the South Sacramento Corridor Phase 2 (Blue Line to Cosumnes River College) project with the opening of the Morrison Creek Station between the Meadowview and Franklin stations in 2021.
- Approved SacRT's Zero Emission Bus Rollout Plan in 2021, which will transition SacRT's fleet to 100% zero emission by 2040.
- Partnered with Caltrans, Visa, Littlepay, and SC Soft in 2021 to launch the first contactless method for payment on board light rail trains in California.
- Progressed transit-oriented development with the opening of the first student transit-oriented housing project in the region at the University/65th Street Station in 2022, called the Wexler, and additional property sales.

Whereas, SacRT was awarded American Public Transportation Association's – 2021 North America's Outstanding Public Transportation System of the Year Award for accomplishment and innovations in public transportation; and

Whereas, serving on the Board of Directors, Don Nottoli had a guiding vision for development of public transit and has advocated and contributed to many public transit initiatives dedicated to improving transit for the Sacramento region ; and

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

That, all members of the Sacramento Regional Transit Board of Directors and staff commend Don Nottoli for his leadership, outstanding governance and service as both Board member and Board Chair, and for his commitment to high-quality public transportation throughout the District during his 24 years of service.

ATTEST:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STEVE MILLER, Chair

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Steve Miller, Chair, Board of Directors
SUBJ: COMMENDING PATRICK HUME

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Recognizes Patrick Hume for his service on the Sacramento Regional Transit (SacRT) District Board of Directors.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

Patrick Hume has been a member of the SacRT Board of Directors since 2007. The Resolution presented acknowledges Patrick Hume's service on the Sacramento Regional Transit Board of Directors.

Staff recommends that the Board adopt the attached Resolution commending Patrick Hume.

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:
December 12, 2022

COMMENDING Patrick Hume

Whereas, Patrick Hume has faithfully represented the City of Elk Grove on the Sacramento Regional Transit District Board of Directors from January 2007 through December 2022; and

Whereas, Patrick Hume served as Chair of the Sacramento Regional Transit District Board of Directors for 2013; and

Whereas, Patrick Hume has been instrumental in working to reduce vehicle miles traveled and traffic congestion through sustainable transportation planning, and has worked tirelessly to extend light rail to Elk Grove to meet these clean air goals; and

Whereas, Patrick Hume served on numerous committees and regional boards representing SacRT; and

Whereas, during Patrick Hume's term on the Board of Directors, Sacramento Regional Transit District accomplished the following among many others:

- Championed efforts to successfully annex the city of Elk Grove's transit services into SacRT's system, resulting in seamless connectivity and expanded regional ADA paratransit service.
- Opened the Blue Line to Cosumnes River College extension in 2015, which extended light rail 4.3 miles from the terminus at Meadowview Road to Cosumnes River College and opened four new stations ahead of schedule and under budget.
- Opened the 7th & I/County Center Station in 2007.
- Opened the Green Line to the River District in 2012, which extended light rail 1.1 miles north connecting downtown Sacramento to the River District.
- Launched one of the nation's first on-demand microtransit services, called SmART Ride, in 2018, which has grown to one of the largest and most successful microtransit services in the country.
- Approved the agency's first fare reduction in its 47-year history in 2018, after implementing fiscal policies that renewed financial stability.
- Reimagined SacRT's entire bus network in 2019, which provides improved frequency, more weekend and evening service, and better routing to serve activity, employment and education centers.
- Launched the nation's first unrestricted systemwide student fare-free program in 2019, called RydeFreeRT, which offers free rides for youth and students in grades TK through 12th.
- Successfully executed transit annexation agreements with the cities of Folsom and Citrus Heights in 2019.
- Launched a new public intercity express bus service in 2020 that travels between the UC Davis campus and the UC Davis Medical Center, called Causeway Connection, using 12 zero emission electric buses secured through an Electrify America grant.
- Launched SacRT GO paratransit services in 2020, which transitioned the operation of ADA paratransit and non-ADA demand response service back in-house after more than 30 years of contracting.
- Launched the Airport Express bus route 142 in 2020 with service between downtown Sacramento and the Sacramento International Airport in partnership with Yolobus.
- Completed the South Sacramento Corridor Phase 2 (Blue Line to Cosumnes River College) project with the opening of the Morrison Creek Station between the Meadowview and Franklin stations in 2021.
- Approved SacRT's Zero Emission Bus Rollout Plan in 2021, which will transition SacRT's fleet to 100% zero emission by 2040.
- Partnered with Caltrans, Visa, Littlepay, and SC Soft in 2021 to launch the first contactless method for payment on board light rail trains in California.
- Progressed transit-oriented development with the opening of the first student transit oriented housing project in the region at the University/65th Street Station in 2022, called the Wexler, and additional property sales.

Whereas, SacRT was awarded American Public Transportation Association's – 2021 North America's Outstanding Public Transportation System of the Year Award for accomplishment and innovations in public transportation; and

Whereas, serving on the Board of Directors, Patrick Hume had a guiding vision for development of public transit and has advocated and contributed to many public transit initiatives dedicated to improving transit for the Sacramento community; and

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

That, all members of the Sacramento Regional Transit Board of Directors and staff wish to convey their appreciation to Patrick Hume for his outstanding leadership, his dedicated service as both Board member and Board Chair, and his commitment to high-quality public transportation throughout the District during his 16 years of service.

ATTEST:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STEVE MILLER, Chair

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Steve Miller, Chair, Board of Directors
SUBJ: COMMENDING JAY SCHENIRER

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Recognizes Jay Schenirer for his service on the Sacramento Regional Transit (SacRT) District Board of Directors.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

Jay Schenirer has been a member of the SacRT Board of Directors since 2012. The Resolution presented acknowledges Jay Schenirer's service on the Sacramento Regional Transit Board of Directors.

Staff recommends that the Board adopt the attached Resolution commending Jay Schenirer.

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:
December 12, 2022

COMMENDING Jay Schenirer

Whereas, Jay Schenirer has faithfully represented the City of Sacramento on the Sacramento Regional Transit District Board of Directors from January 2012 through December 2022; and

Whereas, Jay Schenirer served as Chair of the Sacramento Regional Transit District Board of Directors for 2015 and 2016; and

Whereas, RydeFreeRT has increased youth transit ridership, improved student attendance and reduced absenteeism, and provided more access to non-school related travel. Three months after its launch, SacRT immediately experienced a 127% growth in student ridership. As of September 2022, the program is currently on track to exceed 3.5 million student rides for the year; and

Whereas, Jay Schenirer served on numerous committees and regional boards representing SacRT; and

Whereas, during Jay Schenirer's term on the Board of Directors, Sacramento Regional Transit District:

- Opened the Green Line to the River District in 2012, which extended light rail 1.1 miles north connecting downtown Sacramento to the River District.
- Opened a second Bus Maintenance Facility in McClellan to approve operational efficiencies and service coverage throughout the County.
- Opened the Blue Line to Cosumnes River College extension in 2015, which extended light rail 4.3 miles from the terminus at Meadowview Road to Cosumnes River College and opened four new stations ahead of schedule and under budget.
- Benefited from the passage of Senate Bill I (SB1), the Road Repair and Accountability Act of 2017, which invested approximately \$54 billion across California to fix bridges, roads, freeways and includes funding for public transit.
- Approved the agency's first fare reduction in its 47-year history in 2018, after implementing fiscal policies that renewed financial stability
- Reimagined SacRT's entire bus network in 2019, which provides improved frequency, more weekend and evening service, and better routing to serve activity, employment and education centers.
- Successfully executed transit annexation agreements with the cities of Folsom and Citrus Heights in 2019, and Elk Grove in 2020.
- Launched a new public intercity express bus service in 2020 that travels between the UC Davis campus and the UC Davis Medical Center, called Causeway Connection, using 12 zero emission electric buses secured through an Electrify America grant.
- Launched SacRT GO paratransit services in 2020, which transitioned the operation of ADA paratransit and non-ADA demand response service back in-house after more than 30 years of contracting.
- Launched the Airport Express bus route 142 in 2020 with service between downtown Sacramento and the Sacramento International Airport in partnership with Yolobus.
- Completed the South Sacramento Corridor Phase 2 (Blue Line to Cosumnes River College) project with the opening of the Morrison Creek Station between the Meadowview and Franklin stations in 2021.
- Approved SacRT's Zero Emission Bus Rollout Plan in 2021, which will transition SacRT's fleet to 100% zero emission by 2040.
- Partnered with Caltrans, Visa, Littlepay, and SC Soft in 2021 to launch the first contactless method for payment on board light rail trains in California.
- Progressed transit-oriented development with the opening of the first student transit oriented housing project in the region at the University/65th Street Station in 2022, called the Wexler, and additional property sales.

Whereas, SacRT was awarded American Public Transportation Association's – 2021 North America's Outstanding Public Transportation System of the Year Award for accomplishment and innovations in public transportation; and

Whereas, serving on the Board of Directors, Jay Schenirer had a guiding vision for development of public transit and has advocated and contributed to many public transit initiatives dedicated to improving transit for the Sacramento community; and

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

That, all members of the Sacramento Regional Transit Board of Directors and staff commend Jay Schenirer for his leadership, outstanding governance and service as both Board member and Board Chair, and for his commitment to high-quality public transportation throughout the District during his 11 years of service.

ATTEST:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STEVE MILLER, Chair

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Steve Miller, Chair, Board of Directors
SUBJ: COMMENDING JEFF HARRIS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Recognizes Jeff Harris for his service on the Sacramento Regional Transit (SacRT) District Board of Directors.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

Jeff Harris has been a member of the SacRT Board of Directors since 2015. The Resolution presented acknowledges Jeff Harris' service on the Sacramento Regional Transit Board of Directors.

Staff recommends that the Board adopt the attached Resolution commending Jeff Harris.

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:
December 12, 2022

COMMENDING Jeff Harris

Whereas, Jeff Harris has faithfully represented the City of Sacramento on the Sacramento Regional Transit District Board of Directors from January 2015 through December 2022; and

Whereas, Jeff Harris has supported efforts to redesign our transit system and worked to improve coverage, frequency, and safety for riders. He was instrumental in the building and opening of the Wexler, the first Transit Oriented Development (TOD) progressed by SacRT, and the first student housing TOD in the Sacramento region. The project also modernized the University/65th Street transit center, making it easier for the 700 students living in the complex to connect to bus and light rail; and

Whereas, Jeff Harris served on committees and regional boards representing SacRT; and

Whereas, during Jeff Harris's term on the Board of Directors, Sacramento Regional Transit District accomplished the following among many others:

- Opened the Blue Line to Cosumnes River College extension in 2015, which extended light rail 4.3 miles from the terminus at Meadowview Road to Cosumnes River College and opened four new stations ahead of schedule and under budget.
- Benefited from the passage of Senate Bill 1 (SB1), the Road Repair and Accountability Act of 2017, which invested approximately \$54 billion across California to fix bridges, roads, freeways and includes funding for public transit.
- Launched one of the nation's first on-demand microtransit services, called SmarT Ride, in 2018, which has grown to one of the largest and most successful microtransit services in the country.
- Approved the agency's first fare reduction in its 47-year history in 2018, after implementing fiscal policies that renewed financial stability.
- Approved the Light Rail Modernization Project in 2018, which includes new accessible low-floor light rail vehicles, updated station platforms, and adding a "passing track" to Folsom area stations to allow the light rail system to operate every 15 minutes systemwide.
- Reimagined SacRT's entire bus network in 2019, which provides improved frequency, more weekend and evening service, and better routing to serve activity, employment and education centers.
- Launched the nation's first unrestricted systemwide student fare-free program in 2019, called RydeFreeRT, which offers free rides for youth and students in grades TK through 12th.
- Successfully executed transit annexation agreements with the cities of Folsom and Citrus Heights in 2019, and Elk Grove in 2020.
- Launched a new public intercity express bus service in 2020 that travels between the UC Davis campus and the UC Davis Medical Center, called Causeway Connection, using 12 zero emission electric buses secured through an Electrify America grant.
- Launched SacRT GO paratransit services in 2020, which transitioned the operation of ADA paratransit and non-ADA demand response service back in-house after more than 30 years of contracting.
- Launched the Airport Express bus route 142 in 2020 with service between downtown Sacramento and the Sacramento International Airport in partnership with Yolobus.
- Completed the South Sacramento Corridor Phase 2 (Blue Line to Cosumnes River College) project with the opening of the Morrison Creek Station between the Meadowview and Franklin stations in 2021.
- Approved SacRT's Zero Emission Bus Rollout Plan in 2021, which will transition SacRT's fleet to 100% zero emission by 2040.
- Partnered with Caltrans, Visa, Littlepay, and SC Soft in 2021 to launch the first contactless method for payment on board light rail trains in California.
- Progressed transit-oriented development with the opening of the first student transit-oriented housing project in the region at the University/65th Street Station in 2022, called the Wexler, and additional property sales.

Whereas, SacRT was awarded American Public Transportation Association's – 2021 North America's Outstanding Public Transportation System of the Year Award for accomplishment and innovations in public transportation; and

Whereas, serving on the Board of Directors, Jeff Harris had a guiding vision for development of public transit and has advocated and contributed to many public transit initiatives dedicated to improving transit for the Sacramento community; and

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

That, all members of the Sacramento Regional Transit Board of Directors and staff wish to convey their appreciation to Jeff Harris for his outstanding leadership, his dedicated service as a Board member, and his commitment to high-quality public transportation throughout the District during his eight years of service.

ATTEST:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STEVE MILLER, Chair

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Steve Miller, Chair, Board of Directors
SUBJ: COMMENDING KERRI HOWELL

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Recognizes Kerri Howell for her service on the Sacramento Regional Transit (SacRT) District Board of Directors.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

Kerri Howell has been a member of the SacRT Board of Directors since 2019. The Resolution presented acknowledges Kerri Howell's service on the Sacramento Regional Transit Board of Directors.

Staff recommends that the Board adopt the attached Resolution commending Kerri Howell.

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:
December 12, 2022

COMMENDING Kerri Howell

Whereas, Kerri Howell has faithfully represented the City of Folsom on the Sacramento Regional Transit District Board of Directors from January 2019 through December 2022; and

Whereas, Kerri Howell has used her background and expertise in engineering and knowledge of transportation, roadways, and finance to work to improve transportation options and reduce congestion for the residents of Folsom and the Sacramento region; and

Whereas, Kerri Howell served on committees and regional boards representing SacRT; and

Whereas, during Kerri Howell's term on the Board of Directors, Sacramento Regional Transit District accomplished the following among many others:

- Led the efforts to successfully annex the city of Folsom's transit services into SacRT's system, resulting in seamless connectivity and expanded regional ADA paratransit service.
- Reimagined SacRT's entire bus network in 2019, which provides improved frequency, more weekend and evening service, and better routing to serve activity, employment and education centers.
- Launched the nation's first unrestricted systemwide student fare-free program in 2019, called RydeFreeRT, which offers free rides for youth and students in grades TK through 12th.
- Successfully executed transit annexation agreements with the cities of Citrus Heights in 2019, and Elk Grove in 2020.
- Launched a new public intercity express bus service in 2020 that travels between the UC Davis campus and the UC Davis Medical Center, called Causeway Connection, using 12 zero emission electric buses secured through an Electrify America grant.
- Launched SacRT GO paratransit services in 2020, which transitioned the operation of ADA paratransit and non-ADA demand response service back in-house after more than 30 years of contracting.
- Launched the Airport Express bus route 142 in 2020 with service between downtown Sacramento and the Sacramento International Airport in partnership with Yolobus.
- Completed the South Sacramento Corridor Phase 2 (Blue Line to Cosumnes River College) project with the opening of the Morrison Creek Station between the Meadowview and Franklin stations in 2021.
- Approved SacRT's Zero Emission Bus Rollout Plan in 2021, which will transition SacRT's fleet to 100% zero emission by 2040.
- Partnered with Caltrans, Visa, Littlepay, and SC Soft in 2021 to launch the first contactless method for payment on board light rail trains in California.
- Progressed transit-oriented development with the opening of the first student transit-oriented housing project in the region at the University/65th Street Station in 2022, called the Wexler, and additional property sales.

Whereas, SacRT was awarded American Public Transportation Association's – 2021 North America's Outstanding Public Transportation System of the Year Award for accomplishment and innovations in public transportation; and

Whereas, serving on the Board of Directors, Kerri Howell had a guiding vision for development of public transit and has advocated and contributed to many public transit initiatives dedicated to improving transit for the Sacramento community; and

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

That, all members of the Sacramento Regional Transit Board of Directors and staff wish to convey their appreciation to Kerri Howell for her outstanding leadership, her dedicated service as a Board member, and her commitment to high-quality public transportation throughout the District during her four years of service.

ATTEST:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STEVE MILLER, Chair

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Tabetha Smith, Clerk to the Board
SUBJ: INTENT MOTION TO SELECT THE CHAIR AND VICE CHAIR OF THE SACRAMENTO REGIONAL TRANSIT BOARD OF DIRECTORS FOR 2023

RECOMMENDATION

Motion to Approve.

RESULT OF RECOMMENDED ACTION

This intent motion will allow staff to provide a smooth transition into 2023 in setting up all of the administrative functions that need to occur before the Chair officially takes over in 2023.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

SacRT's Enabling Act provides that the Chair is to be selected at the first meeting in January of each year. Currently, Steve Miller is serving as Chair, and Patrick Kennedy is serving as Vice Chair.

In order to assist with the transition next year, the SacRT Board may adopt an intent motion now with respect to the election of a Chair and Vice Chair for calendar year 2023.

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Lawrence Chiu, VP, Finance/CFO
SUBJ: RECEIVE AND FILE THE ANNUAL COMPREHENSIVE FINANCIAL REPORT AND DESIGNATE THE OPERATING SURPLUS AND WORKING CAPITAL RESERVE FOR FISCAL YEAR ENDED JUNE 30, 2022

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Receive and File the Annual Comprehensive Financial Report (ACFR); Reports on Compliance and Internal Controls as Required by Uniform Guidance and the Transportation Development Act (TDA); Report to the Board of Directors for the Fiscal Year (FY) ended June 30, 2022; and designate the \$6,222,654 FY 2022 Operating Surplus as well as \$5,053,586 of Working Capital Reserve to SacRT's Operating Reserve.

These actions will result in an increase of \$11,276,240 in the Operating Reserve from \$23,450,910 as of June 30, 2021 to \$34,727,150 as of June 30, 2022 and a decrease of \$5,053,586 in the Working Capital Reserve from \$13,100,000 as of June 30, 2021 to \$8,046,414 as of June 30, 2022.

FISCAL IMPACT

As of June 30, 2022, Revenue from Operations of \$221,399,296 exceeded Expenses from Operations of \$215,176,642 thereby creating a Surplus from Operations of \$6,222,654 (as shown on page 11 of the ACFR).

Upon approval of the FY 2022 operating results and the recommended actions noted above, the final June 30, 2022, combined balances of \$34,727,150 of Operating Reserves and \$8,046,414 of Working Capital Reserves, total \$42,773,564.

DISCUSSION

Each fiscal year, SacRT prepares an ACFR and reports on compliance and internal control as required by the Federal Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly known as "Uniform Guidance") and the TDA. In addition, SacRT's

auditors provide an annual Report to the Board of Directors, which summarizes any opportunities for strengthening internal controls and operating efficiencies.

SacRT received an unqualified (clean) opinion on the ACFR and Uniform Guidance from its auditors, Crowe LLP, for the fiscal year ended June 30, 2022. Moreover, no material weaknesses involving SacRT's financial reporting, internal control processes, or issues of non-compliance were identified.

Financial Results Summary

The ACFR presentation and classifications are intended to provide an overall picture of SacRT's year-end position, as well as the results of operations. Overall, and as reflected in the Financial Section to the ACFR (see Attachment 1 – Statement of Revenue and expenses), SacRT's net position increased by \$59.5 million as of June 30, 2022.

The increase in net position is due primarily to capital activity which includes progress payments for the light rail modernization program and the surplus generated from operating activities. For additional analysis, please refer to the Management Discussion and Analysis (MD&A) section found within the ACFR document starting on page 4.

Summary of Actual Results

The ACFR presentation differs from SacRT's Operating and Capital budgets in that the ACFR combines both Operating and Capital activities. To evaluate the FY 2022 operating results, Attachment 1 and page 11 of the ACFR shows SacRT's Operating and Capital funds separately. As of June 30, 2022, SacRT's operating results were as follows: \$14.3 million in fare revenues, \$215.2 million in operating expenses, and a combined \$207.1 million in non-operating revenues and expenses.

Summary of Budget to Actual Results

The amended Budget to actual highlights includes a favorable variance in fare revenues of \$1.7 million, net favorable variance in operating expenses of \$2.8 million, and a net favorable variance in non-operating revenues of \$1.7 million (see Attachment 2).

Operating Revenues

SacRT's FY 2022 fare revenue totaled \$14.3 million. The favorable variance of \$1.7 million is attributed to an increase in ridership due to the easing of COVID restrictions and opening school campuses.

Operating Expenses

Operating expenses totaled \$215.2 million, a net favorable variance of \$2.8 million from the budget of \$218.2 million. Salaries and fringe benefits were over budget by \$0.9 million, as a result of higher than expected overtime costs due to the ongoing nationwide labor shortage, which was mostly offset by fringe benefits savings from vacant positions. Professional and Other Services were under budget by \$4.4 million, due to a delay of several information technology projects primarily due to staff shortages and workload,

timing of implementation of new purchased transportation contract, and a vacancy savings on the police services department contracts. Casualty and Liability expenses were over budget by \$2.7 million primarily due to excess liability, property, and cyber liability insurance premiums coming in higher than expected. Other expenses were under budget by \$1.7 million primarily due to unused contingency budget and lease cost realignment due to implementation of GASB 87 in Fiscal Year 2022.

Non-Operating Revenues and Expenses

Non-operating revenue and expenses totaled \$207.1 million, a net favorable variance of \$1.7 million from the budget of \$205.4 million. The net favorable variance is due to higher than expected sales tax receipts which was partially mitigated by Federal Job Access and Reverse Commute program funds not awarded, management's reduction of Federal Coronavirus Response and Relief Supplemental Appropriations Act funds due to higher tax receipts and savings in operating expenses, and lower carbon tax credit sales due to decreased demand for carbon credits.

Operating Results

SacRT concluded FY 2022 with an operating surplus of \$6,222,654 which will be designated to SacRT's Operating Reserve.

Comprehensive Reserve Policy

The Comprehensive Reserve Policy adopted by the Board of Directors on November 9, 2015, and revised on December 13, 2022, has four categories of reserves: Operating, Self-Insurance, Capital, and Grant/Project Specific. The table below illustrates the target requirements of each, and the current balance held by SacRT. Note, the target Operating Reserve for FY 2022 is 60 days of the of the annual operating budget less current year self-insurance expense, which is approximately \$34.7M. The actual reserve balance for FY 2022 is \$42.8M, which meets the target amount.

The Government Finance Officers Association best practice recommendation operating reserve balance is 60 days of operating expense.

Reserve Type	Policy Target	FY 2022 Policy Target Amount	Actual Reserve Balance	Target Reserve Shortfall
Operating Reserve	60 day of operation expenses. (Initial FY 2022 budget of \$218M less current year self-insurance expense)	\$34.7 million*	\$34.7 million**	-
Working Capital		N/A	<u>\$8.1 million**</u>	-
Total				\$42.8 million
Self-Insurance	Current year actuarially determined claim expense at a minimum	\$4.9 million	\$3.4 million	\$1.5
Capital	Annual contribution for depreciating assets	N/A		-
Grant/Project Specific	10% of South Line Phase II project cost	\$27.0 million	-	\$27.0 million

*Based on final FY 22 operating budget

**Includes FY 22 increase in net position

In the past seven fiscal years, SacRT has made a significant financial turn-around by building the operating reserve and working capital balance to \$42.8 million, as of June 30, 2022 from a low of \$3.1 million as of June 30, 2015. The increase in operating reserves is vital for financial health, cash liquidity, and credit rating reviews of SacRT.

The invested operating reserve target presented above is the minimum requirement per the Comprehensive Reserve Policy; however, SacRT currently has a \$20 million Line of Credit to supplement operating cash flows. SacRT management continues to budget with the goal of building operating and capital reserves to improve the efficiency and effectiveness of SacRT's operations and to meet the requirements of the Comprehensive Reserve Policy.

Attachments

The following documents (Attachments 1 - 6) are submitted to the Board for receipt and filing:

- Fiscal Year 2022 Statement of Revenue and Expense per Funding Designations – Attachment 1
- Fiscal Year 2022 Statement of Revenue and Expenses, Operating Budget to Actual Expenses – Attachment 2
- The Annual Comprehensive Financial Report (ACFR) – Attachment 3
- Reports Required by Uniform Guidance and Transportation Development Act (TDA) – Attachment 4
- Report to the Board of Directors – Attachment 5
- Management Letter – Attachment 6

Fiscal Year 2022
Statement of Revenues and Expenses
Per Funding Designation

Statement of Revenues and Expenses	FY 2022 Funding Designation			
	Operations	GASB	Capital Improvement Program	Total
OPERATING REVENUES (Fares)	\$ 14,308,769	\$ -	\$ -	\$ 14,308,769
OPERATING EXPENSES				
Labor and Fringe Benefits	153,004,351	(9,480,288)	-	143,524,063
Professional and Other Services	17,084,120	-	457,614	17,541,734
Spare Parts and Supplies	14,863,098	-	1,113,620	15,976,718
Utilities	7,424,682	-	-	7,424,682
Casualty and Liability Costs	19,783,495	-	-	19,783,495
Depreciation and Amortization	499,022	-	46,124,415	46,623,437
Other	2,517,874	-	-	2,517,874
Total Operating Expenses	\$ 215,176,642	\$ (9,480,288)	\$ 47,695,649	\$ 253,392,003
Loss from Operations	(200,867,873)	9,480,288	(47,695,649)	(239,083,234)
NON-OPERATING REVENUES (EXPENSES)				
Operating Assistance				
State and Local	144,507,608	-	-	144,507,608
Federal	56,675,722	-	2,822,608	59,498,330
Investment Income	2,308,327	-	3,018	2,311,345
Interest Expense	(2,711,177)	-	(1,961,084)	(4,672,261)
Pass Through to Subrecipients	-	-	(2,742,607)	(2,742,607)
Professional and Other Services Funded by Others	-	-	(276,970)	(276,970)
Contract Services	825,900	-	-	825,900
Alternative Fuel and Carbon Tax Credits	1,844,520	-	1,085,129	2,929,649
Other	3,639,627	-	5,981,223	9,620,850
Total Non-operating Revenues (Expense)	\$ 207,090,527	\$ -	\$ 4,911,317	\$ 212,001,844
Increase (Decrease) in Net Position Before Capital Contributions and Special Item	6,222,654	9,480,288	(42,784,332)	(27,081,390)
Capital Contributions				
State and Local	-	-	41,351,937	41,351,937
Federal	-	-	29,408,366	29,408,366
Increase in Net Position Before Special item	6,222,654	9,480,288	27,975,971	43,678,913
Special Item: Transfer of Operations Increase in Net Position	-	-	15,781,405	15,781,405
	\$ 6,222,654	\$ 9,480,288	\$ 43,757,376	\$ 59,460,318
Reserve				
Operating Reserve Balance June 30, 2021	\$ 23,450,910			
FY2022 Surplus Designation to Operating Reserve	6,222,654			
Working Capital Designated to Operating Reserve	5,053,586			
Operating Reserve Balance June 30, 2022	\$ 34,727,150			
Working Capital Balance June 30, 2021	\$ 13,100,000			
FY2022 Designation of Working Capital to Operating Reserve	(5,053,586)			
Working Capital Balance June 30, 2022	\$ 8,046,414			

Fiscal Year 2022
Statement of Revenues and Expenses
Operating Budget to Actual Expenses

Statement of Revenues and Expenses	FY 2022 Budget to Actual Expenses			
	Approved Budget	Adjusted Operating Results	Variance (Unfavorable)/ Favorable	Percent Variance
OPERATING REVENUES				
Fares	\$ 12,547,000	\$ 14,308,769	\$ 1,761,769	14.0%
OPERATING EXPENSES				
Labor and Fringe Benefits	152,165,312	153,004,351	(839,039)	-0.6%
Professional and Other Services	21,509,275	17,084,120	4,425,155	20.6%
Spare Parts and Supplies	15,008,750	14,863,098	145,652	1.0%
Utilities	8,038,000	7,424,682	613,318	7.6%
Casualty and Liability Costs	17,036,033	19,783,495	(2,747,462)	-16.1%
Depreciation and Amortization	-	499,022	(499,022)	-
Other	4,204,863	2,517,874	1,686,989	40.1%
Total Operating Expenses	\$ 217,962,233	\$ 215,176,642	\$ 2,785,591	1.3%
(Loss) Income from Operations	(205,415,233)	(200,867,873)	4,547,360	-2.2%
NON-OPERATING REVENUES (EXPENSES)				
Operating Assistance				
State and Local	139,348,541	144,507,608	5,159,067	3.7%
Federal	60,076,962	56,675,722	(3,401,240)	-5.7%
Investment Income	2,711,177	2,308,327	(402,850)	-14.9%
Interest Expense	(2,711,177)	(2,711,177)	-	0.0%
Contracted Services	649,730	825,900	176,170	27.1%
Alternative Fuel and Carbon Tax Credits	2,387,320	1,844,520	(542,800)	-22.7%
Other	2,952,680	3,639,627	686,947	23.3%
Total Non-operating Revenues (Expense)	\$ 205,415,233	\$ 207,090,527	\$ 1,675,294	0.8%
Increase in Net Position	\$ -	\$ 6,222,654	\$ 6,222,654	-



Sacramento Regional Transit District
**ANNUAL
COMPREHENSIVE FINANCIAL REPORT**
For the Fiscal Year Ended June 30, 2022

Sacramento

1400 29th Street
P.O. Box 2110
Sacramento, CA 95812-2110
916-321-2800 • sacrt.com



**Regional
Transit**

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022

Sacramento



**Regional
Transit**

Prepared by the Finance Division

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Introductory Section



Regional Transit

**Sacramento Regional
Transit District**
A Public Transit Agency
and Equal Opportunity Employer

Mailing Address:
P.O. Box 2110
Sacramento, CA 95812-2110

Administrative Office:
1400 29th Street
Sacramento, CA 95816
(916) 321-2800
(29th St. Light Rail Station/
Bus 36,38,50,67,68)

Light Rail Office:
2700 Academy Way
Sacramento, CA 95815
(916) 648-8400

Public Transit Since 1973

www.sacrt.com

December 12, 2022

To the Board of Directors and Citizens Served by the Sacramento Regional Transit District:

The Sacramento Regional Transit District (SacRT) is required to undergo an annual audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Uniform Guidance as it pertains to audits of state and local governments. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards* issued by the Comptroller of the United States within six months of the close of each fiscal year. Pursuant to that requirement, SacRT hereby issues the Annual Comprehensive Financial Report (ACFR) of SacRT for the fiscal year ended June 30, 2022.

This report consists of management's representations concerning the finances of SacRT. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of SacRT annually commissions an independent audit of its account records, consistent with the Sacramento Regional Transit District Board of Directors' (Board) fiduciary duty to preserve and protect SacRT assets and to compile sufficient reliable information for the preparation of SacRT's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, SacRT's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

SacRT's financial statements have been audited by Crowe LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that SacRT's financial statements for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there are no material weaknesses to report and that there was a reasonable basis for rendering an unmodified opinion that SacRT's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP.

The independent audit of the financial statements of SacRT was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in SacRT’s separately issued Uniform Guidance Single Audit, Subpart F reports.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. SacRT’s MD&A can be found immediately following the independent auditor’s report of Crowe LLP.

Profile of SacRT

SacRT began operation on April 1, 1973, with the acquisition of the Sacramento Transit Authority. SacRT is the largest transit provider carrying over 90% of riders in the 6-county mega-region that serves the heart of California’s capital, serving a metropolitan population of over 1.4 million with a service area of approximately 440 square miles. In 1971, California legislation allocated sales tax money for local and statewide transit service and created the organizational framework for SacRT pursuant to the Sacramento Regional Transit District Act.

An 11-member Board of Directors is responsible for governing the SacRT. The Board is comprised of four members of the Sacramento City Council, three members of the Sacramento County Board of Supervisors, one member of the Rancho Cordova City Council, one member of the Citrus Heights City Council, one member of the Folsom City Council and one member of the Elk Grove City Council. The Board is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring SacRT’s General Manager/Chief Executive Officer (GM/CEO). SacRT’s GM/CEO is responsible for carrying out the policies and ordinances of the Board for overseeing the day-to-day operations of SacRT, and for appointing the executive management of the various divisions.

SacRT provides bus and light rail service 365 days a year covering a 440 square-mile service area. Annual ridership was approximately 22 million pre-pandemic and was on a steadfast ridership growth trajectory of 15% on fixed-route bus, 7% on light rail and 127% growth in student ridership - almost unheard of during a time of downward ridership trends nationwide. During the first three months of the pandemic, SacRT experienced ridership losses of 70-80%. However, ridership has shown signs of a strong return with SacRT experiencing the highest ridership ever on the service nearly 50% higher than at any point prior to the pandemic and more than double what ridership was at the beginning of the pandemic. It’s now approximately at 65% of pre-pandemic levels on all services. So far in Fiscal Year 2023, ridership has recovered the strongest on bus services, both fixed route and demand response. Fixed route ridership is at approximately 70% of the pre-COVID pace in September 2022 with light rail ridership rebounding just slightly behind bus.

SacRT’s entire bus and light rail system is accessible in accordance with the American Disabilities Act (ADA). Additionally, SacRT provides origin-to-destination transportation service (in accordance with the Americans with Disabilities Act of 1990) for people that are unable to use fixed-route service.

SacRT's annual budget serves as the foundation for financial planning and control. The budget is a financial plan for one fiscal year of operating revenue and expenses, and capital investments. The plan matches revenues with the service expenses and project cost expenses based on policies set by SacRT's Board. The budget process follows three basic steps that help provide continuity in decision making: 1) assess current conditions and needs, and develop goals, objectives, policies and plans; 2) prioritize projects and develop a work program, and 3) implement those plans and policies, and prepare to evaluate their effectiveness and shortcomings.

SacRT's General Manager/CEO presents a proposed budget to the Board for a 60-day public review period beginning in April. Following the review period, SacRT is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the fiscal year. The budget is prepared by fund (operating or capital), division and department (e.g., safety) or by capital project. The legal level of control is at the fund level, where budget amendments are authorized by the Board. The responsible division executive manager and the GM/CEO authorize interdivisional transfers. The respective division directors and department managers authorize intra-divisional transfers, and the responsible manager authorizes departmental transfers.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which SacRT operates bus and light rail service.

COVID-19

As the Sacramento region and the rest of the nation responded to COVID-19, SacRT temporarily reduced service in March 2020 in response to the local shelter-in-place order and quickly shifted to rear door boarding among many other COVID related precautions. Staff continued to monitor ridership and make adjustments by adding extra buses to popular routes during peak commute hours, bringing back approximately 100% of service levels by September 2020 to help essential employees get to work, reduce transportation barriers, and ensure equitable transit for disadvantaged and underserved communities. SacRT has been an important partner in supporting the Sacramento region's recovery.

Additional information on COVID-19 and its impact on SacRT can be found in Footnote 1 to the financial statements.

Local Economy

SacRT operates service in the capitol city of the fifth largest economy in the world. The mega-region, which includes six counties (El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba), has varied state governmental services and a light industrial base. The annual unemployment rate for the Sacramento area in 2022 was 4%, an encouraging gain from the 2021 rate of 7.4%. The Sacramento region continues to trend below the statewide annual unemployment averages, which demonstrates the need for robust transit in the Sacramento region.

Recognizing that Sacramento is one of the most diverse cities in the nation, SacRT has taken a very thoughtful approach in ensuring that our disadvantaged community members have equitable access to jobs, education, resources, and economic opportunity to keep the region moving forward. SacRT's service area is 53% minority and 28% low-income with many living in food

deserts and with limited broadband access. Communities of color make up 60% of transit riders, and 15% of all passengers speak a primary language other than English.

A significant portion of SacRT's operating funds is derived from sales tax revenues. In Fiscal Year 2022, taxable sales in the Sacramento region rose resulting in an increase of 17.9% in Measure A Revenue. It is estimated that the taxable sales in the region will increase in Fiscal Year 2023. SacRT adopted the Fiscal Year 2023 Operating Budget with an increase of approximately 2.8% in Measure A sales tax-based revenues compared to Fiscal Year 2022 actuals and a 5.0% increase in Local Transportation Funds due to the estimated taxable sales.

District-Wide Improvement Initiatives

While the ongoing Covid-19 pandemic may have impacted some of SacRT's original Fiscal Year 2021 goals, it provided SacRT with an opportunity to live its mission, vision, and values. This was truly a year of providing community value in the Sacramento region and staff continues to pride itself on not only maintaining service levels but delivering a variety of innovative solutions throughout the year. The result of staff successfully pivoting to address rapidly changing priorities is seen in a recent rider survey, which reported high levels of customer satisfaction. SacRT's transformation was recognized through a multitude of local and national awards, including the national American Public Transportation Association's 2021 Outstanding Public Transportation System of the Year Award for accomplishment and innovations in public transportation. SacRT was also ranked #1 in customer satisfaction among cities, special districts, and county in a 2019 and 2021 regional poll.

SacRT continues to pursue opportunities for coordination and consolidation to provide a more cost-effective and coordinated transit service for the entire region. In recent years, SacRT successfully negotiated the annexation of the transit services of the cities of Folsom and Citrus Heights followed by Elk Grove on July 1, 2021. These consolidation efforts, made possible because of a renewed trust in SacRT by the jurisdictions, provided economies of scale, and a true integrated regional system and the opportunity to compete and win additional grant funding that may have been lost to larger transit agencies in other regions – bringing additional funding to the region.

SacRT will not be deterred from continuing to improve and implement innovative mobility solutions that will benefit the Sacramento region and push for additional funding at the federal, state, and local levels.

Major Initiatives Moving Forward

SacRT's FY 2021-2025 Strategic Plan

The disruptive impact of the COVID-19 pandemic precisely demonstrated the need for a strategic plan – especially for organizations that are publicly funded like SacRT. The pandemic was a major hurdle; however, it was also an opportunity for the transit industry to show the vital role public transit plays in keeping the Sacramento region moving. Adopted in October 2021, SacRT's Strategic Plan for Fiscal Years 2021-2025, drives SacRT's strategic priorities: Operational Excellence, Customer Satisfaction, Employee Community Value, and Employee Engagement.

Goals and tactics have been thoughtfully developed and measured on a quarterly basis to align directly with one of the four strategic priorities that have successfully guided our work over the last fiscal year. The new strategic plan introduced SacRT's performance scorecard, with quarterly metrics, tactics and milestones for achieving SacRT's goals and will continue to serve as the guiding vision for post-pandemic strategic success. SacRT strives to balance the delivery of high-

quality customer experience with value to taxpayers, and the Strategic Plan offers a platform from which the agency takes aim at these two high level aspirations. Here is the breakdown of the four guiding principles:

- **Customer Satisfaction:** Ensuring that SacRT customers have access to high quality mobility options that they actively and increasingly use is a priority for SacRT. SacRT wants to ensure that the system provides customers with mobility options that get them where they want to go, when they want to go there.
- **Operational Excellence:** SacRT is dedicated to providing innovative mobility solutions and developing and implementing programs that provide best in class service that puts customers first. As public transportation service continues to evolve, SacRT is committed to providing the highest standards in transportation by implementing industry best practices and ensuring clean, safe, reliable and convenient service for our customers.
- **Community Value:** SacRT is committed to expanding regional partnerships and providing excellent public transit service to promote SacRT as our region's premier public transit agency. SacRT will continue to promote programs and incentive options that will encourage more people to try transit, build our ridership, demonstrate our value and economic impact as a community partner, and educate the public about the benefits of transit and how local funding is important to create a world-class public transit system.
- **Employee Engagement:** SacRT is dedicated to providing a positive and collaborative workplace that enables us to build a strong workforce of highly satisfied and performing individuals. SacRT recognizes that the work employees do every day, in every single position, has a potentially significant impact on the quality of life in the Sacramento region. SacRT employees are foundational to the success and SacRT is committed to hiring the best people and supporting them throughout their careers at SacRT.

Light Rail Modernization Project

As part of SacRT's \$610 million Light Rail Modernization Project that includes new vehicles, station enhancements and additional track to improve headways and reliability, SacRT has awarded a contract to Siemens Mobility in Sacramento to manufacture up to 76 new low-floor light rail vehicles. After securing \$265 million in state and federal funds. In December 2021, SacRT and Siemens Mobility executed a contract for the purchase of an additional eight vehicles, on top of the 20 currently being manufactured.

As the agency continues to leverage federal and state funding sources, SacRT plans to transition to an entirely new low-floor light rail fleet. The new low-floor vehicles will have low level boarding at every doorway. They will feature improved accessibility with wider aisles and areas providing more access to passengers with disabilities and others boarding with strollers, bicycles and other mobility devices.

In December 2020, SacRT was awarded state grants by the California Transportation Commission (CTC), including over \$33.8 million to SacRT to assist with the Light Rail Modernization Project from the Solutions for Congested Corridors Program (SCCP), which will improve access, reliability, and capacity on SacRT's Blue Line.

In April 2021, SacRT was awarded over \$33.1 million in project funding from SACOG's 2021 Regional Funding Round to assist with the Light Rail Modernization Project, to support CNG tank and bus replacements, to further Sacramento Valley Station Loop Stations Project, and to complete the funding needed to reimagine the Watt/I-80 Transit Center Improvements. This

funding includes \$22 million towards the purchase of 16 additional new low-floor light rail vehicles, bringing the total to 36 new vehicles by Fiscal Year 2022.

In July 2022, SacRT was awarded \$30 million in state grants through the Transit and Intercity Rail Capital Program (TIRCP) to assist with the major improvements to the light rail system in an effort to reduce greenhouse gas emissions, and support jobs. The California State Transportation Agency (CalSTA) awarded SacRT grants to help fund three major projects: \$23.6 million as part of the nearly \$600 million Light Rail Modernization and Expansion of Low-Floor Fleet Project, which includes the funding for eight additional new low-floor trains; \$5 million to support connectivity and planning at Sacramento Valley Station (SVS) to prepare for future development at the Railyards; and \$1.5 million to expand contactless fare payment devices on transit.

SacRT's Folsom double tracking project will occur between Sunrise Station and the Historic Folsom Station. The single tracking that is currently in place restricts light rail trains to 30-minute service frequencies; however, double tracking will allow for 15-minute service. Construction work will start in winter 2022 and is expected to be completed by spring 2024.

Tap to Pay Onboard Light Rail

SacRT was the first transit agency in California to offer a contactless fare payment option onboard light rail trains. SacRT riders can now simply tap their contactless credit, debit, prepaid card or payment-enabled device (mobile phone, smartwatch or other) on readers installed onboard all SacRT light rail trains for an easy and secure way to ride transit. SacRT will continue to accept all current forms of fare payment. Riders who are eligible for a discount fare can still pay the discount fare with cash, Connect Card or ZipPass.

Zero Emission Vehicle Plan

In accordance with the California Air Resource Board's Innovative Clean Transit regulation (CARB ICT), SacRT adopted a Rollout Plan to transition its bus fleet to 100 percent zero-emission vehicles (ZEV) by 2040. The CARB's ICT regulation requires all public transit agencies in the State of California to transition from conventional buses (compressed natural gas, diesel, etc.) to zero-emission buses (battery-electric or fuel cell electric) by 2040. The regulation requires a progressive increase of an agency's new bus purchases to be zero-emission buses (ZEBs) based on their fleet size.

In March 2021, the Board approved a Zero-Emission Bus Rollout Plan, which will transition SacRT's fleet to 100 percent zero-emission by 2040. In their letter of support, SMUD reiterated its commitment to a true regional partnership to help SacRT fulfill this ambitious ZEB plan through close coordination and infrastructure that will be vital with this fleet transition,

In June 2021, SacRT along with the Sacramento Municipal Utility District (SMUD), and GiddyUp EV, Inc., held a "plug-in" ceremony to celebrate an innovative public-private partnership that will bring a new high-speed electric vehicle charging hub to the Power Inn light rail, which will include the installation of passenger electric vehicle chargers, a solar system (including electrical equipment) on top of canopies acting as covered carports, and an ATM. The new charging hub is anticipated to go live in 2023 and be one of the largest charging hubs in the state when built out. This public-private partnership will deliver a state-of-the-art charging solution for Sacramento's growing electric vehicle market, meet the region and state's sustainability goals, and provide a revenue sharing model for SacRT.

In August 2021, SacRT relaunched the Airport Express Bus service between downtown Sacramento and the Sacramento International Airport using 100 percent zero-emission electric vehicles, which is part of SacRT's Zero Emission Vehicle Plan.

Rolling Library Train

SacRT teamed up with the Sacramento Public Library to launch Sacramento's first Rolling Library Train. The brightly decorated train promotes riding and reading with an immersive introduction to library services in the digital age. This is also the first time the interior of a SacRT light rail train has been completely reimaged.

When customers step onboard the library light rail train, the train walls and seatbacks resemble books on shelves. Riders can find hidden gems on those bookshelves featuring QR codes to free downloadable materials from the Sacramento Public Library.

The rolling library train is an engaging way to advertise the services provided by an important community partner. The program reflects SacRT's ongoing efforts to expand the role it plays in the greater community by bringing the library system to meet people where they are. Especially for the 320,000 students and youth that are eligible to ride SacRT fare-free.

SacRT GO Paratransit Services

In August 2021, Folsom Dial-a-Ride was fully transitioned to SmaRT ride and SacRT GO. Accessible services completely transitioned all riders to SacRT Go eligibility and grandfathered everyone from the Folsom system into SacRT GO, fully reconciling application and eligibility process differences. With the economy opening up and as more people get vaccinated, SacRT has experienced a sharp increase in ADA paratransit trips with SacRT GO, carrying nearly as many riders daily as we were pre-pandemic.

In April 2022, SacRT contracted with a Transportation Network Company (TNC), UZURVE, to provide a small percentage of SacRT GO trips in order to meet the increased demand and realize efficiencies in the service, as our labor contract allows. More than half of our paratransit riders are ambulatory, and these brokered services will allow SacRT to meet increased mobility demands.

SmaRT Ride

Staff continues to implement innovative projects to better serve the communities we serve. In July 2021, SmaRT ride service expanded to better serve residents in south Sacramento along Florin-Gerber, Elk Grove, Folsom, Rancho Cordova, and downtown Sacramento.

SacRT was one of the first transit agencies in the nation to implement microtransit on-demand service. With a total of nine active SmaRT Ride service zones today, SacRT is one of the largest microtransit providers in the country, operating with 45 shuttles, nine of which are zero emission electric vehicles. SacRT's SmaRT Ride service is provided through Measure A funding. SmaRT Ride microtransit initially experienced a 15% decline in ridership at the start of the pandemic; however, SacRT experienced the highest ridership ever on the service nearly 50% higher than at any point prior to the pandemic and more than double what ridership was at the beginning of the pandemic.

Fare-Free for Youth

In 2019 SacRT was also the first transit agency in the nation to implement unrestricted system-wide fare-free transit program, called RydeFreeRT, for over 220,000 eligible students in grades kindergarten through 12th, including foster and homeless youth. Now in the fourth year of the program, that number has significantly grown.

In September 2022, SacRT estimates nearly 320,000 student boardings. This is on pace for over 3.5 million student rides this year. Prior to the pandemic, SacRT was carrying approximately 1.7 million students meaning that total student ridership has doubled since the onset of the free ride program. Through fare-free program, SacRT is not only increasing ridership today, but are creating life-long transit riders and advocates while supporting families and working parents. SacRT's school district partners often speak to the direct impact of the program in combatting school absenteeism.

Real Estate

SacRT continues to develop our relationships with transit-oriented development partners and examine various surplus properties to determine if they qualify for projects that would encourage transit use and potentially increase our ridership. SacRT continued to progress TOD investments, property dispositions, revenue licenses and easements. It is expected when all the underutilized properties are built-out they will include over 1,000 housing units with retail establishments that are walkable mixed-use communities centered near public transit.

In November 2022 a new housing transit-oriented development (TOD) project located adjacent to SacRT's University/65th Street Transit Center opened. SacRT sold the property in November 2019, marking SacRT's first TOD property sale and the first student housing TOD in the Sacramento region. The project also reconstructed the SacRT bus stops on 67th and Q Street to improve the connection to the light rail Station. SacRT received \$2 million from the sale proceeds, to reinvest into the system.

In fiscal year 2022 SacRT closed on the following properties, Riverside Boulevard for \$600 thousand and Calvine-Auberry parcels for \$1.3 million. In fiscal year 2023 SacRT released the Power Inn Parcel for sale. Staff continues to analyze and identify opportunities for utilization of excess property. Project evaluation has included the Evergreen site for operational uses.

Secured Additional Funding

SacRT received a federal grant for approximately \$95 million in CARES Act stimulus funds, which will offset revenue decline and additional expenses related to the COVID-19 pandemic. SacRT used \$57.5 million of CARES Act funding in Fiscal Year 2021 and the balance in Fiscal Year 2022.

SacRT received a federal grant for approximately \$38 million in funding from the Federal Transit Administration Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). CRRSAA is a federal formula grant program in which SacRT used approximately \$19 million for operations in Fiscal Year 2022 and is expected to use the balance in fiscal year 2023.

Approximately \$104 million in American Relief Plan (ARP) funds was allocated to SacRT. SacRT will use approximately \$35M in fiscal year 2023, approximately \$65M in fiscal year 2024 and the balance in fiscal year 2025.

Due to the uncertainty with COVID-19, the STA decided not to move forward with a transportation ballot measure in Fiscal Year 2021, referred to as Measure A, and in November 2022, a Citizens' Initiative placed Measure A on the ballot. And, while we are still awaiting final results at the writing of this letter, it is likely that Measure A, the countywide transportation initiative, will be narrowly defeated. Although the news is initially disappointing, SacRT sees this opportunity to move forward with a more ambitious transit funding plan in the next couple of years. One that puts a more heavy emphasis on public transit funding to address our region's climate, equity, and social justice goals.

Balanced Funding Concepts

While SacRT has extensive plans for future expansion and improvement of light rail and bus services, it faces significant capital replacement and infrastructure maintenance needs for its existing bus and light rail systems. As a result, it is increasingly important to ensure the availability of financial resources to maintain existing levels of service and to fund capital and operating expenditures related to proposed expansion and service improvements. The 25-year vision balances high-priority needs with potential funding. There are three major sources of funding:

- Locally controlled federal and state funding sources (funding given to local governments and agencies to spend on their priority projects)
- Federal discretionary funding sources (designated by the federal government for a specific project)
- Locally raised money (from county sales tax and development fees)

Most of the federal and state revenues that SacRT receives are generated by the Section 5307/5309/5337 federal transit funds, the state transportation account and COVID relief funds.

SacRT has specific and continuing Securities and Exchange Commission (SEC) disclosure requirements (Rule 15c2-12) in connection with the 2021A Refunding Bonds. The required continuing disclosure items and their locations within the ACFR are presented on page 98.

SacRT maintains three Retirement Plans for the benefit of its employees. The three Plans are ATU, IBEW, and Salaried. The Salaried Plan is made up of members from AFSCME, AEA/OE3, and MCEG. Each year, an independent actuary engaged by the respective Retirement Boards calculates the amount of the annual contribution that SacRT must make to the Trusts to ensure that each retirement plan will be able to fully meet its obligations to retired employees on a timely basis.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SacRT for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state or local government financial reports. This was the 22nd consecutive year that SacRT has received this award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Financial Report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. We believe that our current Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of several departments and the tireless efforts of the finance department staff. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report, with special thanks to Paul Selenis, Accounting Manager; Lynda Volk, Accountant II; Nadia Mokhov, Senior Financial Analyst; Elizabeth Her, Accountant I; and Maria Whitworth, Program Analyst.



Henry Li
General Manager/CEO



Lawrence Chiu
Vice President, Finance/CFO

**SACRAMENTO REGIONAL TRANSIT DISTRICT
CERTIFICATE OF ACHIEVEMENT
FISCAL YEAR ENDED JUNE 30, 2022**



Government Finance Officers Association

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Presented to

**Sacramento Regional Transit District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

**SACRAMENTO REGIONAL TRANSIT DISTRICT
LIST OF PRINCIPAL OFFICIALS
FISCAL YEAR ENDED JUNE 30, 2022**

Board of Directors

Steve Miller, City of Citrus Heights, **Chair**
Patrick Kennedy, County of Sacramento, **Vice Chair**
Linda Budge, City of Rancho Cordova
Jeff Harris, City of Sacramento
Kerri Howell, City of Folsom
Pat Hume, City of Elk Grove
Rick Jennings, II, City of Sacramento
Don Nottoli, County of Sacramento
Jay Schenirer, City of Sacramento
Phil Serna, County of Sacramento
Katie Valenzuela, City of Sacramento

Board of Directors Alternates

Mike Kozlowski, City of Folsom
Stephanie Nguyen, City of Elk Grove
David Sander, City of Rancho Cordova
Tim Schaefer, City of Citrus Heights

General Manager/CEO

Henry Li

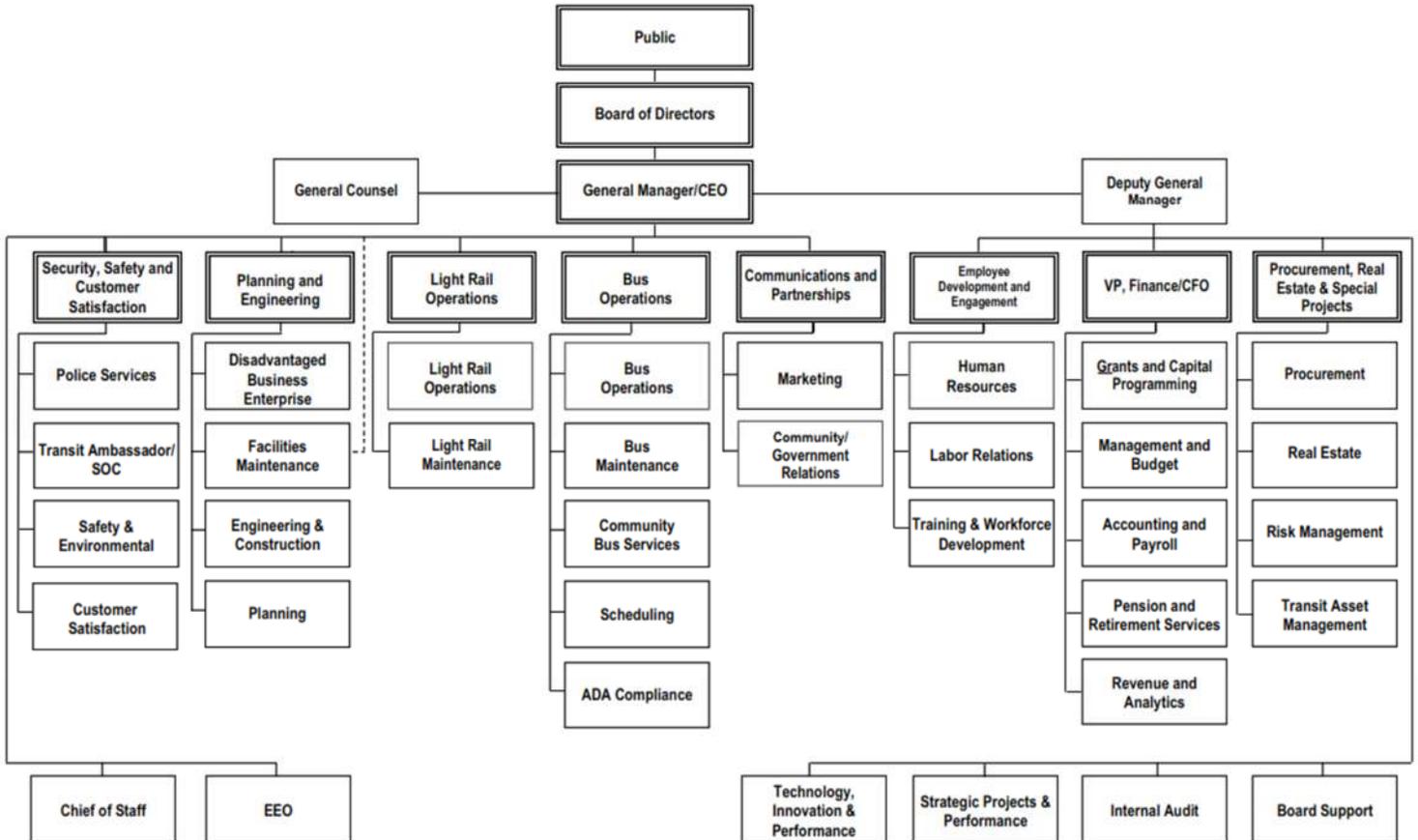
Deputy General Manager/CEO

Shelly Valenton

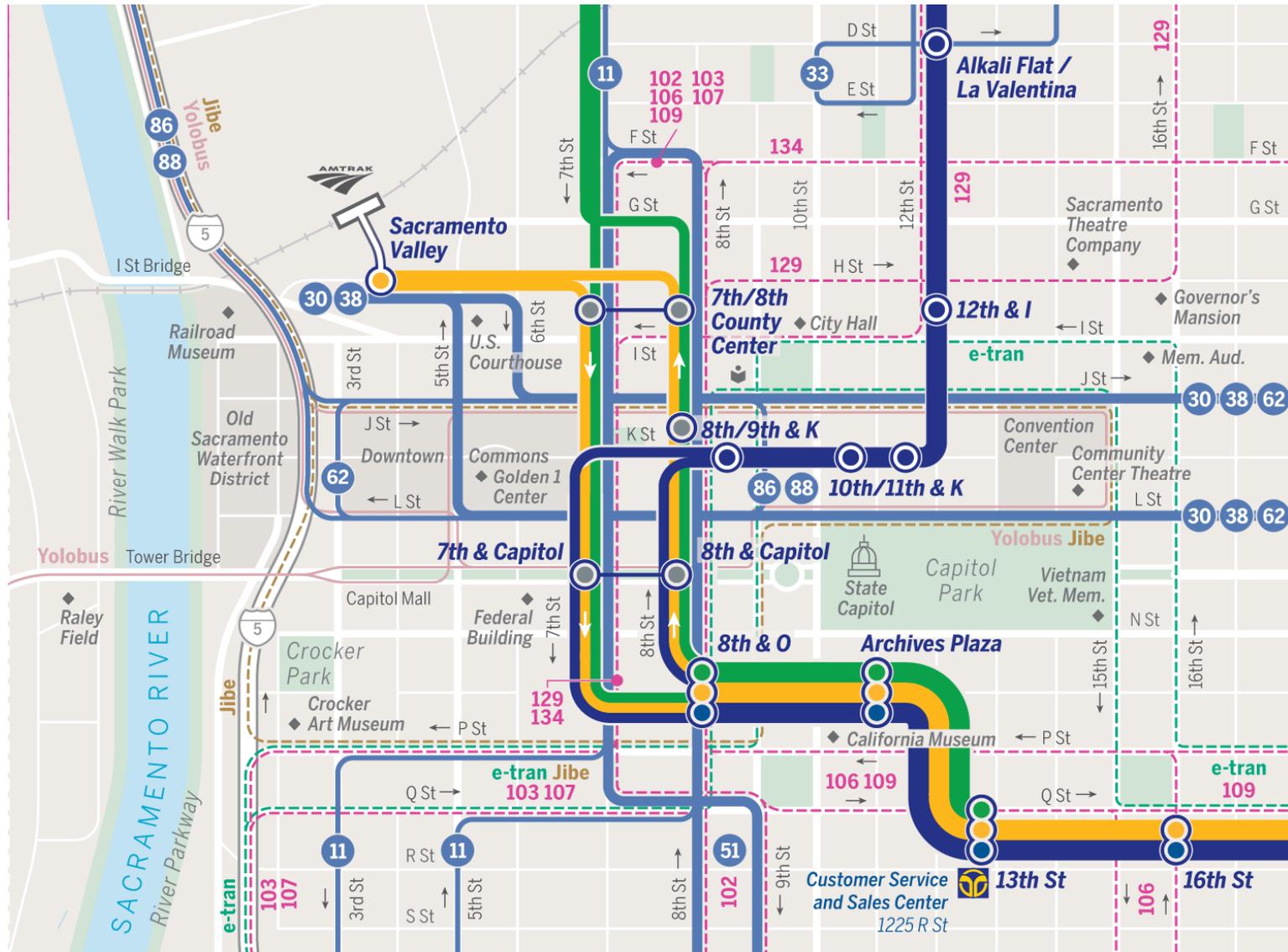
Executive Management Team

Carmen Alba, Vice President, Bus Operations
Jamie Adelman, Vice President, Procurement, Real Estate & Special Projects
Lawrence Chiu, Vice President, Finance/CFO
Ron Forrest, Vice President, Light Rail Operations
Laura Ham, Vice President, Planning and Engineering
Lisa Hinz, Vice President, Security, Safety and Customer Satisfaction
Devra Selenis, Vice President, Communications and Partnerships
David Topaz, Vice President, Employee Development and Engagement

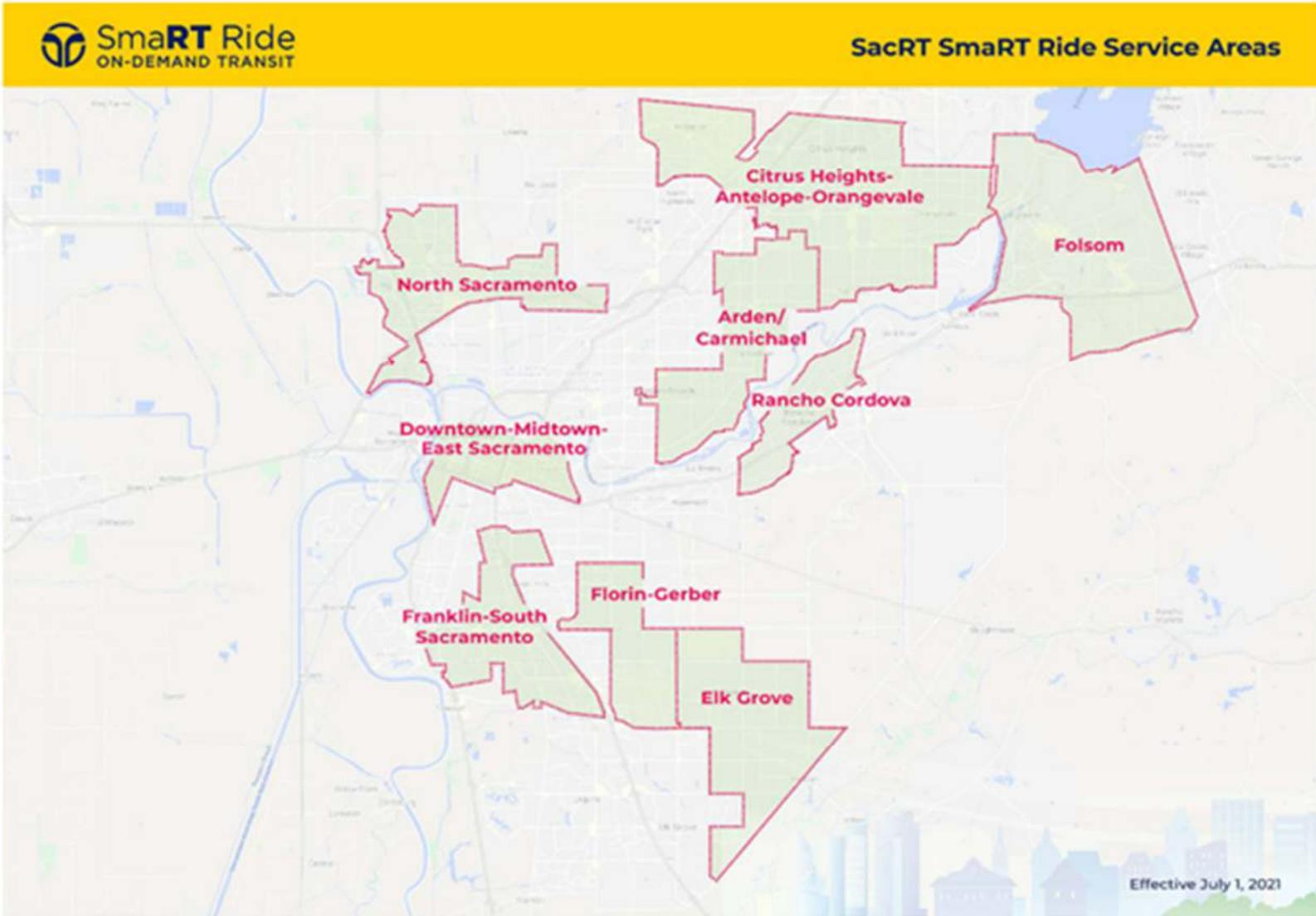
**SACRAMENTO REGIONAL TRANSIT DISTRICT
ORGANIZATIONAL CHART
FISCAL YEAR ENDED JUNE 30, 2022**



SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP



SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP





Financial Section

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Sacramento Regional Transit District
Sacramento, California

Members of the Board of Directors
Sacramento Area Council of Governments
Sacramento, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Sacramento Regional Transit District (SacRT), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise SacRT's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of SacRT, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SacRT, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 4 to the financial statements, during the year ended June 30, 2022, SacRT adopted new accounting guidance, GASB Statement No. 87, *Leases*. The adoption resulted in recording lease payables and right-of-use lease assets. There was no impact to net position as of July 1, 2021 as a result of adoption. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the SacRT's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SacRT's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SacRT's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in the net pension liability and related ratios, the schedules of District pension contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of District OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SacRT's basic financial statements. The combining statement of fiduciary net position and combining statement of changes in fiduciary net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of fiduciary net position and combining statement of changes in fiduciary net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2022 on our consideration of SacRT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SacRT's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SacRT's internal control over financial reporting and compliance.


Crowe LLP

Sacramento, California
November 18, 2022



Management Discussion & Analysis

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

As management of the Sacramento Regional Transit District (SacRT), we offer the readers of SacRT's financial statements this narrative overview and analysis of the financial activities for SacRT for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the transmittal letter and financial statements which are included in this report.

Financial Highlights

- The assets and deferred outflows of resources of SacRT exceeded its liabilities and deferred inflows of resources at June 30, 2022 by \$804,724,096 (net position). Of this amount \$806,700,457 is net investment in capital assets, \$3,382,532 is restricted for debt service, \$5,780,515 is restricted for Folsom and Elk Grove from Annexations, \$5,816,891 is restricted for capital projects, and \$(16,956,299) is unrestricted. SacRT's negative unrestricted net position is the result of recording its net pension and net Other Post-Employment Benefits (OPEB) liabilities per GASB Statements No. 68. and No. 75, respectively.
- SacRT's total net position Increased for the year ended June 30, 2022 by \$59,460,318 or 8.0 percent compared to the year ended June 30, 2021. This Increase is due primarily to capital activity which includes progress payments for the light rail modernization program and the purchase of 30 new 40' Gillig buses, transfer of operations to SacRT from the City of Elk Grove and the surplus generated from operating activities.
- SacRT's total liabilities and deferred inflows of resources increased by \$15,889,671 or 3.4 percent for the fiscal year ended June 30, 2022. The net increase is primarily attributed to payments due for SacRT's light rail vehicle expansion and the adoption of GASB 87 whereby SacRT recognized lease liabilities for existing leases in fiscal year 2022.
- During the fiscal year ended June 30, 2022, fare revenue increased by \$2,307,497 or 19.2 percent from the fiscal year ended June 30, 2021. This is attributed to an increase in ridership due to school campuses opening and the easing of COVID restrictions. Non-operating revenue decrease by \$(4,812,129) or (2.1) percent in fiscal year 2022 as Federal Preventative Maintenance grant funds were allocated to SacRT's capital program in fiscal year 2022. The decrease was largely mitigated by increases in sales tax generated Transportation Development Act funds and Measure A funds.
- Total operating costs increased by \$9,780,384 or 4.0 percent for the fiscal year ended June 30, 2022. This increase is primarily due to increases in Casualty and Liability insurance premiums and labor and fringe benefits costs due to a rise in labor costs resulting from contractual pay rate escalation. This increase was partially mitigated by a decrease in SacRT's actuarially determined pension and other post retirement benefits costs.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to SacRT's basic financial statements, which are comprised of the financial statements and the notes to the financial statements.

Basic Financial Statements – The financial statements are designed to provide readers with a broad overview of the SacRT's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all SacRT's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between these items being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether SacRT's financial position is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how SacRT's net position changed during the fiscal year ended June 30, 2022. All changes in net position are reported as soon as the underlying event giving rise to the change occurs (such as the receipt of goods and services or submittal of claims for capital and operating revenue), regardless of the timing of related cash flows. In other words, SacRT reports expenses and revenues on an accrual basis rather than a cash basis. Since SacRT's primary function is to provide transportation services to the region's citizens and recover costs through user fees and charges, the financial statements include business-type activities. SacRT serves in a fiduciary capacity for the Pension Trust Funds and the Connect Card Custodial Fund. The fiduciary fund statements are presented on an accrual basis and are included in these financial statements. The resources of the fiduciary funds are not available to support SacRT programs.

The notes to the financial statements provide additional information that is essential to a full understanding of the financial data provided in the financial statements.

Statistical Section – In addition to the basic financial statements, this report also includes a statistical section of selected financial information over a 10-year period when available.

Analysis of the Financial Statements

The financial statements provide both short-term and long-term information about SacRT's overall financial condition. This analysis addresses the financial statements of SacRT as a whole.

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of SacRT, assets and deferred outflows exceeded liabilities and deferred inflows by \$804,724,096.

The vast majority of SacRT's total net position reflects investment in capital assets, less any related debt unused bond proceeds and funds from annexations used to acquire those assets still outstanding. These capital assets are used to provide bus and light rail services to the greater Sacramento area. Consequently, these assets are not available for future spending. Although SacRT's net investment in its capital assets is reported net of related debt, resources are needed to repay this debt and must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

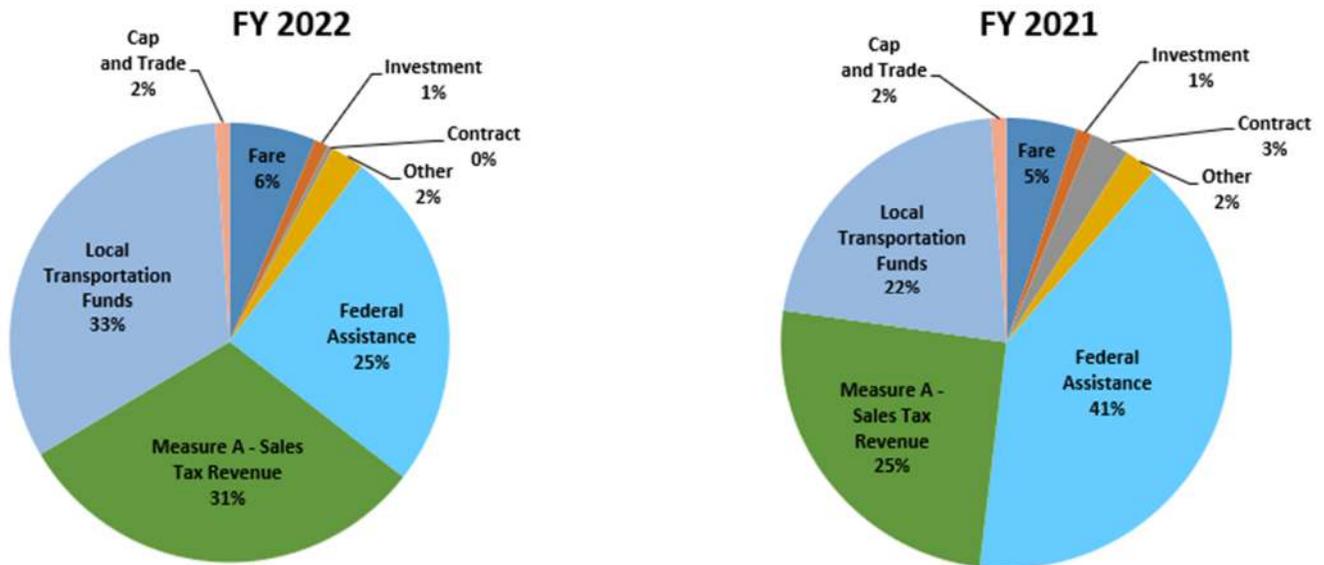
	June 30, 2022	June 30, 2021	Increase or (Decrease)	
			Dollar	Percent
Current and Other Assets	\$ 225,902,727	\$ 186,195,926	\$ 39,706,801	21.3%
Capital Assets	860,497,406	832,000,405	28,497,001	3.4%
Total Assets	<u>1,086,400,133</u>	<u>1,018,196,331</u>	<u>68,203,802</u>	<u>6.7%</u>
Deferred Outflows of Resources	64,429,744	57,283,557	7,146,187	12.5%
Current Liabilities	43,907,726	34,189,512	9,718,214	28.4%
Non-Current Liabilities	<u>241,005,384</u>	<u>284,761,626</u>	<u>(43,756,242)</u>	<u>(15.4)%</u>
Total Liabilities	<u>284,913,110</u>	<u>318,951,138</u>	<u>(34,038,028)</u>	<u>(10.7)%</u>
Deferred Inflows of Resources	61,192,671	11,264,972	49,927,699	443.2%
Net Position				
Net Investment in Capital Assets	806,700,457	788,415,069	18,285,388	2.3%
Restricted for:				
Debt Service	3,382,532	3,438,602	(56,070)	(1.6)%
Annexations	5,780,515	3,419,838	2,360,677	69.0%
Capital Projects	5,816,891	5,522,252	294,639	5.3%
Unrestricted	<u>(16,956,299)</u>	<u>(55,531,983)</u>	<u>38,575,684</u>	<u>(69.5)%</u>
Total Net Position	<u>\$ 804,724,096</u>	<u>\$ 745,263,778</u>	<u>\$ 59,460,318</u>	<u>8.0%</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	June 30, 2022	June 30, 2021	Increase or (Decrease)	
			Dollar	Percent
Operating Revenue				
Fares	\$ 14,308,769	\$ 12,001,272	\$ 2,307,497	19.2%
Non-Operating Revenues				
Operating Assistance	204,005,938	209,643,548	(5,637,610)	(2.7)%
Investment Income	2,311,345	2,650,569	(339,224)	(12.8)%
Other Revenue	13,099,429	11,934,724	1,164,705	9.8%
Total Operating and Non-Operating Revenue	<u>233,725,481</u>	<u>236,230,113</u>	<u>(2,504,632)</u>	<u>(1.1)%</u>
Operating and Non-Operating Expenses				
Labor & Fringe Benefits	143,524,063	146,509,144	(2,985,081)	(2.0)%
Professional & Other Services	17,656,676	16,454,793	1,201,883	7.3%
Spare Parts & Supplies	15,861,776	14,835,775	1,026,001	6.9%
Utilities	7,424,682	7,271,754	152,928	2.1%
Casualty & Liability Costs	19,783,494	12,335,695	7,447,799	60.4%
Depreciation	46,623,437	44,060,094	2,563,343	5.8%
Insurance Proceeds and Other	2,517,875	2,144,364	373,511	17.4%
Interest Expense	4,672,261	4,880,508	(208,247)	(4.3)%
Pass through to Subrecipients	2,742,607	4,259,523	(1,516,916)	(35.6)%
Total Operating and Non-Operating Expenses	<u>260,806,871</u>	<u>252,751,650</u>	<u>8,055,221</u>	<u>3.2%</u>
Loss Before Capital Contributions	(27,081,390)	(16,521,537)	(10,559,853)	63.9%
Capital Contributions				
State & Local	41,351,937	\$ 42,669,140	(1,317,203)	(3.1)%
Federal	29,408,366	4,848,116	24,560,250	506.6%
Total Capital Contributions	<u>70,760,303</u>	<u>47,517,256</u>	<u>23,243,047</u>	<u>48.9%</u>
Increase in Net Position Before Special Item	43,678,913	30,995,719	12,683,194	(40.9)%
Special Item: Transfer of Operations	15,781,405	-	15,781,405	-
Increase in Net Position	59,460,318	30,995,719	28,464,599	91.8%
Net Position, beginning of year	<u>745,263,778</u>	<u>714,268,059</u>	<u>30,995,719</u>	<u>4.3%</u>
Net Position, end of year	<u>\$ 804,724,096</u>	<u>\$ 745,263,778</u>	<u>\$ 59,460,318</u>	<u>8.0%</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
REVENUES BY SOURCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Operating and Non-operating Revenue by Source



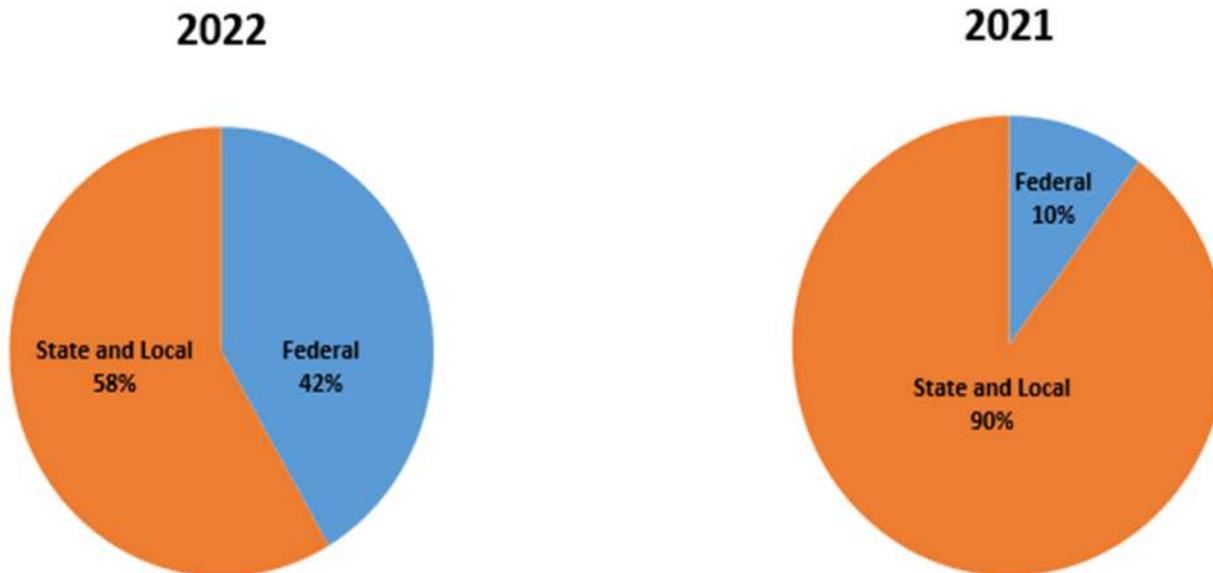
The significant changes in Operating and Non-operating Revenue by Source are described below:

Fares, investment income, contracted services, alternative fuel and carbon tax credits and other revenue increased by a combined \$3,132,978 for the fiscal year ended June 30, 2022 or 11.8 percent. The increase is primarily attributed to higher fare revenue which is attributed to an increase in ridership due to school campuses opening and the easing of COVID restrictions, insurance proceeds from a damaged light rail vehicle and the prior year donation of land to the City of Sacramento for the Del Rio Trail. This increase was largely mitigated by lower contracted services due to the transfer of operations from the City of Elk Grove and lower carbon credit prices.

Operating assistance decreased by \$(5,637,610) or (2.7) percent for the fiscal year ended June 30, 2022 as Federal Preventative Maintenance grant funds were allocated to SacRT's capital program in fiscal year 2022. The decrease was largely mitigated by increases in sales tax generated Transportation Development Act funds and Measure A funds.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
REVENUES BY SOURCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Capital Contributions by Source

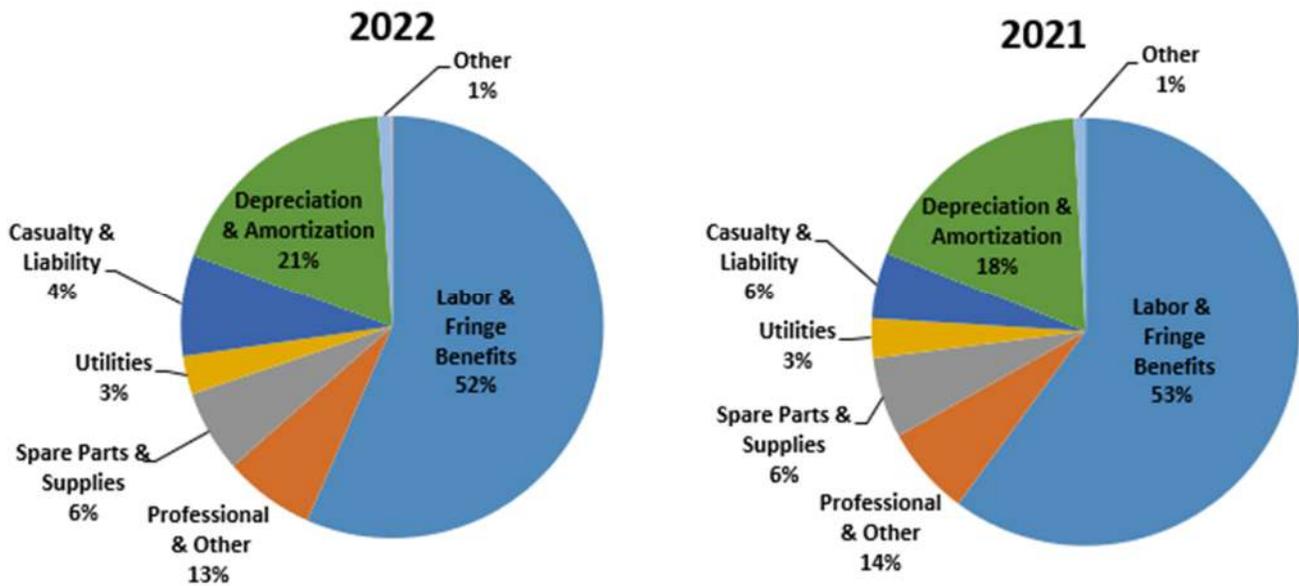


The significant changes in Capital Contributions by Source are described below:

The majority of construction and acquisition activities are funded with capital contributions from other governmental units such as federal, state, and local agencies. Capital contributions increased by \$23,243,047 million or 48.9 percent during the fiscal year ended June 30, 2022. The increase is primarily due to progress payments for the light rail modernization program and the purchase of 30 new 40' Gillig buses.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
OPERATING EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Operating Expenses



The significant changes in Operating Expenses by Source are described below:

Total operating costs decreased by \$9,780,384 or 4.0 percent for the fiscal year ended June 30, 2022. This increase is primarily due to increases in Casualty and Liability insurance premiums and labor and fringe benefits costs due to a rise in labor costs resulting from contractual pay rate escalation. This increase was partially mitigated by a decrease in SacRT's actuarially determined pension and other post retirement benefits costs.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
FISCAL YEAR 2022
STATEMENT OF REVENUES AND EXPENSES BY FUNDING DESIGNATION**

Statement of Revenues and Expenses	FY 2022 Funding Designation		
	Operations	Capital Improvement Program, GASB 68 & 75, 78	Total
OPERATING REVENUES (Fares)	\$ 14,308,769	\$ -	\$ 14,308,769
OPERATING EXPENSES			
Labor and Fringe Benefits	153,004,351	(9,480,288)	143,524,063
Professional and Other Services	17,084,120	457,614	17,541,734
Spare Parts and Supplies	14,863,098	1,113,620	15,976,718
Utilities	7,424,682	-	7,424,682
Casualty and Liability Costs	19,783,494	-	19,783,494
Depreciation	499,022	46,124,415	46,623,437
Other	2,517,875	-	2,517,875
Total Operating Expenses	215,176,642	38,215,361	253,392,003
Loss from Operations	(200,867,873)	(38,215,361)	(239,083,234)
NON-OPERATING REVENUES (EXPENSES)			
Operating Assistance			
State and Local	144,507,608	-	144,507,608
Federal	56,675,722	2,822,608	59,498,330
Investment Income	2,308,327	3,018	2,311,345
Interest Expense	(2,711,177)	(1,961,084)	(4,672,261)
Pass Through to Subrecipients	-	(2,742,607)	(2,742,607)
Professional and Other Services Funded by Others	-	(276,970)	(276,970)
Contract Services	825,900	-	825,900
Alternative Fuel and Carbon Tax Credits	1,844,520	1,085,129	2,929,649
Insurance Proceeds and Other	3,639,627	5,981,223	9,620,850
Total Non-operating Revenues (Expense)	207,090,527	4,911,317	212,001,844
Gain (Loss) Before Capital Contributions and Special Item	6,222,654	(33,304,044)	(27,081,390)
Capital Contributions			
State and Local	-	41,351,937	41,351,937
Federal	-	29,408,366	29,408,366
Total Capital Contributions	-	70,760,303	70,760,303
Gain Before Special Item	\$ 6,222,654	\$ 37,456,259	\$ 43,678,913
Special Item: Transfer of Operations	\$ -	\$ 15,781,405	\$ 15,781,405
Change in Net Position	\$ 6,222,654	\$ 53,237,664	\$ 59,460,318

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED 2022**

The Annual Comprehensive Financial Report (ACFR) presentation differs from SacRT's operating and capital budgets in that the ACFR combines both operating and capital activities. To assist SacRT's Board and readers in their review, a Statement of Revenues and Expenses By Funding Designation is provided to show SacRT's operating and capital funds separately. As of June 30, 2022, SacRT's operating results were as follows: \$14,308,769 in fare revenues, \$215,176,642 in operating expenses, and \$207,090,527 in non-operating revenues, resulting in a \$6,222,654 operating surplus. Additional information regarding the Statement of Revenues by Funding Designation can be found in SacRT's 2022 ACFR Staff Report to the Board of Directors.

Analysis of SacRT's Financial Position

SacRT's net position provides information on near term inflows, outflows, and balances of spendable resources. SacRT is reporting net position as of June 30, 2022 of \$804,724,096 and operating and capital activity increase of \$59,460,318 or 8.0 percent.

Capital Asset and Long-Term Debt Activity

As of June 30, 2022, SacRT's investment in various capital assets, such as bus and light rail vehicles, facilities, land, buildings and equipment increased to \$860,497,406 from \$832,000,405 representing a (3.4) percent increase as capital acquisition exceeded depreciation. Additional information on capital assets can be found in Footnote 3 to the financial statements.

In August 2021 SacRT issued \$35,475,000 of Refunding Bonds, Series 2021A, at a premium of \$9,165,477 to current refund and defease all the outstanding Farebox Revenue Bonds, Series 2012. The \$44,252,933 balance represents what remains of the \$35,475,00 of Refunding Bonds, Series 2021A and the unamortized premium. The Farebox Revenue Bonds, Series 2012, issued in the fiscal year 2013 were used to primarily fund construction on the South Line Phase 2 light rail extension. SacRT recorded a liability and a corresponding asset of \$52,320,775 as of June 30, 2022, resulting from its participation in three Lease/Leaseback transactions. Additional information on debt activity can be found in Footnotes 4 and 6 to the financial statements.

Current Economic Factors and Conditions

SacRT received a federal grant for approximately \$95 million in CARES Act stimulus funds, which has offset revenue decline and additional expenses related to the COVID-19 pandemic. It was determined that SacRT did not require the use of CARES Act funding in fiscal year 2020 however, it used approximately \$57 million in fiscal year 2021 and the balance of \$38 million in fiscal year 2022.

SacRT received a federal grant for approximately \$37.8 million in funding from the Federal Transit Administration-Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). CRRSAA is a federal formula grant program in which SacRT used approximately \$18.7 million for operations in fiscal year 2022 and will use the remainder in fiscal year 2023.

Approximately \$104 million in American Relief Plan (ARP) funds was allocated to SacRT. SacRT will use approximately \$35M in fiscal year 2023, approximately \$65M in fiscal year 2024 and the balance in fiscal year 2025.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

SacRT has plans for future expansion and improvement of light rail and bus services. As of June 30, 2022, SacRT has construction contracts and property acquisition commitments of approximately \$138,140,256.

Request for Information

Please address all questions or requests for additional information to the Finance and Treasury Department, Attention: Chief Financial Officer, Sacramento Regional Transit District, 1400 29th Street, P.O. Box 2001, Sacramento CA 95812-2110.



Financial Statements

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
JUNE 30, 2022**

ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 47,237,435
Restricted Cash and Cash Equivalents	1,984,259
Investments	23,744,826
Restricted Investments	150,000
Receivables:	
State and Local Government	11,133,609
Federal Government	18,017,473
Other	3,312,555
Spare Parts and Supplies Inventory	24,386,356
Other Current Assets	<u>961,504</u>
Total Current Assets	<u>130,928,017</u>
Non-Current Assets:	
Restricted Cash and Cash Equivalents	16,744,119
Investments	4,777,434
Restricted Investments	21,132,382
Deposits for Lease/Leaseback Payable	52,320,775
Non-Depreciated Capital Assets	177,161,098
Depreciated Capital Assets, Net	<u>683,336,308</u>
Total Non-Current Assets	<u>955,472,116</u>
Total Assets	1,086,400,133
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows from Pension	53,207,955
Deferred Outflows from Other Post Employment Benefits	5,175,430
Deferred Outflows: Loss on Refunding	<u>6,046,359</u>
Total Deferred Outflows of Resources	<u>64,429,744</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,150,829,877</u></u>

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
JUNE 30, 2022**

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 19,191,306
Other Accrued Liabilities	5,742,759
Compensated Absences	9,021,507
Interest Payable	521,550
Unearned Revenue	2,034,471
Advances from Other Governments	888,930
Claims Payable	6,014,284
Lease Payable	492,919
Total Current Liabilities	<u>43,907,726</u>

Long-Term Liabilities:

Compensated Absences	1,966,860
Advances from Other Governments	18,578,305
Claims Payable	15,301,696
Refunding Bonds	44,252,933
Lease Payable	2,627,349
Lease/Leaseback Payable	52,320,775
Net Pension Liability	100,295,736
Net Other Post Employment Benefits Liability	5,661,730
Total Long-Term Liabilities	<u>241,005,384</u>
Total Liabilities	<u>284,913,110</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows from Other Post Employment Benefits	14,542,242
Deferred Gain on Lease/Leaseback	5,247,035
Deferred Inflows: Gain on Refunding	3,452,336
Deferred Inflows from Pension	37,951,058
Total Deferred Inflows of Resources	<u>61,192,671</u>

NET POSITION

Net Investment in Capital Assets	806,700,457
Restricted for:	
Debt Service	3,382,532
Annexations	5,780,515
Capital Projects	5,816,891
Unrestricted	<u>(16,956,299)</u>
Total Net Position	<u>804,724,096</u>

**TOTAL LIABILITIES, DEFERRED
INFLOWS OF RESOURCES, AND
NET POSITION**

\$ 1,150,829,877

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

OPERATING REVENUES	
Fares	\$ 14,308,769
OPERATING EXPENSES	
Labor and Fringe Benefits	143,524,063
Professional and Other Services	17,656,676
Spare Parts and Supplies	15,861,776
Utilities	7,424,682
Casualty and Liability Costs	19,783,494
Depreciation	46,623,437
Other	2,517,875
Total Operating Expenses	<u>253,392,003</u>
Operating Loss	(239,083,234)
NON-OPERATING REVENUES (EXPENSES)	
Operating Assistance:	
State and Local	144,507,608
Federal	59,498,330
Investment Income	2,311,345
Interest Expense	(4,672,261)
Pass-Through to Subrecipients	(2,742,607)
Contract Services	825,900
Alternative Fuel and Carbon Tax Credits	2,929,649
Insurance Proceeds and Other	9,343,880
Total Non-Operating Revenues	<u>212,001,844</u>
Loss Before Capital Contributions	(27,081,390)
Capital Contributions:	
State and Local	41,351,937
Federal	29,408,366
Total Capital Contributions	<u>70,760,303</u>
Increase in Net Position Before Special Item	43,678,913
Special Item: Transfer of Operations	15,781,405
Increase in Net Position	<u>59,460,318</u>
Net Position, beginning of year	<u>745,263,778</u>
Net Position, end of year	<u>\$ 804,724,096</u>

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF CASH FLOWS – BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 19,067,931
Cash Received from Contract Sources	825,900
Cash Paid to Suppliers	(60,617,752)
Cash Paid to Employees and Employee Benefits	(153,286,831)
Cash Received from Other Sources	10,586,321
Cash Received from Transfer of Operations	<u>4,473,276</u>
Net Cash Used in Operating Activities	<u>(178,951,155)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State and Local Receipts	139,009,879
Federal Receipts	60,287,562
Payments Pass-Through to Subrecipients	<u>(2,742,607)</u>
Net Cash Provided by Noncapital Financing Activities	<u>196,554,834</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(53,248,799)
Payment/Receipt on Refunding	25,477
Bond Issuance Costs Paid	(449,680)
Interest Paid	(1,954,132)
Proceeds from Sale of Capital Assets Receipts	2,225,085
State and Local Capital Grants Receipts	45,736,177
Federal Capital Grants	20,052,432
Principal Payments on Leases	<u>(468,204)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>11,918,356</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	1,267,501
Purchases of Investments	(10,995,002)
Investment Income	<u>311,458</u>
Net Cash Provided by Investing Activities	<u>(9,416,043)</u>
Net Increase in Cash and Cash Equivalents	20,105,992
Cash and Cash Equivalents, July 1	<u>45,859,821</u>
Cash and Cash Equivalents, June 30	<u>\$ 65,965,813</u>
RECONCILIATION TO STATEMENT OF NET POSITION	
Cash and Cash Equivalents	\$ 47,237,435
Restricted Cash and Cash Equivalents, Current	1,984,259
Restricted Cash and Cash Equivalents, Non-Current	<u>16,744,119</u>
Total Cash and Cash Equivalents	<u>\$ 65,965,813</u>

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF CASH FLOWS – BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES:**

Operating Loss	\$ (239,083,234)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used in Operating Activities:	
Depreciation	46,623,437
Contract Services- Nonoperating Income	825,900
Miscellaneous Nonoperating Income	10,586,321
Transfer of Operations	4,473,276
Effect of Changes in:	
Other Receivables	3,322,406
Spare Parts and Supplies Inventory	(467,374)
Other Current Assets	68,397
Accounts Payable and Accrued Liabilities	1,417,530
Compensated Absences	116,653
Unearned Revenue	1,436,757
Claims Payable	1,226,002
Deferred Outflows from Pension	(8,535,129)
Net Pension Liability	(33,864,620)
Deferred Inflows from Pension	35,786,975
Deferred Outflows from Other Post Employment Benefits	1,081,742
Net Other Post Employment Benefit Liability	(15,074,345)
Deferred Inflows from Other Post Employment Benefits	11,108,151
Net Cash Used in Operating Activities	<u><u>\$ (178,951,155)</u></u>

NON-CASH INVESTING AND FINANCING ACTIVITIES

Interest Income from Investments Held to Pay Lease/Leaseback	\$ 2,616,864
Interest Expense on Capital Lease/Leaseback	(2,616,864)
Capital Assets Included in Accounts Payable	9,541,656
Capital Contributions Included in Receivables	15,884,556

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	Pension Trust Funds	Connect Card Custodial Fund
ASSETS		
Cash and Cash Equivalents	\$ 11,990,488	\$ 660,165
Receivables:		
Securities Sold	10,561,485	-
Invoiced Receivables	-	70,714
Interest and Dividends	625,240	-
Other Receivables and Prepaids	125,660	26,128
Total Receivables	11,312,385	96,842
Investments:		
Equity Securities	221,227,069	-
Fixed Income Securities	92,822,007	-
Real Estate	38,960,438	-
Total Investments	353,009,514	-
Total Assets	376,312,387	757,007
LIABILITIES		
Securities Purchased Payable	28,540,071	-
Accounts Payable	749,128	-
Due to Connect Card Consortium Members	-	225,691
Total Liabilities	29,289,199	225,691
NET POSITION		
Restricted for Pension Benefits	347,023,188	-
Restricted for Connect Card Consortium Members	-	531,316
Total Net Position	\$ 347,023,188	\$ 531,316

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Pension Trust Funds	Connect Card Custodial Fund
ADDITIONS		
Contributions:		
Employer	\$ 25,575,022	\$ -
Member	2,385,092	-
Change in Bargaining Group	667,990	-
Total Contributions	<u>28,628,104</u>	<u>-</u>
Investment Income (Loss):		
Net Depreciation in Fair Value of Investments	(30,955,907)	-
Interest, Dividends, and Other Income	5,222,355	-
Investment Expenses	(1,858,653)	-
Net Investment Loss	<u>(27,592,205)</u>	<u>-</u>
Connect Card Fare Collections for Consortium Members	<u>-</u>	<u>1,547,592</u>
Total Additions	<u>1,035,899</u>	<u>1,547,592</u>
DEDUCTIONS		
Benefits Paid to Participants	29,407,690	-
Change in Bargaining Group	667,990	-
Distribution to Consortium Members	-	925,324
Administrative Expenses	765,714	90,952
Total Deductions	<u>30,841,394</u>	<u>1,016,276</u>
Increase (Decrease) in Net Position	(29,805,495)	531,316
Net Position - Beginning of Year	<u>376,828,683</u>	<u>-</u>
Net Position - End of Year	<u>\$ 347,023,188</u>	<u>\$ 531,316</u>

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

1. SIGNIFICANT ACCOUNTING POLICIES

THE REPORTING ENTITY

The Sacramento Regional Transit District (SacRT) was established in 1973 pursuant to the Sacramento Regional Transit District Act. SacRT has the responsibility to develop, maintain, and operate a public mass transit transportation system for the benefit of the residents of the Sacramento area. SacRT is governed by a Board of Directors appointed by the Sacramento City Council, the Sacramento County Board of Supervisors, the Elk Grove City Council, the Citrus Heights City Council, the Rancho Cordova City Council, and the Folsom City Council.

As required by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and its amendment GASB No. 61, SacRT has reviewed the criteria to determine whether other entities with activities that benefit SacRT should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity has a significant operational and financial relationship with SacRT.

SacRT has determined that no other outside entity meets the above criteria and, therefore, no other entity has been included as a component unit in SacRT's financial statements. In addition, SacRT is not aware of any entity that has such a relationship to SacRT that would result in SacRT being considered a component unit of that other entity.

BASIS OF PRESENTATION

The accounts of SacRT are organized and operated on the basis of funds, each of which is considered an independent fiscal and accounting entity. The activities of each fund are accounted for with a separate set of self-balancing statements that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses, as appropriate. These statements distinguish between the business-type and fiduciary activities of SacRT. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. SacRT's statements are organized into the following fund types:

Proprietary Fund Type

The **Enterprise Fund** distinguishes operating revenues and expenses from non-operating items. SacRT's operating revenues are generated directly from its transit operations and consist principally of passenger fares. Operating expenses for the transit operations include all costs related to providing transit services. These costs include labor, fringe benefits, materials, supplies, services, utilities, leases, rentals, and depreciation on capital assets. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. Unrestricted net position for the enterprise fund represents the net position available for future operations.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Fund Types

The **Pension Trust Funds** are used to account for assets held by SacRT in a trustee capacity. The SacRT maintains the following Pension Trust Funds:

The Amalgamated Transit Union (ATU) Local 256 Retirement Plan Fund (ATU Plan) accounts for the retirement funds of members of ATU Local 256.

The International Brotherhood of Electrical Workers (IBEW) Local 1245 Member Retirement Plan Fund (IBEW Plan) accounts for the retirement funds of members of IBEW Local 1245.

The Salaried Employees Retirement Plan Fund (Salaried Plan) accounts for the retirement funds of SacRT's salaried employees.

The **Connect Card Custodial Fund** is used to account for assets held by SacRT for the benefit of the transit agencies who are members of the Connect Card Consortium. Connect Card is the Sacramento region's electronic transit fare payment system and the Connect Card Consortium's participating agencies include SacRT, El Dorado Transit, Etran, Placer County Transit, Roseville Transit, SCT/Link, Yolobus and Yuba-Sutter Transit. Any balances or transactions related to SacRT are not recorded in the fund and instead are recorded in SacRT's enterprise fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund and the fiduciary funds are accounted for on a flow of economic resources measurement focus. This measurement focus emphasizes the determination of increased/decreased net position. The accrual basis of accounting is used for the enterprise fund and the fiduciary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. SacRT contributions to the pension trust funds are recognized in the period in which contributions are due, while benefits and refunds are recognized when due and payable in accordance with the pension trust funds plan agreements.

BUDGETARY INFORMATION

State law requires the adoption of an annual budget for the enterprise fund, which must be approved by the Board of Directors. The budget is prepared on an accrual basis. Budgetary control is maintained at several levels. The legal level of control is at the fund level. The Board of Directors authorizes budget amendments to the fund level. Line item reclassification amendments to the budget must be authorized by the responsible manager. Operating expenses are monitored by department managers who are assigned responsibility for controlling their budgets. Emphasis is placed on the total budget for the division. Capital expenses operate under the control of a project-to-date budget.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, SacRT considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

INVESTMENTS

Investments consist of securities or other assets that SacRT holds primarily for the purpose of income or profit and its present service capacity is based solely on its ability to generate cash or to be sold to generate cash. Investments are recorded at fair value.

RESTRICTED ASSETS

Restricted assets consist of monies and other resources, the use of which is legally restricted for capital projects and debt service.

RECEIVABLES

Receivables are reported at present value less the estimated portion that is estimated to be uncollectible. As of June 30, 2022, management has estimated that no allowance for uncollectible accounts is needed.

INVENTORIES

Inventories are stated at average cost and charged to expense at the time individual items are withdrawn from inventory (consumption method). Inventory consists primarily of parts and supplies relating to transportation vehicles and facilities.

CAPITAL ASSETS

Capital assets are stated at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in leases below). Donated capital assets are recorded at acquisition value. The cost of normal maintenance and repairs is charged to operations as incurred. Infrastructure, which includes light rail vehicle tracks, has been capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related properties. Depreciation is computed using the straight-line method over estimated useful lives and right-to-use leased assets are amortized over the shorter of their estimated useful life or the remaining lease term. Depreciable/amortized lives are as follows:

Buildings and improvements	30 to 50 years
Right-to use leased buildings	2 to 51 years
Buses and maintenance vehicles	4 to 12 years
Light-rail structures and light rail vehicles	25 to 45 years
Other operating equipment	5 to 15 years
Right-to use leased equipment	2 to 5 years

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

No depreciation is provided on construction in progress until construction is completed and the asset is placed in service. It is SacRT's policy to capitalize all capital assets with an individual cost of more than \$5,000 or a group of similar items amounting to \$100,000 or more with an individual cost of at least \$500 and a useful life in excess of one year.

Impairment of Capital Assets: In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, management evaluates events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations, other changes in environmental factors, technology changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will continue to be used are written down to reflect the decline in service utility of the capital asset. Impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value.

LEASES

SacRT is a lessee for noncancellable leases of buildings and equipment. SacRT recognizes lease liabilities and intangible right-to-use lease assets in the enterprise fund's financial statements. SacRT recognizes lease liabilities with an initial, individual value of \$5,000 or more or a group of similar items amounting to \$100,000 or more with an individual value of at least \$500.

At the commencement of the lease, SacRT initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability adjusted for payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the estimated useful life of the asset or the term of the lease.

Key estimates and judgments related to leases include how SacRT determines the discount rate it uses to discount the expected lease payments to present value and the lease term. SacRT uses the interest rate charged by the lessor if known, the implicit rate in the lease if calculable, or more commonly SacRT's incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease including extensions that SacRT is reasonably certain to exercise. SacRT monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES

SacRT's policy allows employees to accumulate earned unused vacation and sick leave which can be paid to employees upon separation from SacRT. These compensated absences are reported and accrued as a liability in the period incurred.

The current portion of the compensated absences is estimated by applying a percentage to the end of the year compensated absences liability. The percentage is calculated by dividing the vacation and sick leave that was liquidated (used/cashed out) during the year by the beginning vacation and sick leave balance.

FEDERAL, STATE, AND LOCAL GRANT FUNDS

Grants are accounted for in accordance with the purpose for which the funds are intended. Approved grants for the acquisition of land, buildings, and equipment are recorded as capital contributions as the related grant conditions are met. Approved grants for operating assistance are recorded as revenues in the year in which the related grant conditions are met.

Advances received on grants are recorded as a liability until related grant conditions are met. The Transportation Development Act (TDA) provides that any funds not earned and not used may be required to be returned to their source.

When both restricted and unrestricted resources are available for the same purpose, SacRT uses restricted resources first.

SELF-INSURANCE AND CLAIMS PAYABLE

SacRT is self-insured up to specified limits for workers' compensation claims, general liability claims, and major property damage. SacRT accrues the estimated costs of the self-insured portion of claims in the period in which the amount of the estimated loss is incurred.

PENSION

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the ATU Plan, IBEW Plan and Salaried Plan (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds to employee contributions) are recognized when due and payable in accordance with the benefit terms.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the California Employers' Retiree Benefit Trust Program (CERBT) and additions to/deductions from CERBT's fiduciary net position have been determined on the same basis as they are reported by CERBT. For this purpose, CERBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

SPECIAL ITEM - TRANSFER OF OPERATIONS

Under an annexation agreement between the City of Elk Grove (City) and SacRT, the City agreed to combine its public transit service with SacRT. The transfer of operations included the assets and deferred revenue of the City's transit fund. These assets included cash, rolling stock and equipment and was exclusive of certain City infrastructure assets within the fund. The acquisition value of the net position transferred as of the transfer date was determined to be \$15,781,405.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2. CASH AND INVESTMENTS

The total cash and investments as of June 30, 2022, are reported in the accompanying basic financial statements as follows:

	Enterprise Fund	Fiduciary Funds	Total
Unrestricted:			
Cash and cash equivalents	\$ 47,123,084	\$ -	\$ 47,123,084
Cash on hand	114,351	-	114,351
Investments	<u>28,522,260</u>	-	<u>28,522,260</u>
Total unrestricted	<u>75,759,695</u>	<u>-</u>	<u>75,759,695</u>
Restricted:			
Cash and cash equivalents	18,728,378	12,650,653	31,379,031
Investments	<u>21,282,382</u>	<u>353,009,514</u>	<u>374,291,896</u>
Total restricted	<u>40,010,760</u>	<u>365,660,167</u>	<u>405,670,927</u>
Total cash and investments	<u>\$ 115,770,455</u>	<u>\$ 365,660,167</u>	<u>\$ 481,430,622</u>

INVESTMENTS

SacRT pursues a program of safety, liquidity, and yield in its cash management and investment program in order to achieve maximum return on the Enterprise Fund's available funds. The Enterprise Fund's investment policy (pertaining to investment of surplus funds) is governed by an annual Board adopted policy, which is in compliance with the provisions of Articles 1 and 2 of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2. CASH AND INVESTMENTS (Continued)

The following table identifies the investment types that are authorized by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Minimum Rating	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	N/A	None	None
U.S. Treasury Obligations	5 years	N/A	None	None
U.S. Agency Securities	5 years	N/A	None	None
Bankers' Acceptances	180 days	N/A	40%	30%
Commercial Paper	270 days	A1/P1	25%	10%
Negotiable Certificates of Deposit	5 years	N/A	30%	None
Reverse Repurchase Agreements	92 days	N/A	20% of base value	None
Medium-Term Notes	5 years	A	30%	None
Mutual Funds Investing in Eligible Securities	N/A	AAA	20%	10%
Mortgage Pass-Through Securities	5 years	AA	20%	None
Local Agency Investment Fund	N/A	N/A	None	None
JPA Pools (other investment pools)	N/A	N/A	None	None

A Retirement Board-adopted policy, the "Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Pension Plans" governs the Pension Trust Funds' investments. This policy focuses on the continued feasibility of achieving, and the appropriateness of, the Asset Allocation Policy, the Investment Objectives, the Investment Policies and Guidelines, and the Investment Restrictions.

The following table identifies the investment types that are authorized by the Retirement Board. The table also identifies certain provisions of the Investment Objectives and Policy that address interest risk, credit risk and concentration of credit risk.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2. CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity (1)	Minimum Rating (3)	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Cash	None	N/A	None	None
U.S. Treasury Bills	None	N/A	None	None
Agency Discount Notes	None	N/A	None	None
Certificates of Deposit	None	N/A	None	None
Bankers Acceptances	None	N/A	None	None
Commercial Paper	None	A2/P2	None	None
Asset-Backed Commercial Paper	None	A2/P2	None	None
Money Market Funds and Bank Short-Term Investment Funds (STIF)	None	N/A	None	None
Repurchase Agreements	None	N/A	None	None
U.S. Government and Agency Securities	None	N/A	None	None
Credit Securities/Corporate Debt (4)	None	N/A	None	None
Securitized Investments (5)	None	N/A	None	None
Emerging Markets	None	N/A	None	None
International Fixed Income Securities	None	N/A	None	None
Other Fixed Income Securities (6)	None	N/A	None	None
Mutual Funds	N/A	N/A	25% (2)	5%
Real Estate Investment Trust	N/A	N/A	25% (2)	5%
Depository Receipt	N/A	N/A	25% (2)	5%
Stocks	N/A	N/A	25% (2)	5%
Other Equity Securities (7)	N/A	N/A	25% (2)	5%
Real Estate	None	N/A	None	None

- (1) The fixed income portion of the ATU Plan, IBEW Plan and Salaried Plan shall be limited in duration to between 75% and 125% of the Bloomberg Aggregate Index benchmark.
- (2) No more than 25% of the fair value on the purchase cost basis of the total common stock portfolio (equity securities) shall be invested in a single industry at the time of purchase.
- (3) The investment managers shall maintain a minimum overall portfolio quality rating of "A" equivalent or better at all times (based on market-weighted portfolio average). Minimum quality (at purchase) must be at least 80% Baa or above.
- (4) Credit Securities and Corporate Debt include: debentures, medium-term notes, capital securities, trust preferred securities, Yankee bonds, Eurodollar securities, floating rate notes and perpetual floaters, structured notes, municipal bonds, preferred stock, private placements (bank loans and 144(a) securities), and EETCs.
- (5) Securitized investments includes: agency and non-agency mortgage-backed securities, asset-backed securities (144(a) securities), and commercial mortgage-backed securities.
- (6) Other Fixed Income Securities includes: fixed income commingled and mutual funds, futures and options, swap agreements, and reverse repurchase agreements.
- (7) Other Equity Securities include: rights and warrants.

INVESTMENT RISK FACTORS

There are many factors that can affect the value of investments such as: interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk. These types of risks may affect both equity and fixed income securities. Equity securities respond to such factors as economic conditions, individual company earnings performance, and market liquidity, while fixed income securities are particularly sensitive to credit risks and changes in interest rates.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2. CASH AND INVESTMENTS (Continued)

INTEREST RATE RISK

Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity, measured by duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with a shorter duration.

The following table provides information about the interest rate risks associated with applicable investments as of June 30, 2022:

<u>Enterprise Fund</u>	Maturities in Years				Total
	Less than 1	1 – 5	6 – 10	More than 10	
Collateralized Mortgage Obligations	\$ 6,860	\$ 182,955	\$ -	\$ -	\$ 189,815
Corporate Bonds	-	896,598	-	-	896,598
Municipals	-	39,209	-	-	39,209
U.S. Government Agency Obligations	19,574	894,044	-	-	913,618
U.S. Government Issued Obligations	-	854,900	-	-	854,900
Asset-Backed Securities	-	372,721	-	-	372,721
CalTRUST	46,537,781	-	-	-	46,537,781
Total Enterprise Fund	<u>\$ 46,564,215</u>	<u>\$ 3,240,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,804,642</u>

<u>Fiduciary Funds</u>	Maturities in Years				Total
	Less than 1	1 – 5	6 – 10	More than 10	
Collateralized Mortgage Obligations	\$ -	\$ 180,483	\$ 171,235	\$ 4,394,013	\$ 4,745,731
Corporate Bonds	1,295,966	10,212,828	7,734,985	7,526,670	26,770,449
Municipal Bonds	-	-	83,774	392,394	476,168
U.S. Government Agency Obligations	-	1,409,809	355,282	27,745,575	29,510,666
U.S. Government Issued Obligations	-	18,450,790	-	6,253,400	24,704,190
Asset-Backed Securities	81,326	627,913	589,038	5,316,526	6,614,803
Total Fiduciary Fund	<u>\$ 1,377,292</u>	<u>\$ 30,881,823</u>	<u>\$ 8,934,314</u>	<u>\$ 51,628,578</u>	<u>\$ 92,822,007</u>

MORTGAGE PASS-THROUGH SECURITIES

These securities, disclosed as U.S. Government Agency Obligations in the interest rate risk table above, are issued by Government Sponsored Enterprises (GSEs), which are a group of financial services corporations created by the United States Congress. The GSEs include: the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Association (Freddie Mac), and the Federal Home Loan Banks. Another institution that issues these securities is the Government National Mortgage Association (Ginnie Mae). These securities are highly sensitive to interest rate fluctuations because they are subject to early payment. In a period of declining interest rate, the resulting reduction in expected total cash flows affects the value of these securities.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2. CASH AND INVESTMENTS (Continued)

COLLATERALIZED MORTGAGE OBLIGATIONS

Collateralized mortgage obligations (CMOs) are bonds that represent claims to specific cash flow from large pools of home mortgages. The streams of principal and interest payments on the mortgages are distributed to the different classes of CMO interests.

CMOs are often highly sensitive to changes in interest rates and any resulting change in the rate at which homeowners sell their properties, refinance, or otherwise pre-pay their loans. Investors in these securities may not only be subjected to such prepayment risk, but also exposed to significant market and liquidity risks.

ASSET-BACKED SECURITIES

Asset-backed securities generate a return based upon either the payment of interest or principal on obligations in an underlying pool. The relationship between interest rates and prepayments make the fair value highly sensitive to changes in interest rates.

CALLABLE BONDS

Although bonds are issued with clearly defined maturities, an issuer may be able to redeem, or call, a bond earlier than its maturity date. SacRT or the Pension Trust Funds must then replace the called bond with a bond that may have a lower yield than the original bond. The call feature causes the value to be highly sensitive to changes in interest rates. As of June 30, 2022, SacRT held callable bonds in the amount of \$451,214. The Pension Trust Funds held callable bonds in the amount of \$24,571,250.

INVESTMENT IN STATE INVESTMENT POOL AND CALTRUST

SacRT is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Local Investment Advisory Board (LIAB). The LIAB consists of five members as designated by State statute. The value of SacRT's investment in this pool is reported in the accompanying financial statements at amounts based upon the SacRT's pro-rata share of the value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. SacRT's total investment in the LAIF at June 30, 2022, was \$59,219,061.

SacRT is also a voluntary participant in the Investment Trust of California (CalTRUST) which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST and selects and supervises the activities of the Investment Manager and other agents. SacRT's investments in CalTRUST are measured at net asset value (NAV), as described on page 35. As of June 30, 2022, SacRT's investments in CalTRUST were \$46,537,781, all of which is invested in the Short Term fund.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2. CASH AND INVESTMENTS (Continued)

CREDIT RISK

Fixed income securities are subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments.

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond-rating agencies, for example Moody's Investors Services (Moody's). The lower the rating, the greater the chance, in the rating agency's opinion, that the bond issuer will default, or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk. SacRT's investments in LAIF and CalTRUST external investment pools are not rated.

For the fiscal year ending June 30, 2022, management has reported that the Pension Trust Funds are in adherence with the credit risk provisions of the Statement of Investment Objectives and Policy Guidelines.

The following tables provide information on the credit ratings associated with investments as of June 30, 2022:

Moody's Ratings	Enterprise Fund		Moody's Ratings	Fiduciary Funds	
	Amount	Percentage of Portfolio		Amount	Percentage of Portfolio
Not Applicable	\$ 46,537,781	93.44%	Not Applicable	\$ 260,187,507	73.71%
Not rated	282,375	0.57%	Not rated	32,064,062	9.08%
Aaa/Aaa-mf/P1	2,067,509	4.15%	Aaa	30,673,215	8.69%
Aa2	86,084	0.17%	Aa1	316,588	0.09%
Aa3	33,828	0.07%	Aa2	888,069	0.25%
A1	291,272	0.58%	Aa3	772,347	0.22%
A2	357,463	0.72%	A1	2,342,221	0.66%
A3	148,330	0.30%	A2	4,628,736	1.31%
	<u>\$ 49,804,642</u>	<u>100.00%</u>	A3	3,084,067	0.87%
			Baa1	3,966,502	1.12%
			Baa2	3,817,228	1.08%
			Baa3	3,680,981	1.04%
			Ba1	2,033,695	0.58%
			Ba2	362,957	0.10%
			Ba3	1,149,617	0.33%
			B1	504,841	0.14%
			B2	766,474	0.22%
			B3	854,342	0.24%
			Caa1	231,863	0.07%
			Caa2	32,500	0.01%
			C	3,953	0.00%
			WR	647,749	0.19%
			Total	<u>\$ 353,009,514</u>	<u>100.00%</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2. CASH AND INVESTMENTS (Continued)

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments.

The investment policy of SacRT contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2022, SacRT did not hold more than 5% of total investments in a single issuer.

The investment policy of the Pension Trust Funds states that an investment in domestic or international equity fund managers' securities of a single issuer shall not exceed 5% (at cost) of the value of the portfolios and/or of the company's total outstanding shares. As of June 30, 2022, the Plans had the following investments in one issuer that comprised more than 5% of Plan investments.

Federal National Mortgage Association \$20,039,312

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

As of June 30, 2022, \$3,795,004 of SacRT's deposits and \$654,752 of the Custodial Fund's deposits were in excess of federal depository insurance (FDIC) limits and were held in collateralized accounts with securities collateralized in the financial institutions' name.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and SacRT's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2022, SacRT had no investment securities exposed to custodial credit risk. The Pension Trust Funds' investment securities are not exposed to custodial credit risk because all securities are held by the Pension Trust Funds' custodian bank in SacRT's name.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2. CASH AND INVESTMENTS (Continued)

FOREIGN CURRENCY RISK

The current SacRT investment policy does not address foreign currency risk, which is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As of June 30, 2022, SacRT does not have any deposits or investments in a foreign currency.

The Pension Trust Funds' investment policy states that international equity shall be comprised of American Depository Receipts (ADR) of non-U.S. companies, common stocks of non-U.S. companies, preferred stocks of non-U.S. companies, foreign convertible securities including debentures convertible to common stocks, and cash equivalents. As of June 30, 2022, the Pension Trust Funds do not have any deposits or investments in a foreign currency.

FAIR VALUE MEASUREMENTS

SacRT categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. SacRT had the following recurring fair value measurements as of June 30, 2022:

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2. CASH AND INVESTMENTS (Continued)

Investments measured at fair value

	<u>6/30/2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Enterprise fund				
Debt securities				
Collateralized mortgage obligations	\$ 189,815	\$ -	\$ 189,815	\$ -
Corporate bonds	896,598	-	896,598	-
Municipals	39,209	-	39,209	-
U.S. Government Agency obligations	913,618	-	913,618	-
U.S. Government issued obligations	854,900	854,900	-	-
Asset backed securities	372,721	-	372,721	-
Carbon credits (LCFS/RIN)*	1,317,514	1,317,514	-	-
Total enterprise fund	<u>4,584,375</u>	<u>2,172,414</u>	<u>2,411,961</u>	<u>-</u>

Fiduciary funds

Debt securities				
Collateralized mortgage obligations	4,745,731	-	4,745,731	-
Corporate bonds	26,770,449	-	26,770,449	-
Municipals	476,168	-	476,168	-
U.S. Government Agency obligations	29,510,666	-	29,510,666	-
U.S. Government issued obligations	24,704,190	-	24,704,190	-
Asset backed obligations	6,614,803	-	6,614,803	-
Equity securities				
Common stock	84,098,213	84,038,323	-	59,890
Depository receipts	686,911	686,911	-	-
Rights/Warrants	1,796	-	-	1,796
Total fiduciary funds	<u>177,608,927</u>	<u>84,725,234</u>	<u>92,822,007</u>	<u>61,686</u>
Total investments measured at fair value	<u>\$ 182,193,302</u>	<u>\$ 86,897,648</u>	<u>\$ 95,233,968</u>	<u>\$ 61,686</u>

Investments measured at the net asset value (NAV)

Enterprise fund

CalTRUST	\$ 46,537,781
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Fiduciary funds

S&P 500 Index Fund	51,991,316
MSCI EAFE Index Fund	14,978,131
International Equity Fund	31,868,369
International Small Capital Equity Fund	16,804,721
International Emerging Markets Fund	20,797,612
Real Estate Funds	<u>38,960,438</u>
Total fiduciary funds	<u>175,400,587</u>
Total investments measured at NAV	<u>\$ 221,938,368</u>

*Balance included in Receivables Other on the Statement of Net Position

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2. CASH AND INVESTMENTS (Continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Net asset value (NAV) securities are valued based on the net asset value of the pooled investments. The NAV is determined by dividing the total value of the securities and other assets, less any liabilities, by the total outstanding shares of the fund.

	Amount	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Enterprise fund				
CalTRUST (1)	\$ 46,537,781	\$ -	Daily	1 day
Fiduciary funds				
S&P 500 Index Fund (2)	51,991,316	-	Daily	1 day
MSCI EAFE Index Fund (3)	14,978,131	-	Semi-monthly	6-8 days
International Equity Fund (4)	31,868,369	-	Monthly	7 days
International Small Capital Equity Fund (5)	16,804,721	-	Monthly	2 days
International Emerging Markets Fund (6)	20,797,612	-	Daily	1 day
Real Estate Funds (7)	38,960,438	-	Daily, Quarterly	90 days, 1 quarter
Total fiduciary fund	<u>175,400,587</u>			
Total investments measured at NAV	<u>\$ 221,938,368</u>			

1. CalTRUST. This type includes an investment in an external investment pool that is governed by the California Government Investment Code. CalTRUST is benchmarked against LAIF and the Barclays Short-Term Government/Corporate Index. The fair value of the investment in this type has been determined using the NAV. The NAV is calculated daily by dividing the total value of the securities and other assets, less any liabilities, by the total outstanding shares of the fund.
2. S&P 500 Index Fund. This type includes an investment in an S&P 500 index fund that invests to match the S&P 500 Index. The S&P 500 is made up of primarily U.S. common stocks. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The NAV per unit of the investment are determined each business day. Issuances and redemptions of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2. CASH AND INVESTMENTS (Continued)

3. MSCI EAFE Index Fund. This type includes an investment in the Morgan Stanley Capital International Europe, Australasia, Far East Index (MSCI EAFE) Index fund that invest to approximate as closely as practicable, before expenses, the performance of the MSCI EAFE Index over the long term. The MSCI EAFE Index is made up of primarily International stocks. The per-unit NAV of the fund is determined as of the last business day of each month and at least one other business day during the month. Issuances and redemptions of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.
4. International Equity Fund. This type includes an investment in an International Equity Fund that seeks total return from long-term capital growth and income, while attempting to outperform the MSCI EAFE Index over a market cycle, gross of fees. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The Trust has one dealing day per month, which is the first business day, and units are issued based upon a valuation on the last business day of the preceding month.
5. International Small Capital Equity Fund. The fund intends to utilize a set of valuation, momentum and economic factors to generate an investment portfolio based on security selection procedures geared to assist the fund in meeting its investment objectives. The fund generally will be managed by underweighting and overweighting securities relative to the benchmark. The investment objective is to outperform the MSCI EAFE Small Cap Index over a full market cycle. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The fund has one dealing day per month, which is the first business day, and notification is required at least two business days in advance of a subscription or withdrawal.
6. International Emerging Markets Fund. This type invests substantially all of its assets in the Emerging Market Series. The Emerging Market Series purchases a broad market coverage of larger companies associated with emerging markets, which may include frontier markets (emerging market countries in an earlier stage of development), authorized for investment by the Advisor's Investment Committee. As a non-fundamental policy, under normal circumstances, the Emerging Markets Series will invest at least 80% of its net assets in emerging markets investments that are defined in the Prospectus as Approved Market securities. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investors may purchase or redeem shares of the fund on any business day.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2. CASH AND INVESTMENTS (Continued)

7. Real estate funds. Real estate investments are held in Clarion Lion Properties Fund, LP and Prime Property Fund, LLC. The funds are core-style, open-end commingled real estate investment funds diversified by property type and location. The primary performance objective is to combine an attractive income yield with long-term capital growth. The fair value of the investments have been determined using the NAV per share of the respective fund. The ability to redeem funds is subject to the availability of liquid assets. To the extent that liquid assets of the funds are insufficient to satisfy redemption requests, redemptions will be redeemed on a pro rata basis as liquid assets become available. Prime Property Fund, LLC had a redemption queue of \$440 million at June 30, 2022. Prime Property Fund, LLC is unable to provide an estimate on when the restriction on redemptions will be removed. The current redemption queue has been in effect since June 30, 2022. Clarion Lion Properties Fund, LP had no redemption queue at June 30, 2022.

RESTRICTED CASH AND INVESTMENTS

Enterprise Fund

At June 30, 2022, cash and investments include restricted amounts of \$40,010,760. Amounts represent monies restricted for debt reserve requirements of \$3,906,417 developer fee projects of \$15,637,608, and grantor-approved projects of \$20,466,735.

Fiduciary Funds

At June 30, 2022, restricted cash and investments of the Fiduciary Funds totaled \$365,660,167. Amounts represent funds restricted for employees' retirement of \$365,000,002 and Connect Card consortium members of \$660,165.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Transfers	Deletions	Balance June 30, 2022
Non-Depreciated Capital Assets					
Land*	\$ 84,673,268	\$ -	\$ 259,062	\$ (157,547)	\$ 84,774,783
Construction in Progress	51,363,202	45,896,349	(4,492,976)	(380,260)	92,386,315
Total Non-Depreciated Capital Assets	<u>136,036,470</u>	<u>45,896,349</u>	<u>(4,233,914)</u>	<u>(537,807)</u>	<u>177,161,098</u>
Depreciated Capital Assets					
Buildings and Improvements*	977,688,513	134,034	(27,175,717)	(239,257)	950,407,573
Rolling Stock and Other Equipment	374,909,314	26,459,152	616,199	(4,934,406)	397,050,259
Total Depreciated Capital Assets	<u>1,352,597,827</u>	<u>26,593,186</u>	<u>(26,559,518)</u>	<u>(5,173,663)</u>	<u>1,347,457,832</u>
Accumulated Depreciation					
Buildings and Improvements	(413,185,768)	(23,969,349)	-	239,257	(436,915,860)
Rolling Stock and Other Equipment	(238,862,005)	(21,996,548)	-	4,934,406	(255,924,147)
Total Accumulated Depreciation	<u>(652,047,773)</u>	<u>(45,965,897)</u>	<u>-</u>	<u>5,173,663</u>	<u>(692,840,007)</u>
Capital Assets Being Depreciated, Net	<u>700,550,054</u>	<u>(19,372,711)</u>	<u>(26,559,518)</u>	<u>-</u>	<u>654,617,825</u>
Amortized Right-to-use Assets					
Right-to-use Leased Buildings**	3,507,097	67,753	30,793,432	-	34,368,282
Right-to-use Leased Equipment	13,622	-	-	-	13,622
Total Amortized Right-to-use Assets	<u>3,520,719</u>	<u>67,753</u>	<u>30,793,432</u>	<u>-</u>	<u>34,381,904</u>
Accumulated Amortization					
Right-to-use Leased Buildings	-	(1,068,699)	(4,586,119)	-	(5,654,818)
Right-to-use Leased Equipment	-	(8,603)	-	-	(8,603)
Total Accumulated Amortization	<u>-</u>	<u>(1,077,302)</u>	<u>(4,586,119)</u>	<u>-</u>	<u>(5,663,421)</u>
Right-to-use Assets Being Amortized, Net	<u>3,520,719</u>	<u>(1,009,549)</u>	<u>26,207,313</u>	<u>-</u>	<u>28,718,483</u>
Capital Assets, Net	<u>\$ 840,107,243</u>	<u>\$ 25,514,089</u>	<u>\$ (4,586,119)</u>	<u>\$ (537,807)</u>	<u>\$ 860,497,406</u>

*Land and Building – the values of the land and buildings at McClellan Park, approximately \$3.7 million and \$6.7 million, respectively, are included as a capital assets in anticipation of SacRT receiving Fee Simple title to the property. On January 5, 2007, a net lease and purchase agreement was recorded, giving SacRT a 94-year land and building leasehold. Pursuant to such transaction, SacRT acquired a leasehold interest in multiple buildings and some exterior parking and the right to use certain common areas at McClellan Park (formerly McClellan Air Force Base). As the United States Air Force has completed its Hazardous Materials clean-up and Fee Simple Title has been transferred from the United States Air Force to McClellan, SacRT believes Fee Simple title will pass from McClellan to SacRT next year. All payments to acquire the land and building have been made upfront.

**Right-to-use Leased Building – amounts transferred between Buildings and Improvements and Right-to-use Leased Building represents \$30.8 million of assets previously reported as part of a capital lease obligation pursuant to a Lease and Joint Use Agreement for the construction of a parking structure at Cosumnes River College with Los Rios Community College District (Los Rios). SacRT and Los Rios have agreed to make joint use of the parking structure and adjacent surface parking. SacRT's lease payments are the cost of construction and have been

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

3. CAPITAL ASSETS (Continued)

paid in full, so there is no associated lease payable. The term of the lease, which commenced in August 2015 with the opening of the South Sacramento Corridor Phase II light rail extension, is for a period of 51 years with the option to extend for two consecutive 5-year terms.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

4. LEASES

LEASE PAYABLE

SacRT adopted GASB Statement No. 87, *Leases*, on July 1, 2021 and recognized intangible right-to-use assets and lease liabilities of \$3,520,719 for existing leases at that time. There was no impact to net position as a result of implementing the Statement. These leases include a bus maintenance facility servicing Elk Grove, CA, office space and bus parking for SacRT GO operations, and an office trailer used by bus operations to service Folsom, CA. These leases had remaining terms of eight years, two years inclusive of a one year extension, and nineteen months, respectively. During fiscal year 2022, SacRT entered into a three-year lease agreement as lessee for office space used by SacRT's Security Operations Center. Additionally, SacRT leases a parking garage at Consumnes River College as noted in Note 3. This was previously accounted for as a capital lease. When the Statement was implemented, approximately \$30.8 million of building improvements were transferred from Building and Improvements to Right-to-use Lease Buildings.

If the lease's interest rate is not explicitly stated in the lease agreement and if SacRT is unable to determine the rate implicit in the lease, the discount rate used to calculate lease liabilities will be SacRT's incremental borrowing rate. This estimated rate is based on BBB General Obligation Municipal Markets Data tax exempt index plus 100 basis points for a term similar to the lease. SacRT establishes these rates at the commencement of the fiscal year and applies them to all new leases during the year. Discount rates applied during the fiscal year and the initial lease liabilities are as follows:

Lease	Discount Rate	Initial Lease Liability
Bus Maintenance Facility	1.95%	\$ 3,383,402
Office Space and Bus Parking	1.51%	123,695
Office Trailer	1.51%	13,622
Office Space	1.51%	67,753
		\$ 3,588,472

As of June 30, 2022, the value of the lease liabilities, right-to-use assets and related accumulated amortization are as follows:

Lease	Lease Liability	Right-to-use Asset	Accumulated Amortization
Consumnes River College Parking Garage	\$ -	\$ 30,793,432	\$ 5,164,399
Bus Maintenance Facility	2,988,750	3,383,402	422,925
Office Space and Bus Parking	64,443	123,695	61,848
Office Space	62,500	67,753	5,646
Right-to-use Lease Buildings	3,115,693	34,368,282	5,654,818
Office Trailer	4,575	13,622	8,603
Right-to-use Leased Equipment	4,575	13,622	8,603
Leased Assets	\$ 3,120,268	\$ 34,381,904	\$ 5,663,421

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

4. LEASES (Continued)

The future principal and interest lease payments excluding lease/leaseback obligations as of June 30, 2022 are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 492,919	\$ 55,185	\$ 548,104
2024	433,268	46,471	479,739
2025	436,491	38,055	474,546
2026	426,640	29,732	456,372
2027	435,035	21,337	456,372
2028-2032	895,915	16,828	912,743
Total	<u>\$ 3,120,268</u>	<u>\$ 207,608</u>	<u>\$ 3,327,876</u>

LEASE/LEASEBACK PAYABLES

In December 2005, January 2006, and September 2007, SacRT entered into separate leveraged lease/leaseback transactions over a total of 50 light rail vehicles (the "Equipment"). Each transaction was structured as a head lease of the Equipment (the "Head Lease") to a special purpose trust created by an equity investor and a simultaneous sublease of the Equipment back to SacRT (the "Sublease"). Under the Sublease agreements, SacRT retains the right to use the light rail vehicles and is also responsible for their continued maintenance and insurance. Each Sublease Agreement provides SacRT with an option to purchase the Equipment at the end of the applicable Sublease term on specified dates between June 2030 and September 2035 for an aggregate purchase price of \$97,932,090.

At the closing of the lease/leaseback transactions, the light rail vehicles had a fair value of approximately \$223,880,000 and a net book value of \$94,822,528. SacRT received an aggregate of \$223,880,000 from the equity investor in full prepayment of the Head Leases. SacRT deposited a portion of the prepaid Head Lease payments with debt payment undertakers whose repayment obligations were guaranteed by American International Group Inc. ("AIG"). SacRT also deposited a portion of the prepaid Head Lease payments with an equity payment undertaker whose obligations, which were collateralized with U.S. agency securities and guaranteed by AIG, matured at such times and in such amounts that correspond to the purchase option payment dates and amounts for the Equipment under each Sublease. Although these escrows do not represent a legal defeasance of SacRT's obligations under the Subleases, management believes that these transactions were structured in such a way that it was not probable that SacRT would need to access other monies to make Sublease payments.

In addition, SacRT purchased surety bonds from Ambac Assurance Corporation ("Ambac"), a bond insurance company, to guarantee certain termination payments that are in the nature of stipulated damages, in the event the lease/leaseback transactions were terminated, in whole or in part, prior to each Sublease expiration payment date.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

4. LEASES (Continued)

The lease/leaseback transactions resulted in a net cash gain to SacRT of \$11,820,731, which was deferred and is being amortized over the lives of the Subleases. In the fiscal year ending June 30, 2022, SacRT amortized \$419,763 of such deferred gain. At June 30, 2022, SacRT had a balance of \$5,247,035 as deferred gain on the lease/leaseback transactions. SacRT's lease/leaseback transactions have been recorded similar to leases in that the present value of the future lease payments has been recognized on the Statement of Net Position as a Lease/Leaseback payable.

The original terms of the lease/leaseback transactions required SacRT replace (1) AIG as debt payment undertaker if its ratings were to fall below "A3" from Moody's Investor Services ("Moody's") or "A-" from Standard & Poor's Rating Group ("S&P"), (2) AIG as equity payment surety provider if its ratings were to fall below "Aa3" from Moody's or "AA-" from S&P, in each case within a specified period of time following demand by the equity investor.

In July 2011, the lease/leaseback transactions were restructured to (1) eliminate any minimum rating requirements applicable to Ambac, (2) reduce the minimum rating requirement applicable to AIG as debt payment undertaker guarantor to "Baa3" from Moody's and "BBB-" from S&P, (3) replace AIG as equity payment undertaker and guarantor with U.S. Treasury Obligations that matured by such dates and in such amounts that correspond to the purchase option dates and amounts for the Equipment under each Sublease and (4) extend the time periods for any of SacRT's remaining replacement obligations to one year. No payments under the debt payment undertaking agreements remain.

Under the terms of the July 2011 restructuring, SacRT was required to replace the U.S. Treasury Obligations if the rating fell below "Aaa" from Moody's or "AAA" from S&P. In August 2011, S&P downgraded the U.S. Treasury Obligation to "AA+". On October 16, 2013, the equity investor, SacRT and Ambac agreed to amend the minimum rating requirements for the U.S. Treasury Obligations to "Aa2" from Moody's and "AA" from S&P (the "October Amendment").

As a result of the October Amendment, SacRT is in full compliance with the terms of the lease/leaseback transactions.

As U.S. Treasury Obligations, held in trust, will mature to satisfy the purchase option for the Equipment under each Sublease, SacRT has recorded the amounts held by the trustee, US Bank, as Deposits for Lease/Leaseback Payables on the Statements of Net Position. The obligation under the lease agreements and the investments held to pay the lease/leaseback obligation are adjusted annually to reflect the change in the net present value of the related sublease and buy-out options. At June 30, 2022, the balance of this deposit was \$52,320,775.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

4. LEASES (Continued)

The following table sets forth the aggregate amounts due under the sublease agreements, which is recorded as lease/leaseback payables on the statement of net position:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ (2,684,408)	\$ 2,684,408	\$ -
2024	(2,822,152)	2,822,152	-
2025	(2,966,964)	2,966,964	-
2026	(3,119,209)	3,119,209	-
2027	(3,279,267)	3,279,267	-
2028-2032	(3,561,395)	17,814,030	14,252,635
2033-2036	70,754,170	12,925,285	83,679,455
Total	<u>\$ 52,320,775</u>	<u>\$ 45,611,315</u>	<u>\$ 97,932,090</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

5. DIRECT BORROWINGS

LINE OF CREDIT

For the purpose of short-term borrowing needs, SacRT has an unsecured line of credit (LOC) agreement with U.S. Bank National Association. The purpose of the line of credit is to meet SacRT's liquidity needs stemming from the timing of cash receipts from Federal and State awards. The line is subject to a \$20,000,000 limit and matured on September 30, 2022. The interest rate for the LOC with U.S. Bank for the used portion of the LOC was at Daily Simple Secured Overnight Financing Rate (SOFR) plus 1.35% and the unused portion was a fixed 0.45% for the fiscal year ending June 30, 2022.

The LOC was subsequently extended to September 30, 2023; see subsequent event note 14 for additional information.

As of June 30, 2022, SacRT reported compliance with the short-term borrowing requirements stated under the California Government Code and with the financial covenants required by U.S. Bank.

The LOC direct borrowing contains (1) a provision that in event insolvency the LOC is automatically terminated and (2) a provision that in an event of default, the LOC can be immediately terminated or the timing of repayment of outstanding amounts become immediately due if SacRT is unable to make payment; SacRT's farebox recovery ratio falls below the California Transportation Development Act requirements; SacRT does not maintain a net operating ratio for the most recently ended four consecutive fiscal quarters equal to at least 0.95:1; SacRT does not maintain a fixed charge coverage ratio for the most recently ended fiscal year equal to at least 1.15:1; SacRT does not maintain unrestricted liquidity in an amount at least equal to \$9,000,000, consisting of at least \$4,500,000 in cash on hand and the balance of the \$9,000,000 in cash and/or LOC availability; or any Revenue Bond rating is withdrawn or suspended or fall below "BBB" by S&P, "Baa2" by Moody's or "BBB" by Finch.

SacRT's LOC contains a subjective acceleration clause that allows the lender to immediately terminate the LOC or accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

Short-term debt activity for the fiscal year ended June 30, 2022, was as follows:

	<u>7/1/2021</u>		<u>Draws</u>		<u>Repayments</u>		<u>6/30/2022</u>
Line of Credit \$	-	\$	-	\$	-	\$	-

The unused LOC balance at June 30, 2022 was \$20,000,000.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

6. LONG-TERM DEBT

REVENUE REFUNDING BONDS (Refunding Bonds), SERIES 2021A

In August 2021, SacRT issued Refunding Bonds totaling \$35,475,000 with interest rates ranging from 4% to 5%. The Refunding Bonds were issued to (a) current refund and defease all of the outstanding Sacramento Regional Transit District Farebox Revenue Bonds, Series 2012, (b) fund the Bond Reserve Fund and (c) pay the costs of issuance of the Series 2021A Refunding Bonds. The Refunding Bonds are a special limited obligation of SacRT and are secured solely by a pledge of Revenues, consisting of certain fare revenues collected by SacRT in connection with the operation of its transit system, the "Local Transportation Fund" revenues (subject to the parity lien thereon granted to the Line of Credit Bank) received by SacRT pursuant to the California Transportation Development Act of 1971, as amended, which consist of a portion of the sales tax revenues generated in Sacramento County from the one-fourth of 1% California statewide sales tax, and certain other moneys. Revenues are pledged through 2042.

Annual principal and interest payments on the bonds are expected to require approximately 2% of farebox and Local Transportation Fund revenue. The total principal and interest remaining to be paid on the bonds is \$56,919,900. Principal and interest paid for the current year and total farebox and Local Transportation Fund revenues were \$822,880 and \$89,649,513, respectively.

The Series 2021A Bonds maturing on or before March 1, 2031, are not subject to redemption prior to maturity. The Series 2021A Bonds maturing on and after March 1, 2032 are subject to redemption prior to their respective stated maturities, at the option of SacRT, from any source of available funds, as a whole or in part on any date (and if in part, in such amount and such order of maturity as SacRT specifies and within a maturity by lot), on or after March, 1 2031, at the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium.

As of June 30, 2022, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ -	\$ 1,542,900	\$ 1,542,900
2024	-	1,542,900	1,542,900
2025	-	1,542,900	1,542,900
2026	-	1,542,900	1,542,900
2027	-	1,542,900	1,542,900
2028-2032	7,730,000	7,184,500	14,914,500
2033-2037	12,475,000	4,665,300	17,140,300
2038-2042	15,270,000	1,880,600	17,150,600
Total	<u>\$ 35,475,000</u>	<u>\$ 21,444,900</u>	<u>\$ 56,919,900</u>

As of June 30, 2022, the unamortized premium associated with the Refunding Bonds was \$8,777,933. The amortization of the premium for fiscal year ended June 30, 2022, was \$387,544 and was amortized to interest expense.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

6. LONG-TERM DEBT (Continued)

The debt indenture contains financial covenants including requirements for punctual payments to sinking funds, minimum amounts to be maintained in sinking funds, an annual balanced budget and submission of audited financial statements to the trustee within 210 days after the end of each fiscal year. As of June 30, 2022, SacRT was in compliance with all financial covenants of the Refunding Bonds.

CURRENT YEAR REFUNDING

During the fiscal year ended June 30, 2022, SacRT utilized proceeds of the 2021A Revenue Refunding Bonds to current refund \$44,615,000 of outstanding 2012 Revenue Bonds which had interest rates ranging from 3% to 5%.

The net carrying amount of the old debt exceeded the reacquisition price by \$3,604,546. This amount is reported as a deferred inflow of resources and amortized over the remaining life of the refunding debt, which was equal to the remaining life than the refunded debt. SacRT completed the current refunding to reduce its total debt service payments by \$12,877,795 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$12,219,325.

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due within One Year
Other Debt					
2021A Refunding Bonds	\$ -	\$ 35,475,000	\$ -	\$ 35,475,000	\$ -
2012 Revenue Bonds	44,615,000	-	(44,615,000)	-	-
Issuance Premium	3,627,667	9,165,477	(4,015,211)	8,777,933	-
Total Bonds	<u>48,242,667</u>	<u>44,640,477</u>	<u>(48,630,211)</u>	<u>44,252,933</u>	<u>-</u>
Other Long-Term Liabilities					
Compensated Absences	10,871,714	9,031,641	(8,914,988)	10,988,367	9,021,507
Advances from Other Governments	17,379,271	5,117,926	(3,029,962)	19,467,235	888,930
Claims Payable	20,089,978	8,638,262	(7,412,260)	21,315,980	6,014,284
Leases Payable	-	3,588,472	(468,204)	3,120,268	492,919
Lease/Leaseback Payable	49,767,388	2,553,387	-	52,320,775	-
Long-Term Liabilities	<u>\$ 146,351,018</u>	<u>\$ 73,570,165</u>	<u>\$ (68,455,625)</u>	<u>\$ 151,465,558</u>	<u>\$ 16,417,640</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

7. FUNDING SOURCES

SacRT is dependent upon funds from several sources to meet its operating, maintenance, and capital requirements. The receipt of such funds is controlled by statutes, the provisions of various grant contracts, regulatory approvals, and, in some instances, is dependent on the availability of grantor and local matching funds.

FEDERAL GRANTS

Federal grant funding is obtained from the Federal Transit Administration (FTA) and Department of Homeland Security. Federal funding for the fiscal year ended June 30, 2022, is comprised of the following:

Operating assistance grants:	
FTA Section 5307	\$ 59,383,137
FTA Section 5304	35,192
Dept of Homeland Security	80,001
Total Federal operating assistance grants	59,498,330
Capital grants:	
FTA Section 5307	24,349,714
FTA Section 5337	4,454,602
FTA Section 5339	394,391
FTA Section 5304	131,177
FTA Section 5309	49,519
Federal Highway Planning & Construction	28,963
Total Federal capital grants	29,408,366
Total Federal operating and capital grants	\$ 88,906,696

The FTA retains its interest in assets acquired with Federal funds should they be disposed of before the end of their economic lives or not used for public transit.

Under provisions of Section 5307 of the Urban Mass Transportation Act of 1964, as amended, Federal resources are made available for planning, capital, and operating assistance, subject to certain limitations. Funds are apportioned annually based on a statutory formula and are available for a period of five years following the close of the fiscal year for which they were apportioned. Any unobligated funds at the end of such period revert to the federal government. In general, funds received for operations must, at a minimum, be matched 50% with local contributions and funds for capital projects, including operating activities defined as capital projects, must be matched 20% with local contributions.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

7. FUNDING SOURCES (Continued)

STATE AND LOCAL GRANTS

SacRT qualifies for and receives distributions from Local Transportation Funds, State Transit Assistance and Senate Bill 1 State of Good Repair under claims approved by the Sacramento Area Council of Governments (SACOG) in accordance with provisions of the Transportation Development Act (TDA).

State and local grant funding for the fiscal year ended June 30, 2022, is comprised of the following:

Operating assistance grants:	
Local Transportation Funds	\$ 72,783,913
Measure A Sales Tax Revenue	69,381,797
Low Carbon Transit Operations Program	2,341,898
Total state and local operating assistance grants	<u>144,507,608</u>
Capital grants:	
State Transit Assistance	17,914,820
Transit and Intercity Rail Program	10,040,593
Proposition 1A	3,704,880
Local Transportation Funds	2,900,000
Senate Bill 1 - Local Partnership Program	2,591,000
Affordable Housing and Sustainable Communities Program	1,331,158
Proposition 1B	1,205,095
Senate Bill 1 - State of Good Repair	546,419
California Department of Transportation	427,911
Traffic Congestion Relief Program	348,048
City of West Sacramento	276,970
Other	65,043
Total state and local capital grants	<u>41,351,937</u>
Total state and local grants	<u>\$ 185,859,545</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

7. FUNDING SOURCES (Continued)

ADVANCES FROM OTHER GOVERNMENTS

Advances from other governments at June 30, 2022, consisted of the following:

Developer Fees	\$ 15,674,644
Low Carbon Operations Transit Program	1,877,065
Sacramento County	1,208,113
Proposition 1B	576,129
Other	131,284
Total advances from other governments	<u>\$ 19,467,235</u>

The advances from other governments is restricted cash from grants and fees from area developers designated specifically for transit improvements, but not yet spent; utilized principally for capital projects. Management makes an estimate of the amount that will be recognized in the next fiscal year and classifies this amount as current.

PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. Of the \$19.925 billion of state general obligation bonds authorized, \$4.000 billion was set aside by the State as instructed by statute as the PTMISEA. These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement. PTMISEA revenues are included as part of Proposition 1B state and local capital contributions on the Statement of Revenues, Expenses, and Changes in Net Position. PTMISEA activity for the fiscal year ended June 30, 2022, was as follows:

Revenues	\$ 1,076,062
Expenditures:	
Purchase Wheel Truing Machine	(778,654)
Replace Non-Revenue Vehicles	(286,220)
Bus Stop Improvements	(11,188)
Net Activity	<u>\$ -</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

8. FARE RECOVERY RATIO

SacRT is required to maintain a fare revenue-to-operating expense ratio of 23% in accordance with the Transportation Development Act. To demonstrate compliance with this Fare Recovery Ratio, SacRT has supplemented, per California Public Utilities Code Section 99268.19, a portion of its Local Measure A funds in order to meet the required ratio. The fare revenue-to-operating expense ratio for SacRT is calculated as follows for the fiscal year ended June 30, 2022:

Fare Revenues	\$	14,308,769
Local Fund Supplementation (Measure A)		33,248,001
Total Revenues	\$	<u>47,556,770</u>
Operating Expenses	\$	253,392,003
Less Allowable Exclusions:		
Depreciation		<u>(46,623,437)</u>
Net Operating Expenses	\$	<u>206,768,566</u>
Fare Revenue Ratio		<u>23.00%</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS

DESCRIPTION OF PLANS

SacRT contributes to three single-employer defined benefit pension plans:

- The Retirement Plan for Sacramento Regional Transit District employees who are members of ATU, Local 256 (ATU Plan),
- The Retirement Plan for Sacramento Regional Transit District employees who are members of International Brotherhood of Electrical Workers Local Union 1245, AFL-CIO (IBEW Plan), and
- The Sacramento Regional Transit District Retirement Plan for AFSCME, AEA, and Non-Represented Employees (Salaried Plan) who are members of the:
 - Operating Engineers Local 3 which remain under the Administrative Employees' Association (AEA),
 - Management and Confidential Employees Group (MCEG), and
 - American Federation of State, County and Municipal Employees (AFSCME), which is further broken down into the following groups for bargaining and contract purposes:
 - AFSCME-Technical
 - AFSCME-Supervisors

The plans are administered by SacRT under the direction of five separate Retirement Boards of Directors, each representing one of the aforementioned bargaining and employee groups of ATU, IBEW, AEA, AFSCME and MCEG. SacRT's administrative functions include: payments to retirees, accounting, financial management, Plan document management, correspondence with retirees, pension calculations, and other administrative tasks. The Retirement Boards of Directors are responsible for investment decisions, approving the annual actuarial valuation and annual contributions, approving the annual audited financial statements, approving retirements, and other tasks. All expenses incurred in the administration of the plans are paid by the plans.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS (Continued)

Each Retirement Board is comprised of equal representation; SacRT Management by a member from SacRT's Board of Directors and General Manager, and two members from the represented group. Each Board member serves a four year term, with no limit on the amount of terms that can be served. The ATU, IBEW and Salaried Plans issue a publicly available combined financial report that includes audited financial statements and required supplementary information. The report may be obtained by writing to Sacramento Regional Transit District, Attention: Chief Financial Officer, P.O. Box 2110, Sacramento, CA 95812, or online at www.sacrt.com.

Change in Bargaining Group - Changes in bargaining groups occur when an active employee of any Plan accepts a new position with a bargaining unit that participates in another Plan. When a change in bargaining group occurs contributions made on behalf of that employee must be assessed to determine if the assets need to be moved to the new Plan. Amounts related to a change in bargaining group are recorded upon final verification and approval of calculated amounts by SacRT and the related bargaining group's retirement board. During the year ending June 30, 2022 assets were moved from the ATU Plan to the Salaried Plan in the amount of \$667,990. The effects of the change can be seen on the Statement of Changes in Fiduciary Net Position as Change in Bargaining Group within the additions and deductions categories.

Plan Tier Definition – As a result of labor negotiations and the court ruling on the Public Employees' Pension Reform Act (PEPRA), Tier 2 was created in the ATU, IBEW and Salaried Plans, as well as a Tier 3 for the ATU only. The Tier effective date was directly affected by labor negotiations and whether the union/employee group was under a current Memorandum of Understanding (MOU). As of December 30, 2014, the ATU, IBEW, and AFSCME-Technical unions were bound by a current MOU. Whereas, the AEA, MCEG, and AFSCME-Supervisors had not settled negotiations and were not bound by a current MOU; therefore, PEPRA was required to be implemented for these groups.

- IBEW and AFSCME-Technical – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2015.
- ATU – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2016, Tier 3 consists of all employees hired during the time period from January 1, 2015 to December 31, 2015.
- AEA, MCEG, and AFSCME-Supervisors – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2015.

Tier 1 and Tier 3 are closed to new entrants as all newly hired employees will be placed into the respective Tier 2 plans.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS (Continued)

Plan Termination– If a Plan is terminated with the consent of SacRT and the affected bargaining unit(s), the Plan’s net position will first be applied to provide for retirement benefits to retired members. Any remaining net position will be allocated to other members, oldest first both active and inactive, on the basis of the actuarial present value of their benefits.

BENEFITS PROVIDED

Contributions to the ATU, IBEW and Salaried Plans are authorized or amended by the Retirement Boards based on an actuarial basis. The authority under which benefit provisions are established and amended rests with SacRT's Board of Directors as a result of labor negotiations.

The ATU, IBEW and Salaried Plans provide defined pension, disability, and death benefits to employees who are members of the ATU, IBEW, AEA, MCEG, AFSCME-Technical, and AFSCME-Supervisors bargaining units.

The benefits for Tier 1, Tier 2, and Tier 3 members begin at retirement and continue for the participant’s life with no cost of living adjustment. The participant can elect to receive the normal form of payment (single life annuity) or an optional form of payment with continuing benefits to a beneficiary after death.

Disability Benefits – A participant is eligible for a disability benefit if the participant is unable to perform the duties of his or her job with SacRT, cannot be transferred to another job with SacRT, and has submitted satisfactory medical evidence of permanent disqualification from his or her job. Members are required to be vested in their respective union or employee group to qualify for disability retirement. The disability benefit is equal to the retirement allowance, as defined by the ATU, IBEW or Salaried Plan, multiplied by service accrued through the date of disability. The disability benefit cannot exceed the retirement benefit. The benefit begins at disability and continues until recovery or for the participant’s life unless the participant elects to receive an optional form of payment with continuing benefits to a beneficiary after death.

Pre-Retirement Death Benefit – A participant's surviving spouse is eligible for a pre-retirement death benefit if the participant is vested, based on the respective bargaining agreements. The pre-retirement death benefit is the actuarial equivalent of the normal retirement benefit, as if the participant retired on the date of death. The death benefit begins when the participant dies and continues for the life of the surviving spouse.

ATU, IBEW and Salaried Plan membership for Tier 1, Tier 2 and Tier 3 on June 30, 2022, consisted of:

Retirees and beneficiaries currently receiving benefits	1,027
Terminated members entitled to but not yet collecting benefits	93
Current active members	1,018
	2,138

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS (Continued)

Table 1 below presents a summary of the retirement benefits for Tier 1 and Tier 3 employees for each of the employee groups represented by the ATU, IBEW and Salaried Plans as of the fiscal year ended June 30, 2022.

Table 1

TIER 1 & TIER 3	ATU Plan	IBEW Plan	Salaries Plan			
Employee Union/ Groups	ATU	IBEW	AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
Plan Terms	MOU	MOU	MOU	MOU	MOU	MOU
Vesting Period: Years of Service - % Vested	10 - 100%	5 - 100%	5 - 20% 6 - 40% 7 - 60% 8 - 80% 9 - 100%	5 - 20% 6 - 40% 7 - 60% 8 - 80% 9 - 100%	5 - 100%	5 - 100%
Wages used in pension calculation	Ranges from 48 to 60 months depending on date of separation. See Plan documents for specific provisions.					
Vacation and sick leave sell back towards pension calculation	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable
Disability Retirement Multiplier	Equal to applicable retirement age multiplier or 2% if age and service are not met. Vesting required					

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS (Continued)

Table 2 below presents a summary of the retirement benefits for Tier 2 employees for each of the employee groups represented by the ATU, IBEW and Salaried Plans effective as of the fiscal year ended June 30, 2022.

Table 2

TIER 2	ATU Plan	IBEW Plan	Salaried Plan			
Employee Unions/Groups	ATU	IBEW	AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
Plan Terms	PEPRA	PEPRA	PEPRA	PEPRA	PEPRA	PEPRA
Vesting Period: Years of Service - % Vested	5 - 100%	5 - 100%	5 - 100%	5 - 100%	5 - 100%	5 - 100%
Wages used in pension calculation	Highest consecutive 48 months					
Vacation and sick leave sell back towards pension calculation	Not Allowable	Not Allowable	Not Allowable	Not Allowable	Not Allowable	Not Allowable
Disability Retirement Multiplier	If allowable, equal to applicable retirement age multiplier or 1% if age and service are not met. Vesting required.					

The retirement ages, years of service and pension calculation multipliers vary by employee union/group. The multipliers and years of service range from 2% at age 55 or 25 years of service to 2.5% at age 60 or 30 or more years of service for Tier 1 and Tier 3. Tier 2 retirement ages and multipliers are mandated by PEPRA, ranging from 1% at age 52 to 2.5% at age 67 and older. There were no changes to benefits during the year ended June 30, 2022.

Contributions

The ATU, IBEW and Salaried Plans' funding policies provide for actuarially determined periodic contributions. Contribution rates for retirement benefits are determined using the entry age normal cost method and are approved by the Retirement Boards of Directors annually. During the fiscal year ended June 30, 2022, SacRT made contributions to the ATU, IBEW, and Salaried Plan of \$10,417,845, \$4,163,949, and \$10,993,228 respectively.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS (Continued)

Table 3 presents the employer and employee contribution rates and for Tier 1 and Tier 3 employees as of June 30, 2022:

Table 3

<u>Employee Group</u>	<u>Tier 1</u>		<u>Tier 3</u>	
	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>
ATU	30.65%	-	30.65%	3.00%
IBEW	32.36%	-	-	-
AEA, MCEG and AFSCME	43.17%	-	-	-

As of January 1, 2015, all new employees were required to contribute to their pension based upon the terms of the bargaining groups MOU or based on PEPRA. Table 4 presents the employer and employee contribution rates for Tier 2 employees as of June 30, 2022:

Table 4

<u>Employee Group</u>	<u>Tier 2</u>	
	<u>Employer</u>	<u>Employee</u>
ATU	22.46%	7.25%
IBEW	23.75%	7.00%
AEA, MCEG and AFSCME	30.08%	6.50%

The employee contributions to the ATU, IBEW, and Salaried Plan for the fiscal year ended June 30, 2022, were \$1,191,796, \$488,243, and \$705,053, respectively.

The employee contribution rates calculated in compliance with PEPRA, for June 30, 2022, were actuarially determined as part of the valuations dated July 1, 2020. Employer contribution rates are calculated and change annually for all tiers. The employee contribution rates for Tier 2 employees is also calculated annually but only changes if the total normal cost changes by more than 1 percent of payroll.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS (Continued)

NET PENSION LIABILITY

SacRT's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, and projected to June 30, 2021 for the ATU, IBEW and Salaried Plans. Update procedures were used to roll forward the total pension liability to the measurement date.

Actuarial Assumptions

The total pension liability measured as of June 30, 2021 was determined using the following actuarial assumptions, applied to all periods included in the measurement for the ATU, IBEW, and Salaried Plans.

Inflation	2.50%
Amortization growth rate	2.50%
Salary Increases	2.75%, plus merit component
Investment Rate of Return	6.75%, net of investment expense
Discount Rate	6.75%

Mortality rates were based on the Cheiron ATU Healthy Annuitant Mortality, adjusted by 95% for males and 105% for females, with generational improvements using Scale MP-2020 from 2016 for the ATU and IBEW Plans, and the Private Retirement (Pri) 2012 Bottom Quartile Tables for Healthy Annuitants Mortality Tables projected with Scale MP-2020 published by the Society of Actuaries, with the base tables adjusted by 105% for females for the Salaried Plan.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

Actuarial assumptions used in the prior year measurement were as follows:

Inflation	3.00%
Amortization growth rate	3.00%
Salary Increases	3.00%, plus merit component
Investment Rate of Return	7.25%, net of investment expense
Discount Rate	7.25%

Mortality rates were based on the RP-2014 Combined Blue Collar Mortality, adjusted by 115% for males and 130% for females, with generational projection using Scale MP-2015 for the ATU and IBEW Plans, and the RP-2014 Retired Pensioners Mortality, adjusted by 130% for females, with generational projection using Scale MP-2015 for the Salaried Plan.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS (Continued)

For the ATU, IBEW, and Salaried Plans, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Large Cap	32.00%	7.85%
Domestic Equity Small Cap	8.00%	8.75%
International Equity Developed	19.00%	8.25%
International Equity Emerging Markets	6.00%	9.80%
Domestic Fixed Income	25.00%	1.80%
Real Estate	10.00%	6.60%
Total	100.00%	

Discount rate – The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the employee contributions will be made at the current contribution rate and that SacRT contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS (Continued)

CHANGES IN THE NET PENSION LIABILITY

Table 5 below presents the changes in the net pension liability for the ATU Plan as of June 30, 2022:

Table 5

	ATU Plan		
	Increase (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2021	\$ 188,721,035	\$ 137,424,052	\$ 51,296,983
Changes for the year:			
Service cost	5,457,843	-	5,457,843
Interest	13,411,008	-	13,411,008
Differences between expected and actual experience	1,531,462	-	1,531,462
Changes of assumptions	10,690,055	-	10,690,055
Contributions - employer	-	9,579,205	(9,579,205)
Contributions - member	-	1,041,899	(1,041,899)
Net investment income	-	36,857,731	(36,857,731)
Benefit payments, including refunds of employee contributions	(13,074,333)	(13,074,333)	-
Administrative expense	-	(283,989)	283,989
Net Changes	18,016,035	34,120,513	(16,104,478)
Balances at 6/30/2022	\$ 206,737,070	\$ 171,544,565	\$ 35,192,505

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS (Continued)

Table 6 below presents the changes in the net pension liability for the IBEW Plan as of June 30, 2022:

Table 6

	IBEW Plan		
	Increase (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2021	\$ 84,200,710	\$ 60,379,125	\$ 23,821,585
Changes for the year:			
Service cost	1,935,920	-	1,935,920
Interest	6,010,122	-	6,010,122
Differences between expected and actual experience	(149,316)	-	(149,316)
Changes of assumptions	7,111,874	-	7,111,874
Contributions - employer	-	3,578,685	(3,578,685)
Contributions - member	-	342,404	(342,404)
Net investment income	-	16,461,248	(16,461,248)
Benefit payments, including refunds of employee contributions	(4,587,268)	(4,587,268)	-
Administrative expense	-	(256,797)	256,797
Net Changes	<u>10,321,332</u>	<u>15,538,272</u>	<u>(5,216,940)</u>
Balances at 6/30/2022	<u>\$ 94,522,042</u>	<u>\$ 75,917,397</u>	<u>\$ 18,604,645</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS (Continued)

Table 7 below presents the changes in net pension liability for the Salaried Plan as of June 30, 2022:

Table 7

	Salaried Plan Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2021	\$ 159,593,959	\$ 100,552,171	\$ 59,041,788
Changes for the year:			
Service Cost	4,265,105	-	4,265,105
Interest	11,359,811	-	11,359,811
Differences between expected and actual experience	1,861,545	-	1,861,545
Changes of assumptions	8,967,358	-	8,967,358
Contributions - employer	-	9,807,539	(9,807,539)
Contributions - member	-	466,141	(466,141)
Net investment income	-	28,976,644	(28,976,644)
Benefit payments, including refunds of employee contributions	(10,182,471)	(10,182,471)	-
Administrative expense	-	(253,303)	253,303
Net Changes	<u>16,271,348</u>	<u>28,814,550</u>	<u>(12,543,202)</u>
Balances at 6/30/2022	<u>\$ 175,865,307</u>	<u>\$ 129,366,721</u>	<u>\$ 46,498,586</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS (Continued)

Table 8 below presents the changes in net pension liability combined for the ATU, IBEW and Salaried Plans as of June 30, 2022:

Table 8

	ATU, IBEW and Salaried Plan Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2021	\$ 432,515,704	\$ 298,355,348	134,160,356
Changes for the year:			
Service Cost	11,658,868	-	11,658,868
Interest	30,780,941	-	30,780,941
Differences between expected and actual experience	3,243,691	-	3,243,691
Changes of assumptions	26,769,287	-	26,769,287
Contributions - employer	-	22,965,429	(22,965,429)
Contributions - member	-	1,850,444	(1,850,444)
Net investment income	-	82,295,623	(82,295,623)
Benefit payments, including refunds of employee contributions	(27,844,072)	(27,844,072)	-
Administrative expense	-	(794,089)	794,089
Net Changes	<u>44,608,715</u>	<u>78,473,335</u>	<u>(33,864,620)</u>
Balances at 6/30/2022	<u>\$ 477,124,419</u>	<u>\$ 376,828,683</u>	<u>\$ 100,295,736</u>

There are no special funding situations for the ATU, IBEW or Salaried Plans for the fiscal year ending June 30, 2022.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS (Continued)

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of SacRT, calculated using the discount rate of 6.75%, as well as what SacRT's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
SacRT's net pension liability:			
ATU Plan	\$ 56,785,231	\$ 35,192,505	\$ 16,773,987
IBEW Plan	29,046,509	18,604,645	9,729,469
Salaried Plan	66,204,493	46,498,586	29,738,278
Total	<u>\$ 152,036,233</u>	<u>\$ 100,295,736</u>	<u>\$ 56,241,734</u>

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Retirement Plans for the Sacramento Regional Transit District Employees financial report. The Plan assets, for investing purposes, have been comingled to reduce investment expenses.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS (Continued)

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

The total pension expense recognized by SacRT for the ATU, IBEW and Salaried Plans for the fiscal year ended June 30, 2022, was \$5,618,162, \$3,504,016 and \$9,840,070 respectively, totaling \$18,962,248. At June 30, 2022, SacRT reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments:		
ATU Plan	\$ -	\$ 16,356,493
IBEW Plan	-	7,405,657
Salaried Plan	-	13,443,762
Differences between expected and actual experience:		
ATU Plan	1,225,170	312,324
IBEW Plan	1,110,247	320,101
Salaried Plan	3,034,664	-
Changes of assumptions:		
ATU Plan	9,284,751	69,178
IBEW Plan	6,252,583	39,220
Salaried Plan	6,725,518	4,323
Total of deferred outflows and inflows of resources before employer contributions	27,632,933	37,951,058
Employer contributions subsequent to the measurement date of the net pension liability:		
ATU Plan	10,417,845	-
IBEW Plan	4,163,949	-
Salaried Plan	10,993,228	-
Total employer contributions	25,575,022	-
Total deferred outflows and inflows of resources	\$ 53,207,955	\$ 37,951,058

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

9. PENSION PLANS (Continued)

Deferred outflows of resources resulting from contributions made subsequent to the measurement date in the amount of \$25,575,022 will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year ended June 30:	<u>ATU Plan</u>	<u>IBEW Plan</u>	<u>Salaried Plan</u>	<u>Total</u>
2022	\$ (450,192)	\$ 379,866	\$ 761,041	\$ 690,715
2023	(1,326,823)	(235,198)	388,957	(1,173,064)
2024	(1,496,969)	(444,344)	(499,424)	(2,440,737)
2025	(2,954,090)	(1,262,900)	(4,338,477)	(8,555,467)
2026	-	1,160,428	-	1,160,428
Total	<u>\$ (6,228,074)</u>	<u>\$ (402,148)</u>	<u>\$ (3,687,903)</u>	<u>\$ (10,318,125)</u>

PAYABLE TO THE PENSION PLAN

At June 30, 2022, there is no payable to the Plans as SacRT paid all contributions required for the fiscal year ended June 30, 2022.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

10. OTHER POST-EMPLOYMENT BENEFITS

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description - SacRT's defined benefit OPEB plan provides OPEB under provisions of SacRT's Personnel Policy Manual, Collective Bargaining Agreements and certain California Public Employees' Retirement System (CalPERS) requirements for active and retired members of OE3, AFSCME, MCEG, ATU, and IBEW. SacRT established an IRC Section 115 irrevocable trust under the California Employers' Retiree Benefit Trust Program (CERBT) for the purpose of (i) receiving employer contributions to prefund OPEB for retirees and their beneficiaries, (ii) investing contributed amounts and income therein, and (iii) disbursing contributed amounts and income therein, if any, to pay for costs of administration of the fund and to pay for OPEB in accordance with the terms of SacRT's plan. The funds in the CERBT are administered by CalPERS as an agent multiple-employer plan. Benefit provisions are established and may be amended by SacRT labor agreements which are approved by the Board of Directors.

Benefits Provided - SacRT provides medical care benefits for active and retired members of OE3, AFSCME, MCEG, ATU, and IBEW. SacRT also provides dental care and life insurance benefits to active as well as to retired members hired before 2015 of the OE3, AFSCME, and MCEG. The benefits are mandated by contracted agreements between SacRT and the respective employee groups and may be amended at any time. Employees and their dependents may become eligible for such benefits if the employees reach normal retirement age while working for SacRT. Medical, dental, and life insurance benefits for active employees are provided through an insurance company whose premiums are based on the benefits paid during the year.

SacRT contributes between the unequal minimum required contribution set under the Public Employees' Medical & Hospital Care Act (PEMHCA) and 90% the cost for retired members of OE3, AFSCME, and MCEG hired after 2014, 90% or 92% for plan members hired after 1993 and before 2014, and 100% for plan members hired prior to 1994. SacRT is required to contribute the unequal minimum required contribution set under the Public Employees' Medical & Hospital Care Act (PEMHCA) for retired members of the ATU and IBEW.

Employees Covered by Benefit Terms - At June 30, 2022 the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	688
Terminated members entitled to but not yet collecting benefits	93
Current active members	1,091
	1,872
	1,872

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Contributions - The obligation of SacRT to contribute to the plan is established by the Board of Directors. SacRT currently prefunds the OPEB plan at 100% of the actuarially determined contribution. For the year ended June 30, 2022, SacRT's contribution was \$3,294,153. Employees are not required to contribute to the plan.

NET OPEB LIABILITY

SacRT's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods in the measurement.

General Inflation Rate	2.5 percent
Salary increases	3.0 percent
Investment rate of return	6.75 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	<i>Medical: Society of Actuaries Long Term Healthcare Cost Trends Model</i> using baseline assumptions Dental and required PEMHCA minimum employer contribution: 4.0% per year

Mortality rates were based on the Society of Actuaries' RP-2014 Employee and Annuitant Headcount weighted Mortality Tables with base rates adjusted to 130% for females and unadjusted for males for salaried and the RP-2014 Blue Collar Employee and Annuitant Headcount weighted Mortality Tables with base rates adjusted to 115% for males and 130% for females for union. The mortality tables were projected generationally using scale MP-2021.

Demographic actuarial assumptions used in the June 30, 2021 valuation were based on the July 1, 2015 valuations of the retirement plans covering SacRT employees and are based on the 2016 actuarial experience study of SacRT's retirement plans using data from 2011 to 2015.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Global Equity	59%	5.98%
Fixed Income	25%	2.62%
REITs	8%	5.00%
Treasury Inflation Protected Securities	5%	1.46%
Commodities	3%	2.87%
	100%	

* Based on 2018 Capital Market Assumptions per CalPERS CERBT Program

Discount Rate – The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that SacRT contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CHANGES IN THE NET OPEB LIABILITY

	Increase (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 7/1/2021	\$ 53,563,176	\$ 32,827,101	\$ 20,736,075
Changes for the year:			
Service cost	1,681,694	-	1,681,694
Interest	3,640,504	-	3,640,504
Differences between expected and actual experience	(8,266,030)		(8,266,030)
Changes of Assumptions	111,008		111,008
Contributions - employer	-	3,207,854	(3,207,854)
Net investment income	-	9,037,648	(9,037,648)
Benefit payments	(2,623,016)	(2,623,016)	-
Administrative expense	-	(18,514)	18,514
Other changes	-	14,533	(14,533)
Net Changes	<u>(5,455,840)</u>	<u>9,618,505</u>	<u>(15,074,345)</u>
Balances at 6/30/2022	<u>\$ 48,107,336</u>	<u>\$ 42,445,606</u>	<u>\$ 5,661,730</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of SacRT, as well as what SacRT's net OPEB liability would be if it were calculated used a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Net OPEB liability	\$ 11,456,991	\$ 5,661,730	\$ 802,876

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability of SacRT, as well as what SacRT's net OPEB liability would be if it were calculated used a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Current Trend	Current Trend	Current Trend
	-1.0%		+1.0%
Net OPEB liability	\$ 540,761	\$ 5,661,730	\$ 11,884,914

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPEB financial statements that will be included in the CalPERS ACFR. Copies of the CalPERS ACFR may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2022, SacRT recognized OPEB expense of \$409,701. At June 30, 2022, SacRT reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 1,881,277	\$ (639,359)
Differences between expected and actual experience	-	(9,101,055)
Net difference between projected and actual earnings on OPEB Plan Investments	-	(4,801,828)
Contributions Made Subsequent to the measurement date	3,294,153	-
	\$ 5,175,430	\$ (14,542,242)

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

The \$3,294,153 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending on June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in the future years as follows:

Year Ending June 30	Net Deferred Inflows of Resources
2023	\$ (2,542,860)
2024	(2,496,451)
2025	(2,547,150)
2026	(3,007,351)
2027	(1,341,289)
Thereafter	(725,864)
Total	\$ (12,660,965)

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

11. SELF-INSURANCE

SacRT is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Coverage provided by self-insured and excess coverage is generally as follows as of June 30, 2022:

Type of Coverage	Self-insurance (per occurrence)	Excess Commercial Insurance Coverage (per occurrence)
Workers' Compensation	Up to \$2,000,000	Statutory Limits
Commercial General Liability		
Bus	Up to \$2,000,000	\$2,000,000 to \$100,000,000
Light Rail	Up to \$2,000,000	\$2,000,000 to \$323,000,000
*Property:		
Buildings/Perils	Up to \$250,000	\$250,000 to \$83,440,000
Collision Bus	Up to \$500,000	\$500,000 to \$10,000,000
Collision Rail	Up to \$1,000,000	\$1,000,000 to \$100,000,000
Flood	Up to \$500,000	\$250,000 to \$10,000,000
Cyber Security	Up to \$250,000	\$250,000 to \$5,000,000

* includes revenue and non-revenue vehicles

SacRT purchases commercial insurance for claims in excess of self-insured amounts and for all other risks of loss to a stated maximum amount. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from the previous year.

The claims liability of \$21,315,980 reported at June 30, 2022, is based on estimates of the amounts needed to pay prior and current year claims and to allow accrual of estimated incurred but not reported claims. Non-incremental claims adjustment expenses have been included as part of the liability. As of June 30, 2022, the Public Liability and Property Damage (PLPD) liability is discounted using a discount factor of 1.0% as SacRT holds in a reserve fund of \$3,374,366 at June 30, 2022. The Workers' Compensation liability is not discounted.

These claim estimates are actuarially determined and based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in SacRT's claims liability amount during the fiscal years ended June 30, 2022 and 2021, were as follows:

Fiscal Year Ended	Beginning of the Year Liability	Current Year Claims and Changes in Estimate	Claims Payments	End of the Year Liability
June 30, 2022	\$ 20,089,978	\$ 8,638,262	\$ (7,412,260)	\$ 21,315,980
June 30, 2021	\$ 21,126,262	\$ 5,155,547	\$ (6,191,831)	\$ 20,089,978

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

12. CONTINGENT LIABILITIES AND COMMITMENTS

SacRT is involved in various claims and litigation arising from its operations. SacRT management, after consultation with SacRT's general counsel, believes that the resolution of such matters will not have a material adverse effect on SacRT's financial position or results of operations.

SacRT receives funding for specific purposes that is subject to review and audit by the granting agencies or funding source. Such audits could result in a request for reimbursement for expenses disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

SacRT has construction contracts and property acquisition commitments of \$138,140,256 at June 30, 2022. Federal, state, and local grant funds have been approved for such construction.

SacRT has entered into non-cancelable lease agreements for office space at 1102 Q St, Sacramento, CA and warehouse space at 2710 R St., Sacramento, CA that have not yet commenced of \$5,279,665 and \$1,154,654, respectively. These leases will commence in fiscal year 2023 with initial leases terms of 7 to 9 years.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

13. TRANSFER OF OPERATIONS

Under an annexation agreement between the City of Elk Grove (City) and SacRT, the City agreed to combine its public transit service with SacRT for the purpose of safeguarding equivalent or better public transit service levels in the City, enhanced competitiveness for regional, state, and federal funding to achieve regionally beneficial projects, increased transit service frequency and coverage, the progression of light rail service from Consumnes River College into Elk Grove, and the elimination of transfers between e-van and SacRT GO paratransit services for regional paratransit trips. On July 1, 2021, the City transferred the assets and liabilities comprising its public transit fund to SacRT, exclusive of certain City infrastructure assets. The transfer included the cash, rolling stock, equipment, and deferred revenue. The acquisition value of the net position transferred as of the transfer date was determined to be \$15,781,405.

Assets	
Cash	\$ 4,473,276
Capital Assets	12,279,356
Total Assets	16,752,632
 Liabilities	
Deferred Revenue	971,227
Total Liabilities	971,227
 Net Assets	
	\$ 15,781,405

14. SUBSEQUENT EVENTS

LINE OF CREDIT

On September 28, 2022 the credit agreement with U.S. Bank was amended. Per the amended agreement, the line is subject to a \$20,000,000 limit and matures on September 30, 2023. The interest rate for the LOC with U.S. Bank for the used portion of the LOC is at Daily Simple Secured Overnight Financing Rate (SOFR) plus 1.35% and the unused portion is a fixed 0.40%.



Required Supplementary Information (Other than MD&A)

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

	ATU Plan				
	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 5,457,843	\$ 5,197,253	\$ 5,084,840	\$ 4,765,696	\$ 4,835,944
Interest	13,411,008	13,012,883	12,664,533	12,761,359	12,885,195
Changes of benefit terms	-	-	-	-	(11,268)
Difference between expected and actual returns	1,531,462	(87,109)	(519,304)	(261,689)	(5,577,742)
Change of assumptions	10,690,055	-	(172,948)	3,663,543	-
Change in bargaining group	-	-	(314,880)	(5,129,398)	(2,713,007)
Benefit payments, including refunds of member contributions	(13,074,333)	(12,455,822)	(11,545,372)	(11,304,112)	(10,776,986)
Net change in total pension liability	18,016,035	5,667,205	5,196,869	4,495,399	(1,357,864)
Total pension liability - beginning	188,721,035	183,053,830	177,856,961	173,361,562	174,719,426
Total pension liability - ending	<u>\$ 206,737,070</u>	<u>\$ 188,721,035</u>	<u>\$ 183,053,830</u>	<u>\$ 177,856,961</u>	<u>\$ 173,361,562</u>
Plan fiduciary net position					
Contributions - employer	\$ 9,579,205	\$ 8,783,426	\$ 8,533,307	\$ 7,863,420	\$ 7,987,367
Contributions - member	1,041,899	766,861	493,597	337,009	168,463
Change in bargaining group	-	-	(343,707)	(2,638,467)	(3,851,827)
Net investment income	36,857,731	2,523,724	8,012,792	8,591,810	14,419,708
Benefit payments, including refunds of member contributions	(13,074,333)	(12,455,822)	(11,545,372)	(11,304,112)	(10,776,986)
Administrative expense	(283,989)	(243,847)	(279,016)	(260,006)	(306,539)
Net change in plan fiduciary net position	34,120,513	(625,658)	4,871,601	2,589,654	7,640,186
Plan fiduciary net position - beginning	137,424,052	138,049,710	133,178,109	130,588,455	122,948,269
Plan fiduciary net position - ending	<u>\$ 171,544,565</u>	<u>\$ 137,424,052</u>	<u>\$ 138,049,710</u>	<u>\$ 133,178,109</u>	<u>\$ 130,588,455</u>
Net pension liability - beginning	<u>\$ 51,296,983</u>	<u>\$ 45,004,120</u>	<u>\$ 44,678,852</u>	<u>\$ 42,773,107</u>	<u>\$ 51,771,157</u>
Net pension liability - ending	<u>\$ 35,192,505</u>	<u>\$ 51,296,983</u>	<u>\$ 45,004,120</u>	<u>\$ 44,678,852</u>	<u>\$ 42,773,107</u>
Plan fiduciary net position as a percentage of the total pension liability	82.98%	72.82%	75.41%	74.88%	75.33%
Covered payroll	\$ 35,334,877	\$ 34,174,428	\$ 30,125,788	\$ 31,575,118	\$ 30,212,311
Net pension liability as a percentage of covered payroll	99.60%	150.10%	149.39%	141.50%	141.58%

Notes to Schedule:

Payroll amounts are based on actual pensionable compensation from the employer.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

2018: Changes in benefit terms are due to changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit. The ATU and IBEW Plans were separated as of 7/1/16; previous years not available.

2019: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

2020: amounts reported as changes of assumptions resulted from a normal cost load of 2.62% for PEPRA members to account for missed pay periods.

2022: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.25%, lowering wage inflation rate from 3.00% to 2.75%, lowering the inflation rate from 3.00% to 2.50%, and updated demographic and economic assumptions that were adopted following an experience study.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

IBEW Plan					
	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 1,935,920	\$ 1,806,472	\$ 1,792,845	\$ 1,596,227	\$ 1,640,651
Interest	6,010,122	5,716,051	5,449,300	5,338,451	4,742,855
Changes of benefit terms	-	-	-	-	(105,378)
Difference between expected and actual returns	(149,316)	845,009	499,642	(978,363)	2,420,299
Change of assumptions	7,111,874	-	(98,047)	1,630,101	-
Change in bargaining group	-	-	-	-	2,713,007
Benefit payments, including refunds of member contributions	(4,587,268)	(4,169,979)	(3,779,076)	(3,621,685)	(3,281,167)
Net change in total pension liability	10,321,332	4,197,553	3,864,664	3,964,731	8,130,267
Total pension liability - beginning	84,200,710	80,003,157	76,138,493	72,173,762	64,043,495
Total pension liability - ending	\$ 94,522,042	\$ 84,200,710	\$ 80,003,157	\$ 76,138,493	\$ 72,173,762
Plan fiduciary net position					
Contributions - employer	\$ 3,578,685	\$ 3,230,879	\$ 3,299,013	\$ 3,195,912	\$ 3,315,379
Contributions - member	342,404	304,593	209,531	103,415	39,287
Change in bargaining group	-	-	-	-	3,851,827
Net investment income	16,461,248	1,082,659	3,482,632	3,629,569	5,332,230
Benefit payments, including refunds of member contributions	(4,587,268)	(4,169,979)	(3,779,076)	(3,621,685)	(3,281,167)
Administrative expense	(256,797)	(218,135)	(229,569)	(225,752)	(239,189)
Net change in plan fiduciary net position	15,538,272	230,017	2,982,531	3,081,459	9,018,367
Plan fiduciary net position - beginning	60,379,125	60,149,108	57,166,577	54,085,118	45,066,751
Plan fiduciary net position - ending	\$ 75,917,397	\$ 60,379,125	\$ 60,149,108	\$ 57,166,577	\$ 54,085,118
Net pension liability - beginning	\$ 23,821,585	\$ 19,854,049	\$ 18,971,916	\$ 18,088,644	\$ 18,976,744
Net pension liability - ending	\$ 18,604,645	\$ 23,821,585	\$ 19,854,049	\$ 18,971,916	\$ 18,088,644
Plan fiduciary net position as a percentage of the total pension liability	80.32%	71.71%	75.18%	75.08%	74.94%
Covered payroll	\$ 13,777,698	\$ 14,166,689	\$ 13,300,633	\$ 13,137,945	\$ 12,473,480
Net pension liability as a percentage of covered payroll	135.03%	168.15%	149.27%	144.41%	145.02%

Notes to Schedule:

Payroll amounts are based on actual pensionable compensation from the employer.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

2018: Changes in benefit terms are due to *changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit*. The ATU and IBEW Plans were separated as of 7/1/16; previous years not available.

2019: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

2020: amounts reported as changes of assumptions resulted from a normal cost load of 2.62% for PEPRA members to account for missed pay periods.

2022: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.25%, lowering wage inflation rate from 3.00% to 2.75%, lowering the inflation rate from 3.00% to 2.50%, and updated demographic and economic assumptions that were adopted following an experience study.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

ATU/IBEW PLAN

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability			
Service cost	\$ 5,760,060	\$ 5,753,143	\$ 5,599,479
Interest	16,758,356	16,384,487	15,740,342
Difference between expected and actual returns	(1,456,639)	(2,941,777)	-
Changes of assumptions	8,176,501	1,621,574	-
Transfers out - Salaried Plan	-	-	(174,166)
Benefit payments, including refunds of member contributions	(13,180,874)	(13,157,985)	(12,877,177)
Net change in total pension liability	<u>16,057,404</u>	<u>7,659,442</u>	<u>8,288,478</u>
Total pension liability - beginning	<u>222,705,517</u>	<u>215,046,075</u>	<u>206,757,597</u>
Total pension liability - ending	<u>\$ 238,762,921</u>	<u>\$ 222,705,517</u>	<u>\$ 215,046,075</u>
Plan fiduciary net position			
Contributions - employer	\$ 10,447,190	\$ 10,343,620	\$ 9,711,107
Contributions - member	54,714	3,682	22,425
Net investment income	(1,121,417)	4,609,506	22,631,819
Transfers out - salaried plan	-	-	(174,166)
Benefit payments, including refunds of member contributions	(13,180,874)	(13,157,985)	(12,877,177)
Administrative expense	(290,647)	(190,442)	(230,365)
Net change in plan fiduciary net position	<u>(4,091,034)</u>	<u>1,608,381</u>	<u>19,083,643</u>
Plan fiduciary net position - beginning	<u>172,106,054</u>	<u>170,497,673</u>	<u>151,414,030</u>
Plan fiduciary net position - ending	<u>\$ 168,015,020</u>	<u>\$ 172,106,054</u>	<u>\$ 170,497,673</u>
Net pension liability - beginning	<u>\$ 50,599,463</u>	<u>\$ 44,548,402</u>	<u>\$ 55,343,567</u>
Net pension liability - ending	<u>\$ 70,747,901</u>	<u>\$ 50,599,463</u>	<u>\$ 44,548,402</u>
Plan fiduciary net position as a percentage of the total pension liability	70.37%	77.28%	79.28%
Covered payroll	\$ 39,996,326	\$ 37,950,269	\$ 38,857,668
Net pension liability as a percentage of covered payroll	176.89%	133.33%	114.65%

Notes to Schedule:

Benefit changes – There were no substantial changes to the benefits in 2017.

Changes of assumptions – the investment rate of return and discount rate was reduced from 7.65% to 7.50%, during the fiscal year ended June 30, 2016, which is the measurement year for reporting. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. ATU and IBEW are reported as stand-alone plans beginning 7/1/16.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

SALARIED PLAN								
	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	\$ 4,265,105	\$ 4,024,291	\$ 3,831,831	\$ 3,647,115	\$ 3,873,148	\$ 3,594,919	\$ 3,476,103	\$ 3,321,337
Interest (includes interest on service cost)	11,359,811	10,794,658	10,288,390	9,485,966	8,960,042	8,807,953	8,434,365	7,978,675
Changes in benefit terms	-	-	-	-	(298,430)	-	-	-
Difference between expected and actual returns	1,861,545	2,669,480	1,215,057	1,856,563	2,062,482	(852,040)	(753,076)	-
Changes of assumptions	8,967,358	-	(17,295)	3,291,931	-	(680,161)	930,863	-
Change in bargaining group	-	-	474,438	5,129,398	-	-	-	174,166
Benefit payments, including refunds of member contributions	(10,182,471)	(9,453,326)	(8,373,494)	(7,779,366)	(7,179,362)	(6,190,981)	(5,502,144)	(5,664,400)
Net change in total pension liability	16,271,348	8,035,103	7,418,927	15,631,607	7,417,880	4,679,690	6,586,111	5,809,778
Total pension liability - beginning	159,593,959	151,558,856	144,139,929	128,508,322	121,090,442	116,410,752	109,824,641	104,014,863
Total pension liability - ending	\$ 175,865,307	\$ 159,593,959	\$ 151,558,856	\$ 144,139,929	\$ 128,508,322	\$ 121,090,442	\$ 116,410,752	\$ 109,824,641
Plan fiduciary net position								
Contributions - employer	\$ 9,807,539	\$ 9,159,513	\$ 8,503,815	\$ 7,669,178	\$ 7,321,138	\$ 7,576,866	\$ 7,335,308	\$ 6,609,083
Contributions - member	466,141	360,051	193,293	143,094	53,706	21,014	261	1,678
Change in bargaining group	-	-	343,707	2,638,467	-	-	-	174,166
Net investment income	28,976,644	1,526,151	5,649,123	6,073,483	9,388,876	(396,556)	2,132,136	9,297,644
Benefit payments, including refunds of member contributions	(10,182,471)	(9,453,326)	(8,373,494)	(7,779,366)	(7,179,362)	(6,190,981)	(5,502,144)	(5,664,400)
Administrative expense	(253,303)	(226,310)	(260,441)	(247,077)	(289,067)	(269,624)	(194,209)	(176,367)
Net change in plan fiduciary net position	28,814,550	1,366,079	6,056,003	8,497,779	9,295,291	740,719	3,771,352	10,241,804
Plan fiduciary net position - beginning	100,552,171	99,186,092	93,130,089	84,632,310	75,337,019	74,596,300	70,824,948	60,583,144
Plan fiduciary net position - ending	\$ 129,366,721	\$ 100,552,171	\$ 99,186,092	\$ 93,130,089	\$ 84,632,310	\$ 75,337,019	\$ 74,596,300	\$ 70,824,948
Net pension liability - beginning	\$ 59,041,788	\$ 52,372,764	\$ 51,009,840	\$ 43,876,012	\$ 45,753,423	\$ 41,814,452	\$ 38,999,693	\$ 43,431,719
Net pension liability - ending	\$ 46,498,586	\$ 59,041,788	\$ 52,372,764	\$ 51,009,840	\$ 43,876,012	\$ 45,753,423	\$ 41,814,452	\$ 38,999,693
Plan fiduciary net position as a percentage of the total pension liability	73.56%	63.00%	65.44%	64.61%	65.86%	62.22%	64.08%	64.49%
Covered payroll	\$ 27,147,142	\$ 26,295,215	\$ 22,220,418	\$ 24,283,580	\$ 23,435,642	\$ 24,341,878	\$ 23,022,281	\$ 22,008,809
Net pension liability as a percentage of covered payroll	171.28%	224.53%	235.70%	210.06%	187.22%	187.96%	181.63%	177.20%

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

Notes to Schedule:

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

Beginning in FYE 2015, payroll amounts are based on actual pensionable compensation from the employer. In prior years, payroll amounts are projected payroll from the actuarial valuation reports, which can be updated with actual amounts by Plan for the final disclosure.

2017: The investment rate of return and discount rate was reduced from 7.75% to 7.65%.

2018: Changes in benefit terms are due to changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit. The investment rate of return and discount rate was reduced from 7.65% to 7.50% and updated demographic and economic assumptions that were adopted following an experience study.

2019: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

2020: amounts reported as changes of assumptions resulted from a normal cost load of 0.57% for PEPRA members to account for missed pay periods.

2022: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.25%, lowering wage inflation rate from 3.00% to 2.75%, lowering the inflation rate from 3.00% to 2.50%, and updated demographic and economic assumptions that were adopted following an experience study.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF
ATU Plan
(Dollar amounts in thousands)**

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 10,418	\$ 9,579	\$ 8,783	\$ 8,533	\$ 7,863	\$ 7,987
Contributions in relation to the actuarially determined contribution	10,418	9,579	8,783	8,533	7,863	7,987
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 38,050	\$ 35,335	\$ 34,174	\$ 30,126	\$ 31,575	\$ 30,212
Contributions as a percentage of covered payroll	27.38%	27.11%	25.70%	28.33%	24.90%	26.44%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2020 (to determine FY21-22 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 12-year closed period as of 6/30/2020. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers
Asset valuation method	5-year smoothed market
Discount Rate	6.75%
Amortization growth rate	2.75%
Price inflation	2.50%
Salary Increases	2.75%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: Cheiron ATU Healthy Annuitant Mortality base tables adjusted 95% for males and 105% for females w/ Scale MP-2020 from 2016. Disabled annuitants: Cheiron ATU Disabled Annuitant Mortality w/ Scale MP-2020 from 2016.

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2022, can be found in the July 1, 2020 actuarial valuation report. The financial reporting for the ATU and IBEW Plans was split during FY2017, previous years information for the ATU Plan is not available.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF
IBEW Plan
(Dollar amounts in thousands)**

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 4,164	\$ 3,579	\$ 3,231	\$ 3,299	\$ 3,196	\$ 3,315
Contributions in relation to the actuarially determined contribution	4,164	3,579	3,231	3,299	3,196	3,315
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 14,720	\$ 13,778	\$ 14,167	\$ 13,301	\$ 13,138	\$ 12,473
Contributions as a percentage of covered payroll	28.29%	25.98%	22.81%	24.80%	24.33%	26.58%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2020 (to determine FY21-22 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 12-year closed period as of 6/30/2020. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers
Asset valuation method	5-year smoothed market
Discount Rate	6.75%
Amortization growth rate	2.75%
Price inflation	2.50%
Salary Increases	2.75%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: Cheiron ATU Healthy Annuitant Mortality base tables adjusted 95% for males and 105% for females w/ Scale MP-2020 from 2016. Disabled annuitants: Cheiron ATU Disabled Annuitant Mortality w/ Scale MP-2020 from 2016.

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2022, can be found in the July 1, 2020 actuarial valuation report. The financial reporting for the ATU and IBEW Plans was split during FY2017, previous years information for the IBEW Plan is not available.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF
ATU/IBEW Plan
(Dollar amounts in thousands)**

	2016	2015	2014	2013
Actuarially determined contribution	\$ 10,447	\$ 10,343	\$ 9,711	\$ 8,694
Contributions in relation to the actuarially determined contribution	10,447	10,343	9,711	8,694
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
 Covered payroll	 \$ 39,996	 \$ 37,950	 \$ 38,858	 \$ 37,110
Contributions as a percentage of covered payroll	26.12%	27.25%	24.99%	23.43%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2014 (to determine FY15-16 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed 17 year period as of 7/1/2015
Asset valuation method	5-year smoothed market
Discount Rate	7.65%
Amortization growth rate	3.15%
Price inflation	3.15%
Salary Increases	3.15%, plus merit component on employee classification and years of service
Mortality	Sex distinct RP-2000 Combined White Collar Mortality, 3 year setback for females

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2016, can be found in the July 1, 2014 actuarial valuation report. ATU and IBEW are reported as stand alone plans beginning 7/1/16.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF
SALARIED PLAN
(Dollar amounts in thousands)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 10,993	\$ 9,808	\$ 9,160	\$ 8,504	\$ 7,669	\$ 7,321	\$ 7,577	\$ 7,335	\$ 6,609	\$ 5,800
Contributions in relation to the actuarially determined contribution	10,993	9,808	9,160	8,504	7,669	7,321	7,577	7,335	6,609	5,800
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 28,436	\$ 27,147	\$ 26,295	\$ 22,220	\$ 24,284	\$ 23,436	\$ 24,342	\$ 23,022	\$ 22,009	\$ 19,627
Contributions as a percentage of covered payroll	38.66%	36.13%	34.84%	38.27%	31.58%	31.24%	31.13%	31.86%	30.03%	29.55%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2020 (to determine FY21-22 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 12-year closed period as of 6/30/2020. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers
Asset valuation method	5-year smoothed market
Discount Rate	6.75%
Amortization growth rate	2.75%
Price inflation	2.50%
Salary Increases	2.75%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: Pri-2012 Bottom Quartile Table for Healthy Annuitants projected with Scale MP-2020, base tables adjusted 105% for females. Disabled annuitants: RP 2014 Disabled Retiree Mortality w/ Scale MP-2020, base tables adjusted 130% for males and 115% for females

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2022, can be found in the July 1, 2020 actuarial valuation report.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 1,681,694	\$ 1,632,712	\$ 1,556,281	\$ 1,507,294	\$ 1,459,848
Interest	3,640,504	3,469,020	3,514,022	3,345,560	3,196,439
Changes of benefit terms		-	-	-	-
Differences between expected and actual experience	(8,266,030)	-	(3,752,353)	-	-
Changes in assumptions	111,008	-	2,376,944	-	-
Benefit payments	<u>(2,623,016)</u>	<u>(2,597,450)</u>	<u>(2,560,076)</u>	<u>(2,430,417)</u>	<u>(2,716,420)</u>
Net change in total OPEB liability	(5,455,840)	2,504,282	1,134,818	2,422,437	1,939,867
Total OPEB liability - beginning	53,563,176	51,058,894	49,924,076	47,501,639	45,561,772
Total OPEB liability - ending	<u>\$ 48,107,336</u>	<u>\$ 53,563,176</u>	<u>\$ 51,058,894</u>	<u>\$ 49,924,076</u>	<u>\$ 47,501,639</u>
Plan fiduciary net position					
Contributions - employer	\$ 3,207,854	\$ 3,134,146	\$ 3,292,735	\$ 3,182,371	\$ 5,817,444
Net investment income	9,037,648	1,129,669	1,778,876	2,069,510	2,299,759
Benefit payments	(2,623,016)	(2,597,450)	(2,560,076)	(2,430,417)	(2,716,420)
Other expense	14,533	-	-	(34,264)	-
Administrative expense	<u>(18,514)</u>	<u>(15,264)</u>	<u>(6,158)</u>	<u>(13,849)</u>	<u>(11,457)</u>
Net change in plan fiduciary net position	9,618,505	1,651,101	2,505,377	2,773,351	5,389,326
Plan fiduciary net position - beginning	32,827,101	31,176,000	28,670,623	25,897,272	20,507,946
Plan fiduciary net position - ending	<u>\$ 42,445,606</u>	<u>\$ 32,827,101</u>	<u>\$ 31,176,000</u>	<u>\$ 28,670,623</u>	<u>\$ 25,897,272</u>
Net OPEB liability - beginning	<u>\$ 20,736,075</u>	<u>\$ 19,882,894</u>	<u>\$ 21,253,453</u>	<u>\$ 21,604,367</u>	<u>\$ 25,053,826</u>
Net OPEB liability - ending	<u>\$ 5,661,730</u>	<u>\$ 20,736,075</u>	<u>\$ 19,882,894</u>	<u>\$ 21,253,453</u>	<u>\$ 21,604,367</u>
Plan fiduciary net position as a percentage of the total OPEB liability	88.23%	61.29%	61.06%	57.43%	54.52%
Covered employee payroll	\$ 81,204,926	\$ 78,109,160	\$ 73,751,153	\$ 68,996,643	\$ 67,347,993
Net OPEB liability as a percentage of covered employee payroll	6.97%	26.55%	26.96%	30.80%	32.08%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively.

Notes to Schedule (Continued):

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

FY2022: Amounts reported as changes in assumptions resulted from the change in the healthcare cost trend from the Getzen model to the *Society of Actuaries Long Term Healthcare Cost Trends Model*.

FY2020: Amounts reported as changes in assumptions resulted from the lowering of the discount rate from 7.00% to 6.75%, the inflation rate from 2.75% to 2.50%, salary increases from 3.25% to 3.00%, PEMHCA minimum and dental premium from 4.50% to 4.00% as well as the change to the Getzen model for medical cost trend rates.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
LAST 10 FISCAL YEARS**

(Dollar amounts in thousands)

	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 3,277	\$ 3,189	\$ 3,112	\$ 3,278	\$ 3,179
Contributions in relation to the actuarially determined contribution	3,294	3,208	3,134	3,293	3,182
Contribution deficiency (excess)	<u>\$ (17)</u>	<u>\$ (19)</u>	<u>\$ (22)</u>	<u>\$ (15)</u>	<u>\$ (3)</u>
Covered employee payroll	\$ 87,460	\$ 81,025	\$ 78,109	\$ 73,751	\$ 68,997
Contributions as a percentage of covered employee payroll	3.77%	3.96%	4.01%	4.46%	4.61%

Note: This schedule uses covered employee payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 6/30/2019 (to determine FY20-21 and FY21-22 contributions)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation no more than 30 months plus 1 day prior to the close of the fiscal year end per GASB 75

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Asset valuation method	Market value of assets
Discount Rate	6.75%
Amortization growth rate	2.50%
General inflation	2.50%
Salary Increases	3.00%
Mortality	2016 SacRT Experience Study; Improvement using MacLeod Watts Scale 2018

**SACRAMENTO REGIONAL TRANSIT DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
JUNE 30, 2022**

	<u>ATU</u>	<u>IBEW</u>	<u>Salaried</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 5,497,964	\$ 2,439,037	\$ 4,053,487	\$ 11,990,488
Receivables:				
Securities Sold	4,933,062	2,163,946	3,464,477	10,561,485
Interest and Dividends	291,546	128,007	205,687	625,240
Other Receivables and Prepaids	17,052	14,411	94,197	125,660
Total receivables	<u>5,241,660</u>	<u>2,306,364</u>	<u>3,764,361</u>	<u>11,312,385</u>
Investments:				
Equity Securities	98,005,587	44,079,624	79,141,858	221,227,069
Fixed Income Securities	43,364,902	19,020,151	30,436,954	92,822,007
Real Estate	18,267,094	8,007,847	12,685,497	38,960,438
Total investments	<u>159,637,583</u>	<u>71,107,622</u>	<u>122,264,309</u>	<u>353,009,514</u>
Total assets	<u>170,377,207</u>	<u>75,853,023</u>	<u>130,082,157</u>	<u>376,312,387</u>
LIABILITIES				
Securities Purchased Payable	13,333,448	5,848,144	9,358,479	28,540,071
Accounts Payable	412,104	196,447	140,577	749,128
Total liabilities	<u>13,745,552</u>	<u>6,044,591</u>	<u>9,499,056</u>	<u>29,289,199</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 156,631,655</u>	<u>\$ 69,808,432</u>	<u>\$ 120,583,101</u>	<u>\$ 347,023,188</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

	<u>ATU</u>	<u>IBEW</u>	<u>Salaried</u>	<u>Total</u>
ADDITIONS				
Contributions:				
Employer	\$ 10,417,845	\$ 4,163,949	\$ 10,993,228	\$ 25,575,022
Member	1,191,796	488,243	705,053	2,385,092
Change in Bargaining Group	-	-	667,990	667,990
Total contributions	<u>11,609,641</u>	<u>4,652,192</u>	<u>12,366,271</u>	<u>28,628,104</u>
Investment income:				
Net Depreciation in Fair Value of Investments	(13,877,207)	(6,117,959)	(10,960,741)	(30,955,907)
Interest, Dividends, and Other Income	2,382,349	1,049,036	1,790,970	5,222,355
Investment Expenses	(850,920)	(375,902)	(631,831)	(1,858,653)
Net investment loss	<u>(12,345,778)</u>	<u>(5,444,825)</u>	<u>(9,801,602)</u>	<u>(27,592,205)</u>
Total additions	<u>(736,137)</u>	<u>(792,633)</u>	<u>2,564,669</u>	<u>1,035,899</u>
DEDUCTIONS				
Benefits Paid to Participants	13,239,168	5,082,251	11,086,271	29,407,690
Change in Bargaining Group	667,990	-	-	667,990
Administrative Expenses	269,615	234,081	262,018	765,714
Total deductions	<u>14,176,773</u>	<u>5,316,332</u>	<u>11,348,289</u>	<u>30,841,394</u>
Net decrease in plan net position	(14,912,910)	(6,108,965)	(8,783,620)	(29,805,495)
Net position restricted for pension benefits - Beginning of fiscal year	<u>171,544,565</u>	<u>75,917,397</u>	<u>129,366,721</u>	<u>376,828,683</u>
Net position restricted for pension benefits - End of fiscal year	<u>\$ 156,631,655</u>	<u>\$ 69,808,432</u>	<u>\$ 120,583,101</u>	<u>\$ 347,023,188</u>



**Statistical Section
(Unaudited)**

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

This part of the Sacramento Regional Transit District's (SacRT) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about SacRT's overall financial health.

CONTENTS	<u>Page</u>
Financial Trends	90
These schedules contain information to help the reader understand how SacRT's financial performance and well-being have changed over time.	
Revenue Capacity	92
These schedules contain information to help the reader assess the factors affecting SacRT's ability to generate its fares.	
Debt Capacity	94
These schedules present information to help the reader assess the affordability of SacRT's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	96
These schedules offer demographic and economic indicators to help the reader understand the environment within which SacRT's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	99
These schedules contain information about SacRT's operations and resources to help the reader understand how SacRT's financial information relates to the services SacRT provides and the activities it performs.	

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year. SacRT implemented GASB Statements No. 63 and 65 in the fiscal year ended June 30, 2013, GASB Statement No. 68 in the fiscal year ended June 30, 2015 and GASB Statement No. 75 in the fiscal year ended June 30, 2018. Schedules comparative results are retroactively presented.*

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net Position										
Net Investment in Capital Assets	\$ 799,650	\$ 798,019	\$ 864,160	\$ 878,849	\$ 889,347	\$ 852,174	\$ 821,610	\$ 779,273	\$ 788,415	\$ 806,700
Restricted for:										
Capital Projects	2,845	1,211	1,751	-	-	-	-	2,280	5,522	5,817
Debt Service	2,278	2,279	1,829	1,831	-	3,484	3,435	3,472	3,439	3,383
Annexations								3,694	3,420	5,780
Unrestricted	1,689	31,723	(48,259) ¹	(50,474)	(48,012)	(61,136)	(49,001)	(74,451)	(55,532)	(16,956)
Total Net Position	<u>\$ 806,462</u>	<u>\$ 833,232</u>	<u>\$ 819,481</u>	<u>\$ 830,206</u>	<u>\$ 841,335</u>	<u>\$ 794,522</u>	<u>\$ 776,044</u>	<u>\$ 714,268</u>	<u>\$ 745,264</u>	<u>\$ 804,724</u>

¹ The fiscal year 2015 decrease is due to the implementation of GASB Statement No. 68 which reduced net position by \$82,455,095 offset by an increase in net position of \$68,704,438 that is primarily the result of capital contributions that funded the District South Line Phase 2 extension project and the delivery of 30 new Gillig 40' buses

²The fiscal year 2020 decrease is due the change in federal grant revenue recognition per GASB Implementation Guide 2019-1

Source: Comprehensive Annual Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(expressed in thousands)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Revenues										
Fares	\$ 29,759	\$ 29,157	\$ 28,396	\$ 28,056	\$ 30,487	\$ 27,276	\$ 25,428	\$ 20,999	\$ 12,001	\$ 14,309
Operating Expenses										
Labor and Fringe Benefits	88,064	94,755	93,182	99,692	108,886	110,545	116,997	133,144	146,708	143,524
Professional and Other Services	24,996	26,130	27,533	29,332	30,342	27,119	27,348	27,923	16,455	17,657
Spare Parts and Supplies	10,517	11,996	10,549	8,526	11,996	10,841	12,139	14,550	14,836	15,862
Utilities	5,639	5,646	5,816	6,288	6,619	6,995	6,761	6,821	7,272	7,425
Casualty and Liability Costs	7,910	8,343	7,906	7,160	9,317	9,300	14,011	9,931	12,336	19,783
Depreciation	31,380	33,982	34,128	39,925	43,959	43,126	43,359	42,739	44,060	46,623
Indirect Costs Allocated to Capital Programs	(763)	(887)	(1,204)	(1,038)	(538)	(459)	(309)	(230)	(199)	-
Other	1,396	1,460	1,541	1,434	1,702	2,355	2,847	2,745	2,144	2,518
Impairment Loss	-	-	-	-	-	-	15,375	15,375	-	-
Total Operating Expenses	169,139	181,425	179,451	191,319	212,283	209,822	223,153	237,623	243,612	253,392
Operating Loss	(139,380)	(152,268)	(151,055)	(163,263)	(181,796)	(182,546)	(197,725)	(216,624)	(231,611)	(239,083)
Non-Operating Revenues (Expenses)										
Operating Assistance:										
State and Local	72,723	78,318	80,350	81,518	86,911	93,339	104,031	114,880	113,657	144,508
Federal	31,007	32,620	32,764	36,156	35,611	41,746	38,668	36,719	95,986	59,498
Investment Income	1,755	1,941	1,996	2,129	2,124	2,223	2,753	3,105	2,651	2,311
Interest Expense	(2,522)	(3,223)	(2,982)	(3,675)	(2,353)	(2,707)	(2,745)	(5,010)	(4,881)	(4,672)
Pass Through to Subrecipients	(1,672)	(3,401)	(2,933)	(2,030)	(1,075)	(4,645)	(2,838)	(301)	(4,260)	(2,743)
Professional and Other Services-Funded Alternative Fuel and Carbon Tax Credits	-	-	-	-	(6,162)	(7,325)	(4,448)	(74)	-	-
Contract Services	5,607	5,530	5,810	6,110	6,260	6,420	3,731	7,125	6,634	826
Insurance Proceeds and Other	3,414	2,863	4,193	5,325	4,353	4,981	8,027	9,601	716	9,344
Total Non-Operating Revenues	110,312	114,648	119,198	125,533	125,669	134,032	147,179	166,045	210,503	212,002
Loss Before Capital Contributions	(29,068)	(37,620)	(31,857)	(37,730)	(56,127)	(48,514)	(50,546)	(50,579)	(21,108)	(27,081)
Capital Contributions										
State and Local	34,389	15,878	25,635	18,376	18,376	16,804	24,307	27,812	42,669	41,352
Federal	9,331	48,512	74,926	30,078	30,078	4,133	2,371	4,558	4,848	29,408
Increase (Decrease) in Net Position before Special Item	14,650	26,769	68,704	10,724	10,724	(27,577)	(23,868)	(26,531)	30,996	43,679
Extraordinary (Loss) Gain on Early Extinguishment of Debt	155	-	-	-	-	-	-	-	-	-
Special Items	-	-	-	-	-	-	5,390	-	-	15,781
Increase (Decrease) in Net Position after Special and Extraordinary Items	\$ 14,805	\$ 26,769	\$ 68,704	\$ 10,724	\$ 10,724	\$(27,577)	\$(18,478)	\$(26,531)	\$ 30,996	\$ 59,460

Source: Comprehensive Annual Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**OPERATING REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Farebox</u>	<u>Fare Prepayment/ Outlet Sales</u>	<u>Special/ Contracted</u>	<u>Other</u>	<u>Total</u>
2013	7,971,366	19,311,009	2,462,865	13,439	29,758,679
2014	8,069,001	19,305,312	1,771,265	11,342	29,156,920
2015	8,047,861	18,514,485	1,822,565	11,191	28,396,102
2016	7,423,668	18,304,088	2,320,645	7,403	28,055,804
2017	8,028,861	18,729,711	3,719,407	9,119	30,487,098
2018	9,826,478	14,243,595	3,193,550	12,608	27,276,231
2019	11,948,401	10,102,175	3,367,622	10,234	25,428,432
2020	10,773,484	5,998,126	4,225,036	2,231	20,998,877
2021	5,394,475	3,815,707	2,791,090	-	12,001,272
2022	6,544,999	4,043,805	3,719,345	620	14,308,769

Source: Comprehensive Annual Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**PRINCIPAL FARE REVENUE PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Customers	Fiscal Year 2022 Sales		Fiscal Year 2013 Sales	
	Amount	%	Amount	%
Department of Human Assistance	\$ 2,040,000	14.26%	\$ 2,043,900	6.87%
Los Rios Community College District	1,642,340	11.48%	999,338	3.36%
RydeFree Program K-12 Student	976,945	6.83%	-	0.00%
California State University Sacramento	933,207		677,655	
Department of Child, Family and Adult Services	217,500	1.52%	-	0.00%
Alta Pass	140,955	0.99%	-	0.00%
Francis House Center	123,570	0.86%	-	0.00%
Highlands Community Charter School	118,375		-	
Alta California Regional Center	93,850	0.66%	725,300	2.44%
WageWorks	39,250	0.27%	-	0.00%
Raleys Family of Fine Stores	-	0.00%	1,218,320	4.09%
Department of Transportation	-	0.00%	990,615	3.33%
Employment Development Department	-	0.00%	898,570	3.02%
California Environmental Protection Agency	-	0.00%	741,965	2.49%
Health and Human Services	-	0.00%	793,375	2.67%
Franchise Tax Board	-	0.00%	740,820	2.49%
Subtotal (10 Largest)	6,325,992	44.21%	9,829,858	33.03%
Health and Human Services Balance from other customers	7,982,777	55.79%	19,928,821	66.97%
Grand Total	\$ 14,308,769	100.00%	\$ 29,758,679	100.00%

Grand Total Source: Comprehensive Annual Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Farebox Revenue	Refunding Bonds Series 2021A	Lease/		Total Debt	Six-County Region Percentage	Six-County Region
	Bonds Series 2012		Leaseback Payable	Loan Payable		of Personal Income	Per Capita
2013	95,000,484	-	33,351,437	8,642,509	136,994,430	0.12%	39.52
2014	92,006,633	-	35,062,503	13,988,074	141,057,210	0.11%	38.27
2015	88,927,782	-	36,861,364	13,988,074	139,777,220	0.10%	36.11
2016	87,113,931	-	38,752,526	13,988,074	139,854,531	0.10%	35.37
2017	51,017,296	-	40,740,724	13,988,074	105,746,094	0.07%	20.46
2018	50,841,764	-	42,830,939	13,988,074	107,660,777	0.07%	20.20
2019	50,666,232	-	45,028,404	13,988,074	109,682,710	0.07%	19.95
2020	49,628,200	-	47,338,625	13,988,074	110,954,899	0.07%	19.45
2021	48,242,667	-	49,767,388	-	98,010,055	Not available	18.72
2022	-	44,252,933	52,320,775	-	96,573,708	Not available	17.16

Lease/Leaseback is not included in Percentage of Personal Income or Per Capital as there is an equal and offsetting deposit on SacRT's Statement of Net Position

Loan Payable is not included in Percentage of Personal Income or Per Capital as the there is an equal and offsetting receivable accrual on SacRT's Statement of Net Position

Source: Comprehensive Annual Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Fare Revenue	Non-Fare Revenues	Total Revenue	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
						Principal	Interest	
2013	\$ 29,758,679	\$ 109,004,025	\$ 138,762,704	\$ 136,103,794	\$ 2,658,910	\$ 5,740,000	\$ 2,347,098	0.33
2014	29,156,920	115,299,629	144,456,549	144,777,141	(320,592)	2,710,000	4,123,100	(0.05)
2015	28,396,102	119,886,619	148,282,721	146,515,212	1,767,509	2,795,000	4,041,800	0.26
2016	28,055,804	126,809,242	154,865,046	152,830,940	2,034,106	1,530,000	3,957,950	0.37
2017	30,487,098	131,596,154	162,083,252	157,379,743	4,703,509	33,142,500	-	0.14
2018	27,276,231	141,379,634	168,655,865	159,444,596	9,211,269	175,532	-	52.48
2019	25,428,432	151,586,987	177,015,419	173,778,795	3,236,624	175,532	-	18.44
2020	20,998,877	173,098,872	194,097,749	181,407,884	12,689,865	862,500	1,711,575	4.93
2021	12,001,272	185,269,071	197,270,343	191,326,773	5,943,570	1,210,000	2,224,600	1.73
2022	14,308,769	207,090,527	221,399,296	215,176,642	6,222,654	44,615,000	1,812,080	0.13

Notes: Details regarding SacRT's debt can be found in the notes to the financial statements. Operating expenses do not include depreciation and capital funded expenses.

A portion of the 2012 Revenue Bond interest is funded with Federal Capital Revenue
A refunding of the 2012 Revenue Bonds occurred in Fiscal Year 2022
Capital revenue has been excluded from this schedule.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**DEMOGRAPHIC AND ECONOMIC INDICATORS
LAST TEN FISCAL YEARS**

	Population 1,2		Personal Income 1,2 (In Thousands)		Per Capital Personal ¹ Income		Unemployment Rate ³	
	Sacramento County	Six-County Region	Sacramento County	Six-County Region	Sacramento County	Six-County Region	Sacramento County	Six-County Region
2013	1,457,283	2,378,033	61,376,100	105,890,790	42,117	44,529	9.0%	9.1%
2014	1,474,828	2,403,842	65,113,434	112,025,807	44,150	46,603	7.4%	7.5%
2015	1,493,547	2,432,305	69,709,757	119,800,171	46,674	49,254	6.0%	6.2%
2016	1,511,401	2,462,732	72,128,370	124,576,444	47,723	50,585	5.4%	5.6%
2017	1,527,984	2,493,331	75,062,017	129,518,764	49,125	51,946	4.7%	4.8%
2018	1,539,550	2,517,058	78,804,776	135,774,580	51,187	53,942	3.9%	4.0%
2019	1,551,660	2,539,113	82,669,864	142,378,150	53,278	56,074	3.8%	3.9%
2020	1,559,146	2,551,294	90,908,707	155,488,663	53,307	60,945	9.5%	9.1%
2021	1,580,624	2,577,328	Not available	Not available	Not available	Not available	7.0%	6.6%
2022	1,576,618	2,578,693	Not available	Not available	Not available	Not available	4.0%	3.9%

Source: Six-county region includes Sacramento, Placer, Yolo, El Dorado, Yuba and Sutter counties.

1. 2013-2020 U.S. Department of Commerce, Bureau of Economic Analysis, *CAINC1 Personal income population, per capital personal income*.
2. 2021-2022 State of California, Department of Finance, E-1 City, County and State Population Estimates, 2021–2022.
3. State of California, Employment Development Department, Labor Force & Employment Data

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	Fiscal Year 2022			Fiscal Year 2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of California	82,894	1	11.93%	69,469	1	11.23%
UC Davis Health	16,075	2	2.31%	9,985	3	1.61%
Kaiser Permanente	12,301	3	1.77%	5,696	8	0.92%
U.S. Government	10,698	4	1.54%	5,750	7	0.93%
Sutter Health	9,595	5	1.38%	6,507	4	1.05%
Dignity Health	7,488	6	1.08%	5,756	6	0.93%
Intel	5,300	7	0.76%	6,000	5	0.97%
San Juan Unified School District	5,126	8	0.74%	4,700	10	0.76%
Los Rios Community College District	2,833	9	0.41%			
California State University Sacramento	2,535	10	0.36%			
Sacramento County				10,634	2	1.72%
Elk Grove Unified School District				5,535	9	0.89%
Total	<u>154,845</u>		<u>22.28%</u>	<u>130,032</u>		<u>21.01%</u>

Source: Sacramento Business Journal

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

CONTINUING DISCLOSURE REQUIREMENTS

SEC Rule 15c2-12

The following summary provides SacRT's specific and continuing Securities and Exchange Commission (SEC) disclosure requirements (Rule 15c2-12) in connection with the 2021A Refunding Bonds. All Disclosure requirements can be found in SacRT's Annual Comprehensive Financial Report (ACFR) and SacRT's Adopted Budget.

	2022 ACFR Page No.
Management Discussion and Analysis, Audited Financial Statements and Statistical Information	4-108

Tabular or numerical information of the types contained in the Official Statement relating to the 2021A Refunding Bonds under the following subscriptions:

(i) Total bus passengers, total light rail passengers, total ridership and amount of total Farebox Revenues	16,102-105
(ii) SacRT Farebox Recovery Ratio	51,102
(iii) LTF Revenues claimed and expended	49,101
(iv) Measure A Sales Taxes, STA Funds and federal grants used for operating expenses	49,101
(v) Measure A Sales Taxes allocated to SacRT	49,101
(vi) STA Funds claimed and expended by SacRT	49,101
(vii) Federal grant funds expended by SacRT	48,100

Covenants of the Issuer

The following summary provides SacRT's specific and continuing covenants of the issuer in connection with the 2021A Refunding Bonds. All Disclosure requirements can be found in the 2021A Official Statement, SacRT's Annual Comprehensive Financial Report (ACFR).

	2021A Official Statement	FY 2022 ACFR Page No.
Punctual Payments	C-31	46
Application of Farebox Revenues	C-32	15

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**DISTRICT PROFILE
As of June 30, 2022**

Date the Authority began Operations	April 1, 1973
Form of Governance	Board of Directors, with General Manager
Metropolitan Population	1.4 million
Total Employees	1,267
Service Area	All of Sacramento County, with services to Citrus Heights, Carmichael, Fair Oaks, Elk Grove, Folsom and Rancho Cordova
Population of Service Area	Approximately 1.7 million
Local Financial Support	Local Transportation Funds Measure A Sales Tax Revenue
Number of Bus Routes	82
Number of Rail Lines	3
Miles of Rail	42.9
Weekday Bus Revenue Service Miles	32,118
Weekday Rail Revenue Service Miles	10,627
Average Weekday Bus and Rail Riders	37,067
Number of Vehicles in Service	186 40' CNG Buses 180 - Electric, Gasoline Shuttles and Diesel Small Buses
Paratransit	101
Park and Ride Lots	22
Bus and Light Rail Transfer Stations	32
Bus Stops	3,100+
Rail Stations	53

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

TEN YEAR FUNDING HISTORY

The following table shows available funding that SacRT as been awarded over the last ten years from our major federal funding sources, followed by a brief description of each source.

		FEDERAL FUNDS							
		Federal Transit Funds							
	Section 5307	Section 5309 Fixed Guideway	Section 5309 Bus	Section 5316/5317 JARC/NF	Federal Highway Discretionary Funds	Section 5339	Section 5337	ARRA	Other
2013	\$ 20,687,210	\$ -	\$ -	\$ 40,000,000	\$ 164,891	\$ -	\$ 8,872,128	\$ 2,814,815	\$ 364,001
2014	20,420,103	-	-	45,660,000	663,603	-	9,764,225	3,034,209	241,696
2015	21,159,005	-	-	-	10,345,160	1,792,567	10,239,772	-	171,557
2016	34,542,554	-	-	-	3,060,284	1,858,949	11,499,470	-	35,193
2017	25,131,975	-	-	-	3,154,867	745,539	11,580,302	-	68,161
2018	24,458,274	-	-	-	1,479,789	2,544,715	13,804,359	-	101,912
2019	24,616,326	-	-	-	505,056	2,117,403	13,064,129	-	79,976
2020	27,616,695	-	-	-	211,902	2,073	13,098,402	-	348,132
2021	82,360,152	-	-	-	-	1,355,747	12,220,975	-	49,262
2022	59,383,137	-	-	-	-	-	-	-	115,193

Federal Funds

Section 5307 Funds: Funds distributed by formula to large and small urban areas for a variety of transit planning, capital and preventive maintenance needs.

Section 5307 Funds: Coronavirus Aid, Relief, and Economic Security Act (CARES) stimulus funds to offset revenue decline and additional expenses related to COVID-19.

Section 5309 Fixed Guideway Funds: Funds distributed by formula to urban rail transit operators for repair and rehabilitation of commuter and light rail systems.

Section 5309 Bus Funds: Funds for bus purchases and bus support facility projects. These funds are specifically earmarked by Congress each year.

Section 5316 Jobs Access & Reverse Commute (JARC): Funds for operating new service that provides increased access to job opportunities, either through new service routes or expansions of existing routes into non-traditional service hours.

Section 5317 New Freedom (NF): Funds to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the requirements of the Americans with Disabilities Act (ADA) of 1990.

Federal Highway Discretionary Funds: Funds distributed for a variety of transportation planning, construction, and equipment acquisition needs. Projects are approved for funding by local agencies and forwarded to appropriate state and federal agencies for funding authorization.

Section 5339 Bus and Facilities Funds: A portion of the funds distributed by formula and a portion of the funds are distributed through a competitive process. Funds are used for bus renovations, purchases and bus support facility projects.

Section 5337 State of Good Repair Funds: Funds distributed for formula to repair and upgrade rail transit systems along with high-density motor bus systems that use high occupancy vehicle (HOV) lanes including bus rapid transit (BRT).

ARRA Funds: On February 17, 2009 the President signed into law the American Recovery and Reinvestment Act of 2009 (ARRA). The Act provides direct funding from the federal government for infrastructure, fiscal stabilization and other programs over the next several years. ARRA is designed to create or save jobs, and invest in science, health care, transportation, education, and energy efficiency.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

TEN YEAR FUNDING HISTORY (Continued)

The following table shows available funding that SacRT has been awarded over the last ten years from our major state and local funding sources, followed by a brief description of each source.

	STATE FUNDS		LOCAL FUNDS			
	Transit Capital Improvement	Measure A	Local Transportation Fund	State Transit Assistance	Other	
2013	\$ 29,026,829	\$ 36,316,894	\$ 30,043,310	\$ 9,752,972	\$ 1,971,931	
2014	15,649,388	34,063,375	34,608,256	9,787,039	87,174	
2015	22,299,682	36,889,447	36,098,557	8,869,049	1,828,749	
2016	16,609,064	37,244,297	36,950,479	7,049,646	2,040,730	
2017	63,558,519	39,263,496	38,731,878	7,156,739	(3,556,168)	
2018	5,001,678	41,460,448	40,966,707	12,603,839	10,110,006	
2019	21,293,864	44,949,578	47,175,047	9,606,729	5,312,351	
2020	30,362,695	46,714,046	51,729,305	12,778,564	1,107,351	
2021	42,669,140	59,903,826	51,158,504	10,004,038	2,595,082	
2022	41,351,937	69,381,797	72,783,913	-	2,341,898	

State Funds

State Transportation Improvement Program: Funds distributed by the State for projects, including transit construction projects that relieve traffic congestion on state and local roads and highways.

Transit Capital Improvement funds for projects include, Proposition 1B funds, and Cap-and-Trade Program funds.

Local Funds

Measure A is a ½ cent sales tax ordinance that supports road and public transportation improvements in Sacramento County. Passed by voters in 1998, it expired in April 2009. SacRT received approximately 1/3 of the tax (1/6 cent). In November 2004, voters approved an extension of the Measure A ordinance until 2039 with transit receiving 38.25% of the ½-cent tax.

Local Transportation Fund: Funds generated by the state sales tax, and used for transit operating support purposes. The Transportation Development Act (TDA) allocates a portion of the state sales tax for transportation purposes.

State Transit Assistance Funds: Funds generated by the sales tax on gasoline and diesel fuel sales. These funds are disbursed to transit agencies for a variety of transit capital and operating support needs. SB1 funds, the Road Repair and Accountability Act of 2017, are included in STA funds beginning FY2018.

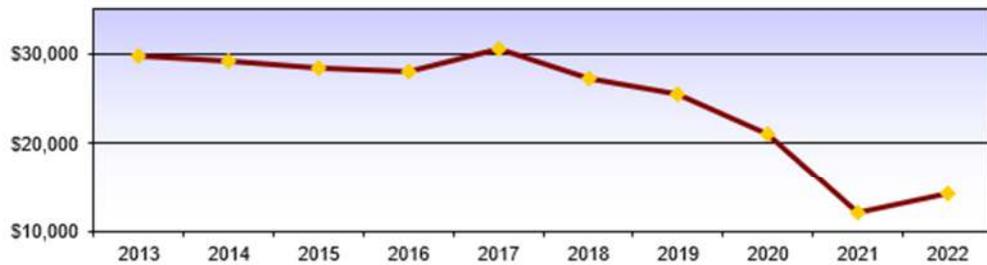
Other: This funding is from City of Sacramento, City of Rancho Cordova, County of Sacramento, City of Roseville, Sacramento Area Council of Governments (SACOG) and Sacramento Housing, Redevelopment Agency (SHRA), Bus Fire Insurance Proceeds, and cost reimbursement agreements with local agencies.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

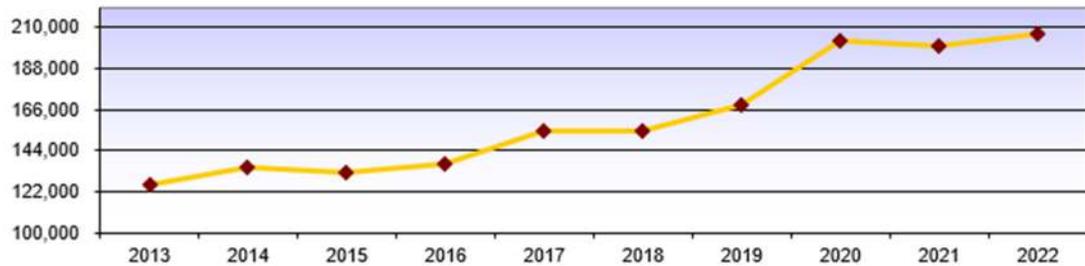
**FARE RECOVERY
LAST TEN FISCAL YEARS**
(amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fare Revenue	\$29,759	\$29,156	\$28,396	\$28,056	\$30,487	\$27,276	\$25,428	\$20,999	\$12,001	\$14,309
Local Fund Supplementation	2,201	5,322	5,208	3,436	4,948	8,321	13,256	25,615	33,896	33,248
Total Operating Expenses	125,332	135,094	131,779	136,920	154,067	154,770	168,194	202,667	199,552	206,769
Fare Recovery Ratio	25.5%	25.5%	25.5%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%

FARE REVENUE



TOTAL OPERATING EXPENSES



Notes: Operating expenses do not include depreciation and Paratransit operations.

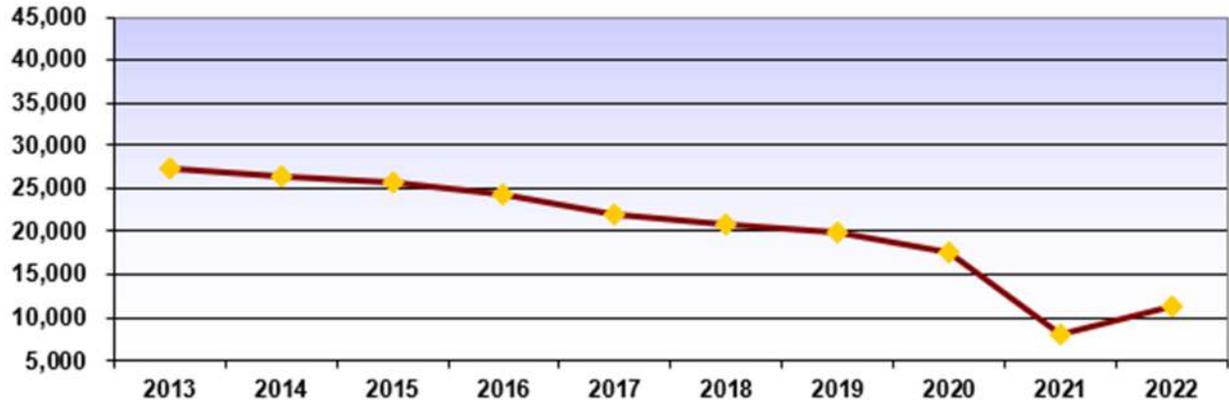
Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**RIDERSHIP
LAST TEN FISCAL YEARS**
(amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ridership	27,298	26,368	25,768	24,330	22,050	20,890	19,989	17,564	8,108	11,315
% change	3.64%	(3.41%)	(2.28%)	(5.58%)	(9.37%)	(5.26%)	(4.31%)	(12.13%)	(53.84%)	(35.58%)

RIDERSHIP



Source: SacRT Planning Department
NTD Statistics

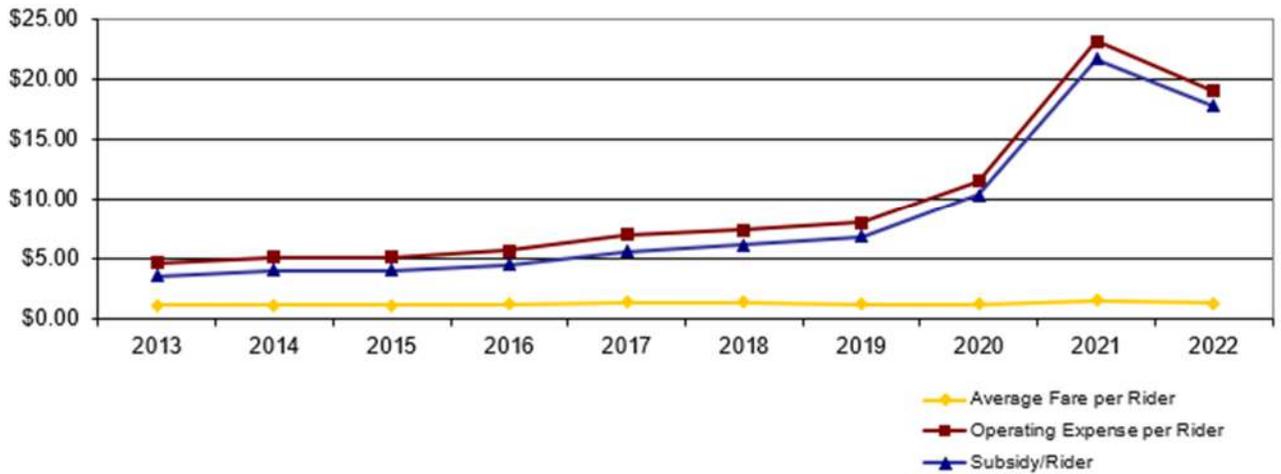
**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**OPERATING SUBSIDY
LAST TEN FISCAL YEARS**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Average Fare per Rider	\$1.09	\$1.11	\$1.10	\$1.15	\$1.38	\$1.31	\$1.21	\$1.20	\$1.48	\$1.26
Operating Expense per Rider ¹	\$4.60	\$5.12	\$5.11	\$5.63	\$6.99	\$7.41	\$8.01	\$11.54	\$23.15	\$19.02
Subsidy/Rider	\$3.51	\$4.02	\$4.01	\$4.47	\$5.60	\$6.10	\$6.80	\$10.34	\$21.66	\$17.75

¹ Operating expense per rider excludes Paratransit and depreciation costs.

OPERATING EXPENSE & SUBSIDY PER RIDER



Source: Annual Comprehensive Financial Report
SacRT Planning Department
NTD Statistics

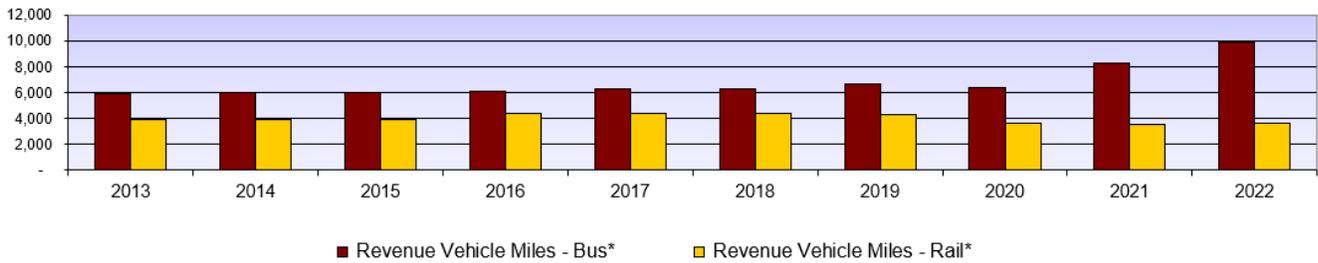
SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

SERVICE PERFORMANCE DATA LAST TEN FISCAL YEARS (* amounts expressed in thousands)

SERVICE PROVIDED

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
BUS										
Revenue Vehicle Miles - Bus*	5,893	6,002	6,023	6,152	6,269	6,288	6,646	6,439	8,307	9,949
Revenue Vehicle Hours*	532.0	548.0	549.8	558.0	558.5	559.2	580.9	564.1	689.7	796.0
# Vehicles	232	232	232	223	223	225	237	237	249	366
RAIL										
Revenue Vehicle Miles - Rail*	3,921	3,947	3,936	4,370	4,422	4,418	4,344	3,610	3,559	3,606
Revenue Vehicle Hours*	217.2	218.6	218.1	245.2	248.9	248.7	243.2	207.0	199.5	200.7
Train Revenue Hours*	82.0	83.2	83.2	93.0	94.9	94.7	99.9	98.1	100.9	101.7
# of Vehicles	76	76	76	87	96	97	97	95	95	95

SERVICE PROVIDED



SERVICE CONSUMED

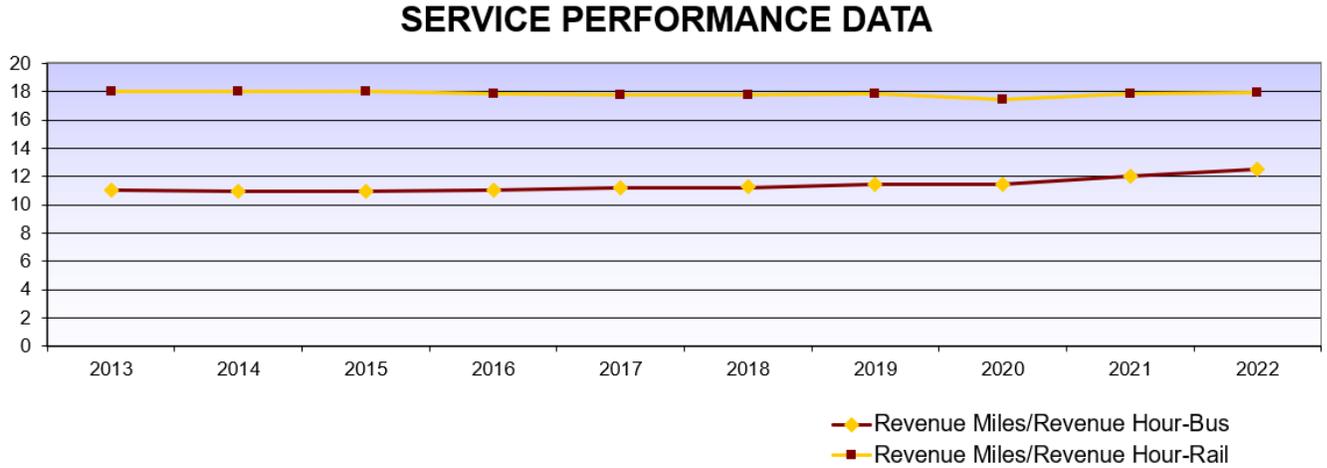
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
BUS										
Passengers*	13,784	13,658	13,706	12,114	10,608	10,517	10,008	8,575	4,241	6,683
Passenger Miles*	49,440	53,133	52,346	43,911	39,468	37,925	35,382	31,008	31,008	25,781
RAIL										
Passengers*	13,513	12,710	12,062	12,216	11,442	10,373	9,981	8,989	3,847	4,632
Passenger Miles*	75,797	74,580	68,717	69,171	68,760	65,531	63,074	53,131	22,217	26,610
TOTAL										
Passengers*	27,298	26,368	25,768	24,330	22,050	20,890	19,989	17,564	8,088	11,315
Passenger Miles*	125,237	127,713	121,063	113,082	108,228	103,456	98,456	84,139	53,225	52,391
FLEET										
Bus	232	232	232	223	223	225	237	237	249	366
Rail	76	76	76	87	96	97	97	95	95	95
TOTAL EMPLOYEES	940	933	937	982	974	997	1036	1228	1450	1267

Source: SacRT Planning Department
NTD Statistics

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**SERVICE PERFORMANCE DATA (Continued)
LAST TEN FISCAL YEARS**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue Miles/Revenue Hour-Bus	11	11	11	11	11	11	11	11	12	12
Revenue Miles/Revenue Hour-Rail	18	18	18	18	18	18	18	17	18	18



Source: SacRT Planning Department
NTD Statistics

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**FARES
As of June 30, 2022**

Single and Daily Pass Fares

<u>Rider Type</u>	<u>Fare Type</u>	<u>Single Ride</u>	<u>Daily Pass</u>
Age 19-61	Basic	\$ 2.50	\$ 7.00
Senior (62 & older)	Discount	\$ 1.25	\$ 3.50
Individuals with Disabilities	Discount	\$ 1.25	\$ 3.50
Medicare Cardholder	Discount	\$ 1.25	\$ 3.50
Student (grades K-12)*	Discount	\$ 1.25	\$ 3.50

*Many students, in grades K through 12, are eligible for free transit passes. Students need to check with their school district for details or visit www.RydreFreeRT.com

Monthly Passes and Stickers

<u>Fare/Rider Type</u>	<u>Price</u>
Basic Monthly Pass	\$ 100.00
Basic Semi-Monthly Pass	\$ 50.00
Senior/Disabled Monthly Sticker	\$ 50.00
Senior/Disabled Semi-Monthly Sticker	\$ 25.00
Super Senior Monthly Sticker (age 75+)	\$ 40.00
Student Monthly Sticker*	\$ 20.00
Student Semi-Monthly Sticker*	\$ 10.00

Bus: Passengers are required to pay a basic or discount single fare for each trip or may purchase a daily pass valid for unlimited rides on that day.

Light Rail: Single ride tickets are valid for 90 minutes from time of validation on light rail only, or pay the 25 cents transfer fee when boarding a bus.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

PERFORMANCE MEASURES

Performance Measures in Sacramento's Peer Transit Agencies							
City State	2010 Urban Area Population	2020 Statistics					
		Cost per passenger	Cost per Revenue Mile	Cost per Revenue Hour	Subsidy per Passenger	Farebox Recovery Ratio	
	(UZA Rank)	(Peer Rank)	(Peer Rank)	(Peer Rank)	(Peer Rank)	(Peer Rank)	(Peer Rank)
BUS PEERS							
Sacramento, CA	1,723,634 (28)	\$ 10.62 (3)	\$ 15.19 (6)	\$ 172.08 (6)	\$ 9.45 (3)	11.1% (4)	
Los Angeles, CA	12,150,996 (2)	5.48 (5)	18.69 (4)	194.84 (5)	4.88 (5)	11.0% (5)	
Oakland, CA	3,281,212 (13)	10.09 (4)	23.80 (2)	238.88 (2)	8.82 (4)	12.6% (3)	
San Carlos, CA	3,281,212 (13)	16.24 (1)	21.10 (3)	220.45 (3)	15.01 (1)	7.6% (7)	
San Diego, CA	2,956,746 (15)	4.62 (6)	8.88 (7)	97.27 (7)	3.59 (7)	22.4% (1)	
San Francisco, CA	3,281,212 (13)	4.58 (7)	30.49 (1)	240.02 (1)	3.76 (6)	17.9% (2)	
San Jose, CA	1,664,496 (29)	11.76 (2)	17.92 (5)	206.22 (4)	10.79 (2)	8.2% (6)	
Average for Bus Peers	4,048,501	9.06	19.44	195.68	8.04	13.0%	
RAIL PEERS							
Sacramento, CA	1,723,634 (28)	8.63 (3)	21.49 (4)	374.86 (4)	7.42 (3)	14.1% (3)	
Los Angeles, CA	12,150,996 (2)	10.30 (2)	27.90 (3)	573.54 (2)	9.66 (2)	6.1% (4)	
San Diego, CA	2,956,746 (15)	2.99 (5)	10.39 (5)	188.21 (5)	1.85 (5)	38.1% (1)	
San Francisco, CA	3,281,212 (13)	5.59 (4)	45.12 (1)	428.49 (3)	4.77 (4)	14.7% (2)	
San Jose, CA	1,664,496 (29)	19.30 (1)	41.99 (2)	616.68 (1)	18.32 (1)	5.0% (5)	
Average for Rail Peers	4,355,417	9.36	29.38	436.36	8.40	16.0%	

Source: National Transit Database, 2020 Transit Profiles - All Agencies

In 2010, the Sacramento urban area ranked 28th in the US based on population. Table 1 compares SacRT's 2020 performance to 6 other bus peer transit properties and 4 other rail peer transit properties. This table indicates the following:

Bus

SacRT ranks 3rd in Cost per Passenger and Subsidy per Passenger and ranks 4th in Farebox Recovery Ratio among its bus peer transit agencies. SacRT ranks 6th in Cost per Revenue Mile and Cost per Revenue Hour among its bus peer transit agencies.

Rail

SacRT ranks 3rd in Cost per Passenger, Subsidy per Passenger and Farebox Recovery Ratio among its rail peer transit agencies. SacRT ranks 4th in Cost per Revenue Mile and Cost per Revenue Hour among its rail peer transit agencies.

Sacramento



**Regional
Transit**

Finance Division

1400 29th Street

P.O. Box 2110

Sacramento, CA 95812-2110

916-321-2800

sacrt.com

SACRAMENTO REGIONAL TRANSIT DISTRICT
Sacramento, California

**REPORTS REQUIRED BY UNIFORM GUIDANCE
AND TRANSPORTATION DEVELOPMENT ACT**
Year ended June 30, 2022

SACRAMENTO REGIONAL TRANSIT DISTRICT
Sacramento, California

Year ended June 30, 2022

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the Board of Directors
Sacramento Regional Transit District
Sacramento, California

Members of the Board of Directors
Sacramento Area Council of Governments
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of Sacramento Regional Transit District (SacRT) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise SacRT's basic financial statements, and have issued our report thereon dated November 18, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered SacRT's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SacRT's internal control. Accordingly, we do not express an opinion on the effectiveness of SacRT's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SacRT's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Crowe LLP

Sacramento, California
November 18, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Members of the Board of Directors
Sacramento Regional Transit District
Sacramento, California

Members of the Board of Directors
Sacramento Area Council of Governments
Sacramento, California

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Sacramento Regional Transit District's (SacRT) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on SacRT's major federal program for the year ended June 30, 2022. SacRT's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, SacRT complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SacRT and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of SacRT's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to SacRT's federal programs.

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SacRT's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SacRT's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding SacRT's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of SacRT's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of SacRT's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the fiduciary activities of SacRT as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise SacRT's basic financial statements. We issued our report thereon dated November 18, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.


Crowe LLP

Sacramento, California
November 18, 2022

SACRAMENTO REGIONAL TRANSIT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through / Grant Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Transportation:				
Highway Planning & Construction Cluster <i>Passed through Sacramento Area Council of Governments</i> Highway Planning and Construction	20.205	SA1819115	\$ 28,963	\$ -
Federal Transit Cluster				
<i>Direct Programs</i>				
Federal Transit Capital Investment Grants	20.500	N/A	49,519	-
Federal Transit Formula Grants	20.507	N/A	25,359,237	707,414
COVID-19 - Federal Transit Formula Grants (CARES Act)	20.507	N/A	39,646,434	2,000,001
COVID-19 - Federal Transit Formula Grants (CRRSAA Act)	20.507	N/A	18,727,179	-
State of Good Repair Grants Program	20.525	N/A	4,454,602	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	N/A	394,391	-
Total Federal Transit Cluster			<u>88,631,362</u>	<u>2,707,415</u>
<i>Passed through State of California Department of Transportation</i>				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	74A1060	16,607	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	74A1127	149,763	35,192
Total Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research			<u>166,370</u>	<u>35,192</u>
Total U.S. Department of Transportation			88,826,695	2,742,607
U.S. Department of Homeland Security:				
<i>Direct Program</i>				
Rail and Transit Security Grant Program	97.075	N/A	80,001	-
Total Expenditures of Federal Awards			<u>\$ 88,906,696</u>	<u>\$ 2,742,607</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of SacRT, for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. SacRT has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 – MATCHING COSTS

Matching costs, i.e., the nonfederal share of program costs, are not included in the accompanying Schedule.

SACRAMENTO REGIONAL TRANSIT DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2022

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified not considered to be material weaknesses?

_____ Yes X None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal programs:

Assistance Listing Numbers
 20.500 / 20.507 / 20.525 / 20.526

Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$ 2,667,201

Auditee qualified as low-risk auditee?

 X Yes _____ No

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE TRANSPORTATION DEVELOPMENT ACT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Members of the Board of Directors
Sacramento Regional Transit District
Sacramento, California

Members of the Board of Directors
Sacramento Area Council of Governments
Sacramento, California

Report on Compliance with Transportation Development Act***Opinion on Transportation Development Act***

We have audited Sacramento Regional Transit District's (SacRT) compliance with the types of compliance requirements described in the Transportation Development Act (TDA) Guidebook, the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Guidelines, and the Low Carbon Transit Operations Program (LCTOP) Final Guidelines published by the State of California Department of Transportation (collectively "Transportation Development Act") that could have a direct and material effect on SacRT's compliance with the Transportation Development Act for the year ended June 30, 2022.

In our opinion, SacRT complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on SacRT's compliance with the Transportation Development Act for the year ended June 30, 2022.

Basis for Opinion on Transportation Development Act

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Transportation Development Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SacRT and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Transportation Development Act program. Our audit does not provide a legal determination of SacRT's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Transportation Development Act.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SacRT's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Transportation Development Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SacRT's compliance with the requirements the Transportation Development Act program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Transportation Development Act, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding SacRT's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of SacRT's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Transportation Development Act, but not for the purpose of expressing an opinion on the effectiveness of SacRT's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Transportation Development Act program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Transportation Development Act program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the Transportation Development Act program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements the Transportation Development Act. Accordingly, this report is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Sacramento, California
November 18, 2022



Members of the Board of Directors
Sacramento Regional Transit District
Sacramento, California

Members of the Board of Directors
Sacramento Area Council of Governments
Sacramento, California

Professional standards require that we communicate certain matters to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with Sacramento Regional Transit District (SacRT) for further information on the responsibilities of management and of Crowe LLP.

AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS

As part of obtaining reasonable assurance about whether SacRT's financial statements are free of material misstatement, we performed tests of SacRT's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM SACRT

Auditing standards generally accepted in the United States of America require independence for all audits, and we confirm that we are independent auditors with respect to SacRT under the independence requirements established by the American Institute of Certified Public Accountants.

Additionally, we wish to communicate that we have no relationships with SacRT that, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.

PLANNED SCOPE AND TIMING OF THE AUDIT

We are to communicate an overview of the planned scope and timing of the audit. Accordingly, the following matters regarding the planned scope and timing of the audit were discussed with you.

- How we proposed to address the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.
- The nature and extent of specialized skills or knowledge needed to plan and evaluate the results of the audit, including the use of an auditor's expert.
- Where the entity has an internal audit function, the extent to which the auditor will use the work of internal audit, and how the external and internal auditors can best work together.
- Your views and knowledge of matters you consider warrant our attention during the audit, as well as your views on:
 - The allocation of responsibilities between you and management.
 - The entity's objectives and strategies, and the related business risks that may result in material misstatements.
 - Significant communications between the entity and regulators.
 - Other matters you believe are relevant to the audit of the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Also, Those Charged with Governance should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform Those Charged with Governance about such matters. To assist Those Charged with Governance in its oversight role, we also provide the following.

Accounting Standard	Impact of Adoption
Significant Unusual Transactions.	No such matters noted
Significant Accounting Policies in Controversial or Emerging Areas.	No such matters noted

Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management's current judgments and may be subject to significant change in the near term.

The following describes the significant accounting estimates reflected in the SacRT's year-end financial statements, the process used by management in formulating these particularly sensitive accounting estimates and the primary basis for our conclusions regarding the reasonableness of those estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Fair Values of Investment Securities and Other Financial Instruments	The disclosure of fair values of securities and other financial instruments requires management to use certain assumptions and estimates pertaining to the fair values of its financial assets and financial liabilities.	We tested the propriety of information underlying management's estimates.
Pension and Postretirement Obligations	Amounts reported for pension and postretirement obligations require management to use estimates that may be subject to significant change in the near term. These estimates are based on projection of the weighted average discount rate, rate of increase in future compensation levels, and weighted average expected long-term rate of return on pension assets.	We reviewed the reasonableness of these estimates and assumptions.

AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES

We are to discuss with you our comments about the following matters related to SacRT's accounting policies and financial statement disclosures. Accordingly, these matters will be discussed during our meeting with you.

- The appropriateness of the accounting policies to the particular circumstances of the entity, considering the need to balance the cost of providing information with the likely benefit to users of the entity's financial statements.
- The overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- The effect of the timing of transactions in relation to the period in which they are recorded.
- The potential effect on the financial statements of significant risks and exposures, and uncertainties that are disclosed in the financial statements.
- The extent to which the financial statements are affected by unusual transactions including nonrecurring amounts recognized during the period, and the extent to which such transactions are separately disclosed in the financial statements.
- The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures.
- The factors affecting asset and liability carrying values, including the entity's basis for determining useful lives assigned to tangible and intangible assets.
- The selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

- *Adjustment to recognize the revenue from insurance proceeds related to the claim for totaled LRV 217. Total revenue recognized is reduced by the net of the stipulated loss and investments in trust, related to the removal of the vehicle as collateral in the 2007 lease lease-back*

Advances from Other Governments	4,953,794	
Accrued Liabilities		659,849
Other Operating Revenues		4,293,945

- *Adjustment to reclassify gain on refunding to deferred inflows of resources rather than netted with the loss on refunding*

Deferred Outflows: Gain on Refunding	3,452,336	
Deferred Inflows: Loss on Refunding		3,452,336

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

There were no such misstatements.

OTHER COMMUNICATIONS

Communication Item	Results
<p>Other Information Included in an Annual Report Information may be prepared by management that accompanies or includes the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether a material inconsistency exists between the other information and the financial statements. We are also to remain alert for indications that:</p> <ul style="list-style-type: none"> • Material inconsistency exists between the other information and the auditor's knowledge obtained in the audit; or • A material misstatement of fact exists, or the other information is otherwise misleading. <p>If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.</p>	<p>We understand that management has not prepared other information to accompany the audited financial statements.</p>
<p>Significant Difficulties Encountered During the Audit We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.</p>	<p>There were no significant difficulties encountered in dealing with management related to the performance of the audit.</p>

Communication Item	Results
<p>Disagreements with Management We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to SacRT's financial statements or the auditor's report.</p>	<p>During our audit, there were no such disagreements with management.</p>
<p>Difficulties or Contentious Matters We are required to discuss with the Those Charged with Governance any difficulties or contentious matters for which we consulted outside of the engagement team.</p>	<p>During the audit, there were no such issues for which we consulted outside the engagement team.</p>
<p>Circumstances that Affect the Form and Content of the Auditor's Report We are to discuss with you any circumstances that affect the form and content of the auditor's report, if any.</p>	<p>There are no such circumstances that affect the form and content of the auditor's report.</p>
<p>Consultations with Other Accountants If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.</p>	<p>We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.</p>
<p>Representations the Auditor Is Requesting from Management We are to provide you with a copy of management's requested written representations to us.</p>	<p>We direct your attention to a copy of the letter of management's representation to us provided separately.</p>
<p>Significant Issues Discussed, or Subject to Correspondence, With Management We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.</p>	<p>There were no such significant issues discussed, or subject to correspondence, with management.</p>
<p>Significant Related Party Findings or Issues We are to communicate to you significant findings or issues arising during the audit in connection with SacRT's related parties.</p>	<p>There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>
<p>Other Findings or Issues We Find Relevant or Significant We are to communicate to you other findings or issues, if any, arising during the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>	<p>There were no such other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>

We are pleased to serve SacRT as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Board of Directors and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.

Crowe LLP
Crowe LLP

Sacramento, California
November 18, 2022



Crowe LLP
Independent Member Crowe Global

Members of the Board of Directors
Sacramento Regional Transit District
Sacramento, California

Members of the Board of Directors
Sacramento Area Council of Governments
Sacramento, California

In planning and performing our audit of the financial statements of Sacramento Regional Transit District ("SacRT") as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the Company's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

The purpose of this letter is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of SacRT's internal control over financial reporting or on compliance. This letter is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SacRT's internal control over financial reporting and compliance. Accordingly, this letter is not suitable for any other purpose.


Crowe LLP

Sacramento, California
November 18, 2022

RESOLUTION NO. 2022-12-147

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 12, 2022

RECEIVE AND FILE THE ANNUAL COMPREHENSIVE FINANCIAL REPORT, REPORTS ON COMPLIANCE AND INTERNAL CONTROLS AS REQUIRED BY UNIFORM GUIDANCE, AND THE TRANSPORTATION DEVELOPMENT ACT REPORT TO THE BOARD OF DIRECTORS FOR THE FISCAL YEAR ENDED JUNE 30, 2022 AND DESIGNATE \$6,222,654 TO SACRT'S OPERATING SURPLUS AND \$5,053,586 OF WORKING CAPITAL RESERVE TO SACRT'S OPERATING RESERVE

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby receives and files the Annual Financial Report (ACFR), Reports on Compliance and Internal Controls for the Fiscal Year Ended June 30, 2022, as required by the Uniform Guidance and the Transportation Development Act; and

THAT, the Board hereby directs the General Manager/CEO to designate \$6,222,654 to SacRT's Operating Reserve, which funds may only be used as governed by the Board adopted Comprehensive Reserve Policy of 2022 ,; and

THAT, the Board hereby directs the General Manager/CEO to designate \$5,053,586 of Working Capital Reserve to SacRT's Operating Reserve, which funds may only be used as governed by the Board adopted Comprehensive Reserve Policy of 2022.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Henry Li, General Manager/CEO
SUBJ: GENERAL MANAGER'S REPORT

RECOMMENDATION

No Recommendation - For Information Only.

Major Project Updates

Oral Report

SacRT Meeting Calendar

Regional Transit Board Meeting

January 23, 2022
SacRT Auditorium / Webconference
5:30 P.M

Quarterly Retirement Board Meeting

December 14, 2022
SacRT Auditorium / Webconference
9:00 A.M

Mobility Advisory Council Meeting

January 5, 2022
SacRT Auditorium / Webconference 2:30 P.M

Celebrate the Holidays this Winter in Downtown Sacramento

The Downtown Sacramento Ice Rink is now open through Monday, January 16, 2023, bringing amazing opportunities for holiday memories back to Sacramento.

The annual Theatre of Lights family-friendly show returned this year to the Old Sacramento Waterfront. Theatre of Lights is an electrifying and family-friendly show with two performances on Thursdays through Sundays at 6 p.m. and 7:30 p.m. through Saturday, December 24, 2022.

For more information about downtown holiday events, visit GoDowntownSac.com. Take SacRT to these fun holiday events, visit sacrt.com/planyourtrip or call 916-321-BUSS (2877) for trip planning assistance.

January Service Changes

Effective January 1, 2023, SacRT will make minor service adjustments to the following routes:

Route 23 (El Camino): Monday through Friday, the inbound 3:14 p.m. trip from El Camino and Greenwood will depart at 3:30 p.m. to improve connections.

Route 51 (Stockton/Broadway): Monday through Friday, the time for the inbound 9:19 p.m. and 9:49 p.m. trips starting from Florin Towne Centre to 8th & F have been adjusted to improve on time performance.

Route 72 (Rosemont): Monday through Friday, the inbound 7:48 a.m. trip from Mather Field/Mills to Manlove will depart at 7:53 a.m. to improve connections. Monday through Friday, the inbound 7:22 a.m. trip from Rockingham and Mather will depart at 7:48 a.m. to improve connections. Monday through Friday, the inbound 7:36 a.m. trip from Rockingham and Routier will depart at 8:02 a.m. to improve connections. Monday through Friday, the outbound 3:06 p.m. trip from Branch Center will depart at 3:37 p.m. to improve connections.

Route 81 (Florin): Monday through Friday, the outbound 7:17 a.m. trip from Florin Towne Centre will depart at 7:44 a.m. to improve connections. Monday through Friday, the outbound 3:25 p.m. trip to Florin Towne Centre will depart at 3:35 p.m.

Route 102 (Riverside Commuter): Monday through Friday, the outbound 7:18 a.m. trip to Rush River will depart at 7:30 a.m. to improve connections.

Due to changes in school start and end times, all schedules will shift accordingly on the following routes: 105, 210, 211, 212, 213, 214, 215, 226, 246, 247, 248, 252, and 255.

Visit sacrt.com/januaryservice for details.

How to Do Business with Sacramento Regional Transit District

SacRT is offering FREE webinars for potential vendors to share How to Do Business with SacRT. The webinars are presented in partnership with the California Capital Procurement Technical Assistance Center (PTAC).

SacRT purchases supplies such as IT equipment, furniture, office equipment and supplies, bus and rail parts and related supplies, janitorial supplies, and PPE to name a few. We also procure services such as janitorial, pest control, equipment, facility repair and preventive maintenance, printing, various professional and A&E services, and construction projects along the light rail system and other district facilities.

WEBINAR DATES:

- February 9, 2023 – 9:00 a.m. – 10:30 a.m.
Register at: <https://cacapital.org/calendar-events/how-to-do-business-with-sacramento-regional-transit-district-sacrt-4/>
- June 8, 2023 – 9:00 a.m. – 10:30 a.m.
Register at: <https://cacapital.org/calendar-events/how-to-do-business-with-sacramento-regional-transit-district-sacrt-5/>
- October 12, 2023 – 9:00 a.m. – 10:30 a.m.
Register at: <https://cacapital.org/calendar-events/how-to-do-business-with-sacramento-regional-transit-district-sacrt-6/>

The webinar will cover:

- What SacRT Procures and who has Contracting Authority
- SacRT's Procurement Process
- How to Register your Firm in PlanetBids
- SacRT's Small and Local Business and DBE Programs and the mandatory certifications related to these programs
- How to search for SacRT solicitations
- Tips for success
- How to get help



STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Michael Cormiae, Director, Light Rail Maintenance
SUBJ: CAPITOL CORRIDOR JOINT POWERS AUTHORITY MEETING
 SUMMARY OF NOVEMBER 16, 2022

RECOMMENDATION

No Recommendation - For Information Only.

SacRT Board members present: Steve Miller, Jeff Harris

AGENDA

- I. Call to Order – 09:35
- II. Roll Call and Pledge of Allegiance
- III. Report of the Chair
 - 1. Commendation for CCJPA Founding Director James P. Spering *Presented*
 - 2. Election of Chair and Vice-Chair (2-Year Term: 2023-2024) *Approved*
- IV. Consent Calendar *Approved*
 - 1. Approve Continuation of Virtual Meetings During the COVID-19 Pandemic
 - 2. Approve Minutes of the September 21, 2022, 2022 Meeting
- V. Authorize Amendment to Xentrans Agreement for the California Integrated Travel Project
 - 3. Authorize Amendment to Xentrans Agreement for the California Integrated Travel Project (CallTP)
 - 4. Authorize Agreements with Union Pacific Railroad (UPRR) for Infrastructure Reliability
 - 5. Authorize Agreements for the Agnew Siding Utility Relocation
 - 6. Authorize Agreement with RailPros for Agnew Siding Design Services
 - 7. Authorize HDR Contract Budget for a Supplemental EIR for the Sacramento to Roseville Third Track Project
 - 8. Authorize Transit Intercity Rail Capital Program (TIRCP) Cycle 6 Funding Applications on Behalf of CCJPA Partners Agencies
- V. Action and Discussion Items
 - 1. Capitol Corridor Annual Performance Report (FY 2021-22) *Info*
Director comment – workforce shortage. Public Comment: M. Barnbaum
 - 2. Rail Safety Incentive Program for Cities *Approved*
Director Jain – Comment. Director Saltzman – Comment, Director Spering - Comment
 - 3. Capital Project Update –
 - a. Capital Project Spotlight: Carquinez Crossing Initial Feasibility Study *Approved*
Director Comments, Jain, Raburn, Peralez, Saltman. Public Comment – Barnbaum,

Doug Curr, Derrek, Ames.

- | | | |
|-------|--|-----------------|
| | b. CCJPA Capital Project Portfolio | <i>Action</i> |
| 4. | Legislation and Funding Update – State and Federal
<i>Public Comment: Barnbaum, Nicole,</i> | <i>Approved</i> |
| 5. | Managing Director’s Report | <i>Info</i> |
| 6. | CCJPA Project and Program Updates | <i>Info</i> |
| | a. Capitol Corridor Train Service Increase – October 3, 2022 | |
| | b. Marketing and Communications Activities | |
| | c. Sacramento to Roseville Third Track Phase One | |
| | d. South Bay Connect | |
| | e. Link21 | |
| | f. Davis Crossover and Signal Replacement | |
| | g. Stege Crossover and Signal Upgrade | |
| | h. California Passenger Display System (CalPIDS) Modernization | |
| | i. California Integrated Travel Project (CalITP) Minimum Viable Product (MVP) | |
| | j. Right-of-Way Safety & Security Program | |
| VI. | Board Director Reports: <i>Director Harris comment, Frerich, Houldashelt, Peralez,</i> | |
| VI. | Public Comments: <i>Barnbaum, Safsner,</i> | |
| VIII. | Closed Session | |
| | 1. Public Employee Performance Evaluation | |
| | Title: Managing Director | |
| | Government Code Section: 54957 | |
| IX. | Open Session | |
| | Announcement from Closed Session if Any | |
| X. | Adjournment | |
| | Next Meeting Date: 10:00 a.m., February 15, 2023 – SF Bay Area Rapid Transit (BART) | |
| | Headquarters, Board Room, Oakland, CA. | |

The CCJPA Board reserves the right to take action on any agenda item. Consent calendar items are considered routine and will be enacted, approved, or adopted by one motion unless a request for discussion or explanation is received from a CCJPA Board Director or from a member of the audience.

STAFF REPORT

DATE: December 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Kevin Schroder, Senior Planner
SUBJ: SAN JOAQUIN JOINT POWERS AUTHORITY MEETING
SUMMARY OF NOVEMBER 18, 2022

RECOMMENDATION

No Recommendation - For Information Only.

SacRT Board members present:

Chair Pat Hume was not present for the regular meeting of the San Joaquin Joint Powers Authority on November 18, 2022.

Meeting Notes

Item 2. Public Comments

Mike B: He wanted to discuss consent calendar.

John Webb: The removal of the café car and addition of vending machines downgrades the quality of experience for riders.

Item 3. Consent Calendar

Mike B: Asked about future meeting setup (in-person or webinar). Discussion to be had next year about the format of future meetings.

Item 4: Approve a Resolution of the Governing Board of the San Joaquin Joint Powers Authority Authorizing the Chair to Execute the FY 2023 San Joaquin Intercity Passenger Rail Service Operating Agreement with Amtrak and Authorizing the Executive Director to Execute Any and All Documents Related to the Project including Approving any and all Amendments thereto within Her Spending Authority (Stacey Mortensen)

Staff Comments:

- Negotiations with Amtrak for the 2022-2023 Operating Agreement have been underway since Spring 2022.
- The Agreement is based upon Forecasted costs by Amtrak and approved funding levels approved by California State Transportation Agency (CalSTA).
- The annual cost estimate for the San Joaquin's service (\$90,442,882) and the required FY 22/23 State/SJJPA contribution (\$63,203,722) and are in excess of state approved funding levels.

Fiscal Impact:

- State funding for the San Joaquin's Operating Agreements was approved in the FY 22/23 Annual Business Plan award letter from California State Transportation Agency (CalSTA)
- Approve agreement at state funding level, and then afterwards "true-up" the amount to make sure no agency is left behind without funds.

Board Comments: N/A

Public comments:

- Mike B: Concern about strike progression.
- Answer: Potential cancelation preparations have been examined. However, this agreement has no influence on the potential Amtrak strike.

Board Vote:

- All approved.

5. Board Member Comments

- Hudson: Wants to discuss or hear concerns about hydrogen trains from other board members.

6. Executive Director's Report

- Madera station project still in the running for federal funding.
- Rail academy: There has been a submission of a workforce development application for funding.

CLOSED SESSION

Adjournment