



Chair, **Lisa Craig-Hensley**, City of Lodi
Vice-Chair, **Leo Zuber**, City of Ripon
Commissioner, **Dan Arriola**, City of Tracy
Commissioner, **Steven Ding**, San Joaquin County

Executive Director, **Stacey Mortensen**

Commissioner, **Christina Fugazi**, City of Stockton
Commissioner, **Mike Morowit**, City of Manteca
Commissioner, **John Marchand**, City of Livermore
Commissioner, **Raj Salwan**, City of Fremont

SAN JOAQUIN REGIONAL RAIL COMMISSION BOARD MEETING

Friday, October 3, 2025 – 9:30 am

Robert J. Cabral Station
Board Room
949 E. Channel Street
Stockton, CA 95202

Teleconference Locations:

44 N. San Joaquin St.
Suite 627
Stockton, CA 95202

1046 W. Yosemite
Ave.
Manteca, CA 95337

3300 Capitol Ave.
Building A
Fremont, CA 94538

Members of the public may attend the meeting at the above addresses, or may observe the meeting by using the link or dial-in information below:

Join Zoom Meeting

<https://us06web.zoom.us/j/87961933868>

Or Telephone: +1 669 444 9171 US

Persons wishing to address the Commission on any item of interest to the public regarding rail shall state their names and address and make their presentation. The Commission cannot take action on matters not on the agenda unless the action is authorized by Section 54954.2 of the Government Code. Materials related to an item on the Agenda submitted to the Board of Commissioners after distribution of the agenda packet are available for the public inspection in the Commission Office at 949 E. Channel Street during normal business hours. These documents are also available on the San Joaquin Regional Rail Commission website at <https://www.sjrcc.com/events/> subject to staff's ability to post the documents prior to the meeting. If a member of the public wishes to make a public comment:

- 1. Submit written comments to SJRRC staff via email at clerk@sjrcc.com, in which staff will read the comment aloud during the public comment period.**
- 2. Complete a Request to Speak form (available at the entrance to the Board Room) and give it to the SJRRC Board Clerk before the Item is considered by the Board.**
- 3. Join from the Zoom meeting link and notify SJRRC staff by alerting them via the "Raise hand" or "Chat" function; call +1 669 444 9171, dial *9 to raise your hand when you wish to speak, and dial *6 to unmute when you are requested to speak. Please note that if participating using Zoom, all members of the public will be placed on mute until such times allow for public comments to be made.**

Public comments should be limited to five (5) minutes per comment.

This Agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact San Joaquin Regional Rail Commission (SJRRRC) staff, at (209) 944-6220, during regular business hours, at least twenty-four hours prior to the time of the meeting.

All proceedings before the Commission are conducted in English. Anyone wishing to address the SJRRRC Board is advised to have an interpreter or to contact SJRRRC during regular business hours at least 48 hours prior to the time of the meeting so that SJRRRC can provide an interpreter. Any writings or documents provided to a majority of the Commission regarding any item on this agenda will be made available upon request in both English and Spanish for public inspection at the Office of the Executive Director located at 949 East Channel Street, Stockton, California, 95202 during normal business hours or by calling (209) 944-6220. The Agenda is available on the San Joaquin Regional Rail Commission website: www.sjrrc.com.

Disclosures: *Commissioners shall disclose any agenda item in which they have a conflict of interest under State law and acknowledge whether they will recuse from hearing that item. Among other State laws, the Levine Act (Gov. C. §84308) may require recusal on agenda items involving a contract or entitlement before the Commission where a campaign donor is a participant, and the campaign contribution totals more than \$250 within the 12-month period before the decision on the item.*

1. Call to Order and Pledge of Allegiance

Chair Craig-Hensley

2. Roll Call

Roll Call: Arriola, Ding, Fugazi, Marchand, Morowit, Salwan, Vice-Chair Zuber, Chair Craig-Hensley

Ex-Officios: Zwahlen (StanCOG), Nguyen (SJCOG), Clifford (SJRTD), Magsayo (Catrans)

3. Public Comment

Persons wishing to address the Commission on any item of interest to the public regarding rail shall state their names and addresses and make their presentation. Please limit presentations to five minutes. The Commission cannot take action on matters not on the agenda unless the action is authorized by Section 54954.2 of the Government Code. Materials related to an item on the Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Commission Office at 949 E. Channel Street during normal business hours. These documents are also available on the San Joaquin Regional Rail Commission website at <https://www.sjrrc.com/events/> subject to staff's ability to post the documents prior to the meeting.

Public comments should be limited to five (5) minutes per comment.

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|-----------|--|--------------------|
| 4. | Consent Calendar | ACTION |
| 4.1 | Approve Minutes of San Joaquin Regional Rail Commission
September 5, 2025 Board Meeting
(Regular and Special Voting Members) | ACTION |
| 4.2 | Adopt a Resolution Appointing David Lipari as San Joaquin
Regional Rail Commission Interim Executive Director and
Approving Employment Agreement
(Regular Voting Members Only) | ACTION |
| 4.3 | Adopt a Resolution Authorizing and Approving David Lipari, Interim
Executive Director, to Make, Execute, Endorse, and Deliver in the
Name of and on Behalf of the San Joaquin Regional Rail
Commission, Any and All Written Instruments, Including but not
Limited to Agreements, Documents, Deeds, Transfers,
Assignments, Contracts, Obligations, Certificates, Certifications
and Assurances, and Other Instruments of Whatever Nature that
the Executive Director, or Designee is authorized to Enter Into on
Behalf of the Rail Commission
(Regular Voting Members Only) | ACTION |
| 4.4 | Adopt a Resolution Ratifying Title Change from “Executive
Director” to “Chief Executive Officer” and Approving the Chief
Executive Officer Job Description
(Regular Voting Members Only) | ACTION |
| 4.5 | Adopt a Resolution Approving Special Employment Agreement
with Stacey Mortensen
(Regular Voting Members Only) | ACTION |
| 4.6 | Monthly Expense Report | INFORMATION |
| 4.7 | ACE Ridership | INFORMATION |
| 4.8 | ACE Monthly Fare Revenue | INFORMATION |
| 4.9 | ACE On-Time Performance | INFORMATION |
| 4.10 | Monthly Marketing and Outreach Report | INFORMATION |
| 4.11 | Washington Update | INFORMATION |
| 5. | Rail Safety Month Presentation
(Cameron Paler) | INFORMATION |
| 6. | Discuss and Direction to Staff Regarding the New ACE Ticketing
Platform Project – Paper Ticket Transition
(Nick Perez) (Regular and Special Voting Members) | ACTION |
| 7. | Stockton Diamond Grade Separation Project Delivery Update
(Stacey Mortensen) | INFORMATION |
| 8. | Federal Fiscal Year (FFY) 2026-2028 Disadvantaged Business
Enterprise (DBE) Goal Setting Methodology Update
(Autumn Gowan) | INFORMATION |

9. **ACE Passenger Information Display Systems (PIDS) Overview** INFORMATION
(Marques Cook)
10. **Recognition of San Joaquin Regional Rail Commission Executive Director's Service** PRESENTATION
(Chair Craig-Hensley)
11. **Board Member Comments**
12. **Ex-Officio Comments**
13. **Executive Director's Report**
14. **CLOSED SESSION**
Public Employment - Recruitment
One Position: Executive Director/Chief Executive Officer
Conference with General Counsel Janice D. Magdich and Recruiter Gregg Mosser
Pursuant to Government Code Section 54957
(Regular and Special Voting Members)
15. **CLOSED SESSION**
Threatened or Anticipated Litigation: Government Code §54956.9(d)(2); One Case;
Conference with Legal Counsel regarding Claim filed by Stronghold Engineering, Inc.,
Alleging Monetary Claims Regarding Project 22-R-1700, Regional Rail Maintenance
Facility Expansion
(Regular Voting Members Only)
16. **Return to Open Session and Disclosure of Action**
(Janice D. Magdich)
17. **Adjournment**
The next regular meeting is scheduled for November 7, 2025 – 9:30 am

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of October 3, 2025

Item 4.1

ACTION

Minutes of San Joaquin Regional Rail Commission September 5, 2025 Board Meeting

The meeting of the San Joaquin Regional Rail Commission (Rail Commission) was held at 9:30 am on September 5, 2025. Board Members attended this meeting via videoconference or in person.

1. Call to Order, Pledge of Allegiance

Chair Craig-Hensley

Chair Craig-Hensley called the meeting to order at 9:30 am and led the audience in the Pledge of Allegiance.

2. Quarterly Safety Briefing

Cameron Paler

Cameron Paler gave a presentation on this item.

3. Roll Call

Commissioners Present: Marchand, Salwan, Fugazi, Morowit, Vice-Chair Zuber, Chair Craig-Hensley

Commissioners Absent: Arriola, Ding

Ex-officios Present: Ken Baxter (SJRTD), Diane Nguyen (SJCOG)

4. Public Comment

There were no public comments.

5. Consent Calendar

ACTION

5.1 Approve Minutes of San Joaquin Regional Rail Commission August 1, 2025 Board Meeting (Regular and Special Voting Members)

ACTION

5.2 Rail Commission/ACE Monthly Expenditure

INFORMATION

5.3 Capital Programs Expenditure

INFORMATION

5.4 ACE Monthly Fare Revenue

INFORMATION

5.5 ACE Ridership

INFORMATION

5.6 ACE On-Time Performance

INFORMATION

5.7 Rail Safety Month Update

INFORMATION

5.8 Monthly Marketing and Outreach Support

INFORMATION

5.9 Station/Facilities Development Committee Report Out

INFORMATION

5.10 Washington Update

INFORMATION

Chair Craig-Hensley thanked staff for adding the pre-pandemic line on items 5.4 and 5.5.

There were no public comments.

M/S/C (Zuber/Fugazi) to approve item 5.1 of the Consent Calendar.

Passed and Adopted by the San Joaquin Regional Rail Commission on September 5, 2025, by the following vote to wit:

AYES: 5 Salwan, Fugazi, Morowit, Vice-Chair Zuber, Chair Craig-Hensley
NOES: 0
ABSTAIN: 1 Marchand
ABSENT: 2 Arriola, Ding

M/S/C (Zuber/Marchand) to approve Items 5.2-5.7 of the Consent Calendar.

Passed and Adopted by the San Joaquin Regional Rail Commission on September 5, 2025, by the following vote to wit:

AYES: 6 Salwan, Marchand, Fugazi, Morowit, Vice-Chair Zuber, Chair Craig-Hensley
NOES: 0
ABSTAIN: 0
ABSENT: 2 Arriola, Ding

- 6. Adopt a Resolution Ratifying the Execution of Amendment 07 to the Agreement with Nomad Digital, Inc. for Next Generation Wi-Fi Services, Increasing the Compensation Amount by \$1,849,395 for a New Not-To-Exceed Amount of \$5,931,097, Extending the Term of the Agreement to May 31, 2030, and Authorizing the Executive Director, or Designee, to Execute Any and All Documents Related to the Project including Approving Any and All Amendments thereto within Their Spending Authority**

ACTION

Marques Cook and Autumn Gowan gave a presentation on this item.

Commissioner Marchand asked if continuing this agreement would result in an increase in customer satisfaction scores in future passenger surveys.

Mr. Cook explained that the low customer satisfaction score on the passenger survey can be a result of many factors and explained the need for educating passengers on the Wi-Fi expectations in order to increase the score.

Chair Craig-Hensley echoed the importance of expectations of amenities on board a public transportation service.

Commissioner Fugazi calculated the average cost of providing Wi-Fi onboard the trains comes out to approximately \$1.30 per passenger.

There were no public comments on this item.

M/S/C (Marchand/Zuber) to Ratify the Execution of Amendment 07 to the Agreement with Nomad Digital, Inc. for Next Generation Wi-Fi Services, Increasing the Compensation Amount by \$1,849,395 for a New Not-To-Exceed Amount of \$5,931,097, Extending the Term of the Agreement to May 31, 2030, and Authorizing the Executive Director, or Designee, to Execute Any and All Documents Related to the Project including Approving Any and All Amendments thereto within Their Spending Authority.

Passed and Adopted by the San Joaquin Regional Rail Commission on September 5, 2025, by the following vote to wit:

AYES: 6 Marchand, Salwan, Fugazi, Morowit, Vice-Chair
Zuber, Chair Craig-Hensley
NOES: 0
ABSTAIN: 0
ABSENT: 2 Arriola, Ding

7. FY 24/25 ACE Performance Update

INFORMATION

David Lipari gave a presentation on this item.

Chair Craig-Hensley asked if staff was strategically marketing Wi-Fi as an amenity for ACE passengers and whether the ridership growth correlates with the population growth in the areas surrounding ACE stations.

Mr. Lipari stated the various amenities, including access to onboard Wi-Fi, are part of the marketing approach and messaging and stated staff would look into the correlation between ridership and population growth.

In regard to the Special Train Service, Vice-Chair Zuber stated that an additional group that can be marketed to would be ticket re-sellers or out-of-state season pass holders.

Mr. Lipari shared the variety of groups the Rail Commission reaches out to for marketing the Special Train Service and that staff will continue to look into partnering with additional markets.

There were no public comments on this item.

This was an information item only.

8. ACE Passenger and Market Survey Update

INFORMATION

Mr. Lipari presented this item

Commissioner Marchand asked if transit benefits were provided by employers.

Mr. Lipari confirmed and briefly provided additional details regarding different transit benefit packages sent to employers.

Commissioner Fugazi shared her interest in seeing data on participation in discount programs (Student, Senior, CAP, etc).

Mr. Lipari explained this information will be available with the new ticketing system and will be brought to a future board meeting. Mr. Lipari also explained the different strategies in which student discount programs are monitored and applied to riders.

There were no public comments on this item.

This was an information item only.

9. ACE Community Assistance Program (CAP) Update

INFORMATION

Rene Gutierrez gave a presentation on this item.

Chair Craig-Hensley listed a few agencies that may benefit from a CAP outreach presentation including San Joaquin County Workforce Development Board, Lodi Library, and Community Partnership for Families.

There were no public comments on this item.

This was an information item only.

10. Board Member Comments

There were no board member comments.

11. Ex-Officio Comments

Diane Nguyen with SJCOG provided details on the upcoming Annual Valley Voice trip to Washington DC with the San Joaquin Valley Policy Council and San Joaquin Joint Powers Authority.

Ken Baxter with SJRTD provided details of the annual Fourth of July parade located in downtown Stockton where the new patriotic bus wrap showcasing the US Constitution was unveiled.

12. Executive Director's Report

Stacey Mortensen shared information regarding a California High Speed Rail Authority (CAHSR) report that was released a few weeks ago. Ms. Mortensen explained the report included details of a shift in strategy due to rising costs and stated CAHSR is seeking over \$1 billion in additional funding and regulatory waivers while also trying to attract private investment, which could mean prioritizing a Fresno-to-Gilroy route, overextending to Merced.

13. CLOSED SESSION
Public Employment - Recruitment
One Position: Executive Director/Chief Executive Officer
Conference with General Counsel Janice D. Magdich and Recruiter Gregg Mosser
Pursuant to Government Code Section 54957
(Regular and Special Voting Members)

14. CLOSED SESSION
Public Employment – One Position – Appointment of Interim Executive Director
Agency Negotiator: General Counsel Janice D. Magdich
Pursuant to Government Code Section 54957
(Regular Voting Members Only)

15. Return to Open Session and Disclosure of Action

Janice D. Magdich announced the return to open session at 11:14 am.

Ms. Magdich explained item 13 was for discussion only, there were no other reportable actions taken.

Ms. Magdich shared for item 14 directions were given by the Commission to staff and announced David Lipari will be assigned to the Interim Executive Director role in October.

16. Adjournment

Chair Craig-Hensley adjourned the meeting at 11:15 am

The next regular meeting is scheduled for:
October 3, 2025 – 9:30 am

SAN JOAQUIN REGIONAL RAIL COMMISSION
Meeting of October 3, 2025

STAFF REPORT

Item 4.2

ACTION

Adopt a Resolution Appointing David Lipari as San Joaquin Regional Rail Commission Interim Executive Director and Approving Employment Agreement

Background:

The San Joaquin Regional Rail Commission (Rail Commission), by unanimous vote of the regular voting members, appointed David Lipari, currently the Rail Commission's Interim Deputy Executive and formerly the Deputy Director of Passenger Experience & Communications, to serve as the Rail Commission's Interim Executive Director during a closed session meeting held on September 5, 2025. Mr. Lipari's appointment was announced when the Rail Commission returned to open session. The attached employment agreement sets forth the terms and conditions of employment negotiated by the Rail Commission's regular voting members and Mr. Lipari on September 5, 2025. As set forth in the employment agreement, Mr. Lipari will serve as the Interim Executive Director during the Rail Commission's recruitment for a Chief Executive Officer necessitated by the announcement of the retirement of Executive Director Stacey Mortensen. Mr. Lipari's appointment as Interim Executive Director will be effective October 3, 2025, at 5:00 pm and continue for a period of four (4) months, unless otherwise terminated or extended as more fully set forth in the attached employment agreement.

Fiscal Impact:

Costs associated with the Interim Executive Director Employment Agreement are covered in the SJRRC/ACE/SJJPA Fiscal Year 2025/2026 Operating Budget.

Recommendation:

Adopt a Resolution Appointing David Lipari as San Joaquin Regional Rail Commission Interim Executive Director and Approving Employment Agreement.

INTERIM EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is entered into and effective as of October ____, 2025 (“Effective Date”), by and between the San Joaquin Regional Rail Commission, a California joint powers authority (“SJRRRC”) and David Lipari, an individual (“Employee”) (collectively the “Parties”).

RECITALS

WHEREAS, Employee is currently employed as SJRRRC’s Interim Deputy Executive; and

WHEREAS, SJRRRC’s current Executive Director has announced her intention to retire effective October 3, 2025; and

WHEREAS, SJRRRC is conducting a recruitment for a Chief Executive Officer to fill the vacancy occasioned by the retirement of the Executive Director, and in the meantime intends to fill the vacancy, on an interim basis, by creating this interim position; and

WHEREAS, SJRRRC is interested in appointing Employee, as SJRRRC’s Interim Executive Director, for an interim period as set forth hereinbelow, unless earlier terminated or otherwise modified by the Parties (“Interim Appointment”); and

WHEREAS, following completion of the Interim Appointment, Employee shall return to the position of Deputy Executive; and

WHEREAS, the Parties desire to set forth the terms and conditions of the Interim Appointment.

AGREEMENT

NOW, THEREFORE, the Parties, in consideration of the promises and conditions set forth herein, mutually agree as follows:

1. **Recitals:** The recitals set forth above are incorporated into this Agreement by this reference.
2. **Appointment:** SJRRRC agrees to appoint Employee as Interim Executive Director, in accordance with the provisions set forth herein.
3. **Duties and Authority:** Employee will perform the functions and duties of Interim Executive Director as specified in Exhibit A and made a part hereof by this reference. Employee shall have signature authority to execute any and all documents on behalf of SJRRRC and on behalf of the San Joaquin Joint Powers

Authority (SJJPA) in the normal course of business, provided such amount does not exceed \$250,000, and shall have authority to sign any and all documents to which the Executive Director had been previously granted authorization to sign by resolution of the SJRRC Commission or the SJJPA Board of Directors.

4. **Hours of Work:** Employee is currently an exempt employee under applicable wage and hours laws and will continue to be classified as an exempt employee during the Interim Appointment and therefore is expected to engage in those hours of work necessary to fulfill the obligations of the position. Employee's position may require work outside of customary business hours. As such, Employee's daily and weekly work schedule will vary in accordance with the work to be performed, and in accordance with direction by the Commission.
5. **Performance Evaluation:** During the Interim Appointment, Employee is subject to evaluation of performance by the Regular Voting Members of the SJRRC Board of Commissioners (the "Commission").
6. **Start Date and Interim Appointment Term:** Employee began work with SJRRC on May 23, 2016, as the Community Relations and Outreach Coordinator. Employee was promoted to Marketing Manager of the *San Joaquins* Service on July 1, 2017, and then added ACE marketing responsibilities as the Passenger Experience & Communications Manager on April 10, 2023; that position was reclassified to the position of Deputy Director of Passenger Experience & Communications effective April 10, 2023. On July 8, 2025, Employee was made Interim Deputy Executive and Employee's base salary was increased by 15% to account for his taking on additional roles and responsibilities within the agency in anticipation of the retirement of the current Executive Director.

Employee's appointment as Interim Executive Director shall take effect at 5:00 p.m. on October 3, 2025 ("Interim Appointment") and shall continue for a period of four (4) months ("Interim Term"), unless earlier terminated in accordance with Paragraph 8 below, or as otherwise extended or modified by mutual written agreement between the Parties.

7. **Salary and Benefits:** Effective as the of the Interim Appointment, Employee's annual base salary will be \$275,000. Employee will be paid at the same intervals and in the same manner as other SJRRC employees, and all wage payments will be subject to applicable payroll taxes and withholdings.

Employee shall continue to be eligible for any benefits, including but not limited to retirement, medical, vacation, and holiday leave, provided to the Deputy Director of Passenger Experience & Communications position.

In addition to the foregoing, Employee shall also receive a monthly vehicle allowance and mileage reimbursement under the terms and conditions set forth in the SJRRC Personnel Manual as may be amended from time to time.

Further, Employee shall be issued an agency credit card with a spending limit not to exceed \$5,000.

8. Resignation, Expiration of Interim Appointment, and Termination:

- a. Employee may voluntarily terminate this interim assignment at any time by giving not less than fourteen (14) days' written notice ("Notice Period"). Upon receipt by SJRRC of Employee's notice to voluntarily terminate this Agreement, SJRRC shall return Employee to the position of Deputy Director of Passenger Experience & Communications at any date within that Notice Period. Employee will be paid for the interim assignment for the days it was performed, with the Deputy Director of Passenger Experience & Communications salary resuming upon the effective date of Employee's return to that position.
- b. Employee understand and agrees that, during the Interim Appointment, Employee works at the will and pleasure of the Commission, and that Employee may be removed from the Interim Executive Director position at any time, with or without cause, without any due process rights. Upon such removal, or at the completion of the Interim Term, Employee will resume his position as Deputy Director of Passenger Experience & Communications unless otherwise agreed to by the Parties.
- c. Employee may voluntarily terminate employment with SJRRC at any time by giving not less than fourteen (14) days' notice. Upon receipt of voluntary termination, SJRRC, may, at its sole discretion, relieve Employee of duty effective any date prior to the end of such period, provided that SJRRC pays Employee all salary that would have been earned by Employee through the balance of the notice period.

9. **Return to Former Position:** Employee currently holds the position of Interim Deputy Executive and previously served as the Deputy Director of Passenger Experience & Communications. SJRRC agrees to keep the Deputy Director of Passenger Experience & Communications position available during the duration of this Agreement. Upon the effective date of Employee's resignation from the Interim Executive Director position, or the Commission's termination of Employee from the Interim Executive Director position without cause, Employee shall automatically return to his prior job duties and classification as Deputy Director of Passenger Experience & Communications at the then existing salary for that position and the benefits accorded to an employee in that classification.

Upon expiration of this Agreement, Employee shall assume the position of Deputy Executive at the then salary for that position and the benefits accorded to an employee in that classification.

10. **Sole Employment:** Employee represents and acknowledges that his employment as Interim Executive Director is his sole and exclusive employment.

11. **Assignment:** Employee shall not assign any of the duties or responsibilities or obligations of this Agreement except with the express written consent of the Commission. Any purported transfer or assignment shall be null and void.

12. **Notices:** All notices required herein shall be sent by first class mail to the Parties as follows:

To SJRRC: San Joaquin Regional Rail Commission
 949 North Channel Street
 Stockton, CA 95202
 Attention: Janice D. Magdich, General Counsel

To Employee: David Lipari

[To the address on file with SJRRC Human Resources.]

13. General Provisions:

a. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied upon by either Party. This Agreement shall only be amended by a written instrument signed by the Parties.

- b. Effective Date.** This Agreement shall be effective as of the Effective Date and continue until for a period of four (4) months from and after October 3, 2025, unless earlier terminated in accordance with Paragraph 9 above, or as otherwise extended by mutual written agreement between the Parties.
- c. Severability.** The invalidity or partial invalidity of any provision or portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by the Parties subsequent to the expungement or judicial modification of the invalid provision(s).
- d. Attorney's Fees and Costs.** If legal action or proceedings is brought to enforce any or interpret this Agreement, the prevailing party, as determined by the court, shall be entitled to recover from the other party all reasonable attorney's fees and costs, including such fees and costs as may be incurred in enforcing any judgment or order entered in such action. Nothing in this subsection shall be read to prevent the Parties from agreeing to some alternative method of dispute resolution. If such a method is agreed to, any final determination shall include an award of attorney's fees and costs by the presiding officer.
- e. Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. The Parties agree that venue for any dispute shall be in the Superior Court of San Joaquin County.
- f. Representation of Counsel.** The Parties acknowledge and agree that they were, or had the opportunity to be represented by legal counsel with respect to the matters that are the subject of this Agreement, and they are fully advised with respect to their respective rights and obligations resulting from signing this Agreement.
- g. Waiver.** Any failure of either Party to insist on strict compliance with any term, undertaking, or conditions of this Agreement shall not be deemed to be a waiver of such term, undertaking, or condition. To be effective, a waiver must be in a writing signed and dated by the Parties.

In Witness Whereof, the Parties have executed this Agreement as of the date and year first above written.

SJRRC

Employee

San Joaquin Regional Rail Commission,
a California joint powers authority

By: _____

By: _____

Lisa Craig-Hensley, Commission Chair

David Lipari

Approved as to form:

By: _____

Janice D. Magdich, General Counsel

EXHIBIT A

EXECUTIVE DIRECTOR

STATUS: FLSA Exempt

SUMMARY

Working under the policy direction of the San Joaquin Regional Rail Commission (Rail Commission), the managing agency of the San Joaquin Joint Powers Authority (Authority), the Executive Director is responsible for the administration and daily operation of the ACE and San Joaquin Corridor passenger rail services, the Valley Rail Expansion Program, and Stockton Diamond Grade Separation Project. The Executive Director plans, organizes, directs, and administers all functions of the Rail Commission and the Authority, makes recommendations, develops action for the Rail Commission and the Authority and executes their decisions.

The position of Executive Director is distinguished by its overall responsibility for all aspects of the administration, management, and development of Rail Commission and Authority functions and programming.

The Executive Director is responsible for the supervision and management of all personnel and functions of the Rail Commission.

The Executive Director is one of two direct reports to the Rail Commission and the Authority (the other is General Counsel). The Executive Director and General Counsel are expected to work in a collaborative manner to support the effective and efficient operations and programming of the Rail Commission and the Authority.

REPRESENTATIVE DUTIES

This list is intended to indicate the general nature and level of work performed by an employee within this classification and is not designed to be interpreted as an exhaustive listing of all tasks required of an employee assigned to this job.

Principal Duties:

1. Demonstrates strong leadership skills and abilities in understanding the operational and programming needs of the Rail Commission and the Authority to provide superior service to our passengers.
2. Serves the Rail Commission and the Authority in the planning, development, and implementation of strategies and initiatives to foster the continued provision of safe and efficient passenger rail services.

EXHIBIT A

3. Directs, supervises and evaluates staff and consultants performing project planning, engineering, operations, budgeting, property acquisition, equipment maintenance and procurement, construction and public relations functions.
4. Directs the development and updating of annual and long-range work programs and budgets.
5. Develops and directs the implementation of goals, objectives, policies, procedures, and work standards for the Rail Commission.
6. Ensures ongoing development and implementation of strategic and capital plans that support the advancement of Rail Commission's mission, vision, and values.
7. Provides leadership in the development and maintenance of intergovernmental partnerships and funding agreements.
8. Oversees the adequacy of and soundness of the financial structure of and the Rail Commission and the Authority.
9. Serves as lead negotiator for major agreements and contracts for services directly or through subordinate staff.
10. Coordinates the preparation of a wide variety of reports, oral and written presentations to and on behalf of the Rail Commission, the Authority, and ACE.
11. Serves as liaison to local, state and federal agencies to advocate for action and legislation concerning transportation issues.
12. Represents the Rail Commission, the Authority, and ACE in meetings, conferences and public events.
13. Directs the selection, supervision, and work evaluation of Rail Commission personnel.
14. Responsibility for overseeing the development of asset management plans and procedures and reporting to the Board of the Rail Commission on the status of Rail Commission asset management in compliance with Rail Commission's Transit Asset Management (TAM) policy.
15. Serves as the accountable executive regarding FTA and is responsible for enforcement of the Rail Commission's TAM policy.
16. Responsible for overseeing the Rail Commission's System Safety Program Plan (SSPP) in compliance with Federal Rail Commission (FRA) guidelines.
17. Supports General Counsel in fostering a culture of compliance as it relates to regulatory compliance and legal requirements.
18. Performs other duties as assigned or required.

SJRRC RESOLUTION 25/26 -

RESOLUTION APPOINTING DAVID LIPARI AS SAN JOAQUIN REGIONAL RAIL COMMISSION INTERIM EXECUTIVE DIRECTOR AND APPROVING EMPLOYMENT AGREEMENT

WHEREAS, the San Joaquin Regional Rail Commission (Rail Commission), by unanimous vote of the regular voting members, appointed David Lipari, currently the Rail Commission's Interim Deputy Executive and formerly the Deputy Director of Passenger Experience & Communications, to serve as the Rail Commission's Interim Executive Director during a closed session meeting held on September 5, 2025; and

WHEREAS, the attached employment agreement sets forth the terms and conditions of employment negotiated by the Rail Commission's regular voting members and Mr. Lipari on September 5, 2025; and

WHEREAS, as set forth in the employment agreement, Mr. Lipari will serve as the Interim Executive Director during the Rail Commission's recruitment for a Chief Executive Officer necessitated by the announcement of the retirement of Executive Director Stacey Mortensen; and

WHEREAS, Mr. Lipari's appointment as Interim Executive Director will be effective October 3, 2025, at 5:00 pm and continue for a period of four (4) months, unless otherwise terminated or extended as more fully set forth in the attached employment agreement.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the San Joaquin Regional Rail Commission hereby Appoints David Lipari as San Joaquin Regional Rail Commission Interim Executive Director and Approves Employment Agreement.

PASSED AND ADOPTED, by the SJRRC on this 3rd day of October 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

SAN JOAQUIN REGIONAL
RAIL COMMISSION

STACEY MORTENSEN, Secretary

LISA CRAIG-HENSLEY, Chair

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of October 3, 2025

STAFF REPORT

Item 4.3

ACTION

Adopt a Resolution Authorizing and Approving David Lipari, Interim Executive Director, to Make, Execute, Endorse, and Deliver in the Name of and on Behalf of the San Joaquin Regional Rail Commission, Any and All Written Instruments, Including but not Limited to Agreements, Documents, Deeds, Transfers, Assignments, Contracts, Obligations, Certificates, Certifications and Assurances, and Other Instruments of Whatever Nature that the Executive Director, or Designee is authorized to Enter Into on Behalf of the Rail Commission

Background:

It is necessary that the San Joaquin Regional Rail Commission (Rail Commission) Board grant and designate signing authority to the Interim Executive Director to continue with day-to-day business operations. Staff is recommending that the Board authorize and approve David Lipari, the Rail Commission's Interim Executive Director, to sign on behalf of the Rail Commission, and to carry out all duties as outlined in Section 3.3 of the Rail Commission's Bylaws.

Fiscal Impact:

There is no fiscal impact.

Recommendation:

Adopt a Resolution Authorizing and Approving David Lipari, Interim Executive Director, to Make, Execute, Endorse, and Deliver in the Name of and on Behalf of the San Joaquin Regional Rail Commission, Any and All Written Instruments, Including but not Limited to Agreements, Documents, Deeds, Transfers, Assignments, Contracts, Obligations, Certificates, Certifications and Assurances, and Other Instruments of Whatever Nature that the Executive Director, or Designee is authorized to Enter Into on Behalf of the Rail Commission.

SJRRC RESOLUTION 25/26 -

RESOLUTION AUTHORIZING AND APPROVING DAVID LIPARI, INTERIM EXECUTIVE DIRECTOR, TO MAKE, EXECUTE, ENDORSE, AND DELIVER IN THE NAME OF AND ON BEHALF OF THE SAN JOAQUIN REGIONAL RAIL COMMISSION, ANY AND ALL WRITTEN INSTRUMENTS, INCLUDING BUT NOT LIMITED TO AGREEMENTS, DOCUMENTS, DEEDS, TRANSFERS, ASSIGNMENTS, CONTRACTS, OBLIGATIONS, CERTIFICATES, CERTIFICATIONS AND ASSURANCES, AND OTHER INSTRUMENTS OF WHATEVER NATURE THAT THE EXECUTIVE DIRECTOR, OR DESIGNEE IS AUTHORIZED TO ENTER INTO ON BEHALF OF THE RAIL COMMISSION

WHEREAS, it is necessary for the San Joaquin Regional Rail Commission (Rail Commission) Board to grant and designate signing authority to the Interim Executive Director described hereunder.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the San Joaquin Regional Rail Commission hereby Authorizes and Approves David Lipari, Interim Executive Director, to Make, Execute, Endorse, and Deliver in the Name of and on Behalf of the San Joaquin Regional Rail Commission, Any and All Written Instruments, Including but not Limited to Agreements, Documents, Deeds, Transfers, Assignments, Contracts, Obligations, Certificates, Certifications and Assurances, and Other Instruments of Whatever Nature that the Executive Director, or Designee is authorized to Enter Into on Behalf of the Rail Commission.

PASSED AND ADOPTED, by the SJRRC on this 3rd day of October 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

SAN JOAQUIN REGIONAL
RAIL COMMISSION

STACEY MORTENSEN, Secretary

LISA CRAIG-HENSLEY, Chair

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of October 3, 2025

STAFF REPORT

Item 4.4

ACTION

Adopt a Resolution Ratifying Title Change from “Executive Director” to “Chief Executive Officer” and Approving the Chief Executive Officer Job Description

Background:

San Joaquin Regional Rail Commission (Rail Commission) staff, at the direction of the Rail Commission board, recommend formally acknowledging the evolving structure of the workplace and leadership. The title “Chief Executive Officer” (or “CEO”) more accurately reflects the leadership and authority that is necessary for the Rail Commission’s growth and direction. The Rail Commission currently refers to this position as “Executive Director” in numerous internal and external documents, and agreements. Therefore, staff recommends that the Rail Commission Board adopt a resolution ratifying the Executive Director title change to Chief Executive Officer and approving the attached job description for the CEO position.

The title of “Executive Director” used in any document should read as Chief Executive Officer.

Fiscal Impact:

There is no fiscal impact.

Recommendation:

Adopt a Resolution Ratifying Title Change from “Executive Director” to “Chief Executive Officer” and Approving the Chief Executive Officer Job Description.

Chief Executive Officer

STATUS: FLSA Exempt

SUMMARY

Accountable to and working under the policy direction of the San Joaquin Regional Rail Commission (Rail Commission), the Managing Agency of the San Joaquin Joint Powers Authority (Authority), the Chief Executive Officer is responsible for the administration and daily operation of the ACE commuter rail services and the San Joaquin Corridor intercity passenger rail services, and the Valley Rail Expansion Program. The Chief Executive Officer plans, organizes, directs, and administers all functions of the Rail Commission and the Authority, makes recommendations, develops strategic and tactical plans, identifies and secures funding opportunities for the Rail Commission and the Authority and executes on their policy decisions and directions.

The position of Chief Executive Officer is distinguished by its overall responsibility for all aspects of the administration, management, and development of Rail Commission and Authority functions and programming and is fully accountable for ensuring that the Commission's operations are delivered in a safe, effective, reliable, timely, and affordable manner and its capital programs continue to proceed on time and on budget.

The Chief Executive Officer is responsible for the supervision and management of all personnel and functions of the Rail Commission, including ensuring operational services and maintenance of rolling stock are consistently meeting the high level of customer service expected from the Commission

The Chief Executive Officer is one of two direct reports to the Rail Commission and the Authority (the other is General Counsel). As such, the Chief Executive Officer and General Counsel are expected to work in a collaborative manner to support the effective and efficient operations and programming of the Rail Commission and the Authority.

REPRESENTATIVE DUTIES

This list is intended to indicate the general nature and level of work performed by the Chief Executive Officer and is not designed to be interpreted as an exhaustive listing of all tasks required by an employee assigned to this job. It is the expectation of the Rail Commission that the Chief Executive Officer is constantly striving to meet and exceed these representative duties thereby maintaining the Rail Commission and Authority's status as a world class premier passenger rail service, capital delivery, and maintenance provider.

Principal Duties:

1. Demonstrates strong leadership skills and abilities in understanding the operational and programming needs of the Rail Commission and the Authority to provide superior service to our passengers.
2. Serves the Rail Commission, its associated Station/Facilities Development Committee, and the Authority in the planning, development, and implementation of strategies and initiatives to foster the continued provision of safe and efficient passenger rail services.
3. Builds and maintains a trusted, productive, transparent, and strategic relationship with the Rail Commission and Authority's Boards of Directors, internal staff, governmental agencies, and transit operators in the Central Valley and Bay Area regions; supports the Rail Commission in accomplishing its role as the Managing Agency of the Authority.
4. Works closely with the Board Members, elected officials, community partners, and staff to align the Rail Commission and the Authority's goals and establish a single vision for the region around transit and mobility that is rider centric.
5. Directs, supervises, and evaluates staff and consultants performing project planning, engineering, operations, budgeting, property acquisition, equipment maintenance and procurement, construction, and public relations functions.
6. Serves as the key internal leader, attracting, developing, coaching, and retaining high performance team members; listens, observes, structures, leads, and empowers teams; participates in organizational design, provides guidance to the senior management team on goal alignment of all departments with established overall organizational objectives; allows senior management space to be creative, solve problems, and implement solutions.
7. Directs the development and updating of annual and long-range work programs and budgets.
8. Develops and directs the implementation of goals, objectives, policies, procedures, and work standards for the Rail Commission.
9. Ensures ongoing development and implementation of strategic and capital plans that support the advancement of Rail Commission's mission, vision, and values.
10. Provides leadership in the development and maintenance of intergovernmental partnerships and funding agreements.
11. Oversees the adequacy and soundness of the financial structure of the Rail Commission and the Authority.
12. Identifies, builds, supports, and secures new and creative funding sources necessary to deliver on the capital expansion and service delivery vision set by the SJRRC Board of Directors.
13. Serves as lead negotiator for major agreements and contracts for services directly or through subordinate staff.
14. Serves as the lead champion of the Rail Commission and Authority at a local, state, and national level in order to obtain funding for operations, maintenance, and capital programs to successfully deliver on the ambitious plans for regional rail services for Central Valley and beyond.



15. Coordinates the preparation of a wide variety of reports, oral and written presentations to and on behalf of the Rail Commission, the Authority, and ACE.
16. Serves as liaison to local, state, and federal agencies and stakeholders to advocate for action and legislation concerning transportation issues.
17. Represents the Rail Commission, the Authority, and ACE in meetings, conferences, and public events.
18. Directs the selection, supervision, and work evaluation of Rail Commission personnel.
19. Oversees the development of asset management plans and procedures and reporting to the Board of the Rail Commission on the status of the Rail Commission's asset management in compliance with Rail Commission's Transit Asset Management (TAM) policy.
20. Serves as the accountable executive regarding the Federal Transit Administration (FTA) and is responsible for enforcement of the Rail Commission's Transit Asset Management (TAM) policy.
21. Oversees the Rail Commission's System Safety Program Plan (SSPP) in compliance with Federal Rail Commission (FRA) guidelines.
22. Supports the Rail Commission's General Counsel in fostering a culture of compliance as it relates to regulatory compliance and legal requirements.
23. Performs other duties as assigned or required.

QUALIFICATIONS

Knowledge of:

- Administrative principles and methods, including goal setting, program and budget development, and implementation of employee supervision.
- Principles, practices, and program areas related to the management of a passenger rail or transportation agency.
- Critical federal and state funding sources for transit services and capital construction and development.
- Applicable legal guidelines and standards affecting agency administration and operations.
- Public policy and community issues, including social, political, and environmental influencing agency program administration.
- Working with Class 1 Railroads, such as UP and BNSF

Ability to:

- Effectively communicate, orally and in writing.
- Effectively create opportunities for the organization by serving as the lead champion of the Rail Commission's vision and financial needs.
- Advocate for and secure the necessary funding to ensure that the Valley Rail Expansion Program continues to proceed as planned.
- Manage boldly, bravely, and responsibly.



- Set and take steps to achieve the long-term vision and goals for the Rail Commission and the Authority.
- Draft official speeches, publications, white papers, and high-level reports.
- Plan, organize, administer, and coordinate a variety of complex programs and services while working under pressure and deadlines.
- Select, motivate, mentor, promote, encourage, and evaluate staff and implement training and professional development opportunities for professional growth.
- Foster, maintain, and promote a safe and positive work culture for all employees, thereby making the organization an employer of choice.
- Develop and implement goals, objectives, policies, procedures, work standards, and internal controls.
- Maintain sensitive/confidential information.
- Coordinate programs and projects with outside agencies.
- Analyze complex technical and administrative problems, evaluating alternative solutions, and adopt appropriate courses of action.
- Prepare clear and concise reports, correspondence, and other written materials.
- Exercise sound, independent judgment within policy guidelines set by the Rail Commission and the Authority.
- Establish and maintain cooperative working relationships with the Boards of the Rail Commission and the Authority, public and private organizations, regional boards and commissions, the general public, and Rail Commission staff.

Desired Attributes:

- Strong analytical and organizational skills.
- Behaviors that foster a culture based on equitable principles, diversity, inclusion, innovation, collaboration, transparency, and continuous improvement.
- Ability to foster and enhance teamwork.
- Ability to foster conflict resolution.
- Ability to advance and successfully implement creative solutions.
- Ability to manage, mentor, develop, lead, and encourage staff.
- Visionary leadership that drives results, holds people accountable, and empowers those around them to lead.
- An executive who is adaptable, willing to grow, sincere, inclusive and treats everyone equally and fairly, and is a people person with a positive attitude.
- Solutions-oriented problem solver.
- Operates with integrity, builds support, is trustworthy, collaborative, transparent, and sensitive to the Rail Commission's employees.

EDUCATION AND EXPERIENCE

Education:

- Bachelor’s degree from a four-year accredited college or university with major coursework in public administration, business administration, planning, engineering, or a related field or discipline, or equivalent professional experience in lieu of a degree. A master’s degree from an accredited college or university is highly desired.

Experience:

- 10 years of increasingly responsible senior management experience in transit operations, engineering, transportation planning, transportation financing and/or business administration.
- A master’s degree in any of the required educational fields may substitute for one year of experience.

WORKING CONDITIONS/PHYSICAL ACTIVITIES

(The physical demands described are representative of those that must be met by the employee to successfully perform the essential functions of this job.)

Positions in this class typically require:

- Work may be performed in a stressful, fast-paced office environment, depending upon assignment.
- Ability to understand verbal communication and to respond effectively.
- Reaching, Grasping, Feeling, Talking, Hearing, Seeing, lifting of 10 pounds or less, and Repetitive Motions in computer use.
- Standing and/or sitting for long periods of time.
- Environmental conditions - May be exposed to dust and/or various outdoor conditions. Occasional exposure to noise, heat and cold.

OTHER REQUIREMENTS

- Must possess and maintain a valid California Driver’s License.
- Frequent driving within the ACE and San Joaquins Corridors.
- Maintain availability to work evenings and Saturdays.
- Position involves frequent multi-day/overnight travel.



San Joaquin Regional Rail Commission (SJRRC) has a strong commitment to the community we serve and our employees. As an equal opportunity employer, we strive to have a diverse workforce that reflects the community we serve. SJRRC does not unlawfully discriminate in its employment actions or exclude from employment opportunities on the basis of race, color, religion, national origin, sex (including gender identity, sexual orientation, and pregnancy), age, genetic information, disability, veteran status, or other legally protected class.

SJRRC is committed to providing reasonable accommodations to applicants and employees who need them because of a disability or to practice or observe their religion, absent undue hardship.

This position is at-will, FLSA exempt, and unclassified.

SJRRC RESOLUTION 25/26 -

RESOLUTION RATIFYING TITLE CHANGE FROM “EXECUTIVE DIRECTOR” TO “CHIEF EXECUTIVE OFFICER” AND APPROVING THE CHIEF EXECUTIVE OFFICER JOB DESCRIPTION

WHEREAS, San Joaquin Regional Rail Commission (Rail Commission) staff, at the direction of the Rail Commission board, recommend formally acknowledge the evolving structure of the workplace and leadership; and

WHEREAS, staff recommends that the Rail Commission Board adopt a resolution ratifying the Executive Director title change to Chief Executive Officer and approve the attached job description for the Chief Executive Officer position; and

WHEREAS, the title of “Executive Director” used in any document should read as Chief Executive Officer.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the San Joaquin Regional Rail Commission hereby formally changes the position title “Executive Director” to “Chief Executive Officer” and Approve the Chief Executive Officer Job Description; and

BE IT FURTHER RESOLVED, that wherever the title "Executive Director" appears in any of the Rail Commission’s governing documents, contracts, agreements, filings, or other materials, it shall be read, interpreted, and understood to mean "Chief Executive Officer"; and

BE IT FURTHER RESOLVED, that the officers of the Rail Commission are hereby authorized and directed to take any and all actions necessary to implement this resolution, including amending official records and making any required regulatory filings.

PASSED AND ADOPTED, by the SJRRC on this 3rd day of October 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

SAN JOAQUIN REGIONAL
RAIL COMMISSION

STACEY MORTENSEN, Secretary

LISA CRAIG-HENSLEY, Chair

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of October 3, 2025

STAFF REPORT

Item 4.5

ACTION

Adopt a Resolution Approving Special Employment Agreement

Background:

The retirement of Executive Director Stacey Mortensen will be effective on October 3, 2025. To benefit from Ms. Mortensen's expertise and over two-decade history with the San Joaquin Regional Rail Commission (Rail Commission), the Rail Commission's Ad Hoc Committee for Recruitment recommends that Ms. Mortensen continue to serve the Rail Commission and assist the Interim Executive Director on a part-time basis. Ms. Mortensen is agreeable to serving as a special employee, for a limited duration of time, under the terms and conditions set forth in the attached Special Employment Agreement. The Agreement would be effective upon adoption of a resolution approving the Agreement and execution by the parties.

Fiscal Impact:

Costs associated with the Special Employment Agreement are covered in the SJRRC/ACE/SJJPA Fiscal Year 2025/2026 Operating Budget.

Recommendation:

Adopt a Resolution Approving Special Employment Agreement.

**SPECIAL EMPLOYMENT AGREEMENT BY
AND BETWEEN THE
SAN JOAQUIN REGIONAL RAIL COMMISSION AND
STACEY MORTENSEN**

This Agreement is made this 3rd day of October 2025, by and between the San Joaquin Regional Rail Commission, a California Joint Powers Agency ("SJRRRC") and Stacey Mortensen, an individual ("Special Employee") (collectively the "Parties") and is effective on the date specified in Subsection 2.1.

The Parties agree as follows:

I. **Duties.** Special Employee is the current SJRRRC Executive Director and is uniquely qualified to provide support and counsel during the recruitment and onboarding of a Chief Executive Officer for SJRRRC following her retirement on October 3, 2025. The areas in which Special Employee is anticipated to provide support and counsel shall be provided under the direction of the Interim Executive Director (appointed by the Rail Commission on October 3, 2025), SJRRRC General Counsel, and the Commissioners of SJRRRC ("Rail Commission") who, from time to time, shall establish specific areas to be pursued and specific items to be accomplished within specified timeframes. Except as otherwise specifically stated in this Agreement, Special Employee shall abide by SJRRRC's personnel policies and procedures applicable to all SJRRRC employees including those contained in the SJRRRC Personnel Manual as amended from time to time.

2. **Term.**

2.1. **Period.** The term of this Agreement will commence on October 4, 2025 ("Commencement Date") and terminate on January 31, 2026, unless terminated sooner as provided herein or extended by written agreement of the Parties.

2.2. **Right to Resign.** Nothing in this Agreement will prevent, limit or interfere with the right of Special Employee to resign and terminate this Agreement at any time, with or without cause.

2.3. **At Will.** Special Employee will serve "at the will" of the Rail Commission and Special Employee's employment may be terminated at any time, with or without cause, by the Rail Commission without administrative review or appeal of the Rail Commission's action. By signing this Agreement, Special Employee acknowledges that she is an at-will employee and that this Agreement does not create a property right.

3. **Other Employment.**

3.1. **Allowed.** It is understood that during the term, Special Employee may engage in other employment or the provision of consulting services to other parties, provided that:

3.1.1. The outside employment or the provision of consulting services to third parties will not interfere with the timely completion of the work to be done by Special Employee as directed by the Interim Executive Director, SJRRC General Counsel, or the Rail Commission.

3.1.2. No employment by a third party or the provision of consulting services to a third party will directly or indirectly conflict with any interests, objectives, or policies of the Rail Commission or the San Joaquin Joint Powers Authority.

4. **Payment for Services.**

4.1. **Hourly Rate** Special Employee will be paid a base rate of \$185.00 for each hour actually worked. Special Employee's total compensation is not to exceed \$100,000 during the term of this Agreement. Special Employee will keep a record of time actually worked by Rail Commission job code and will enter her time weekly in SJRRC's payroll system.

4.2. **Time of Payment.** Special Employee shall be paid for her services at the same intervals and in the same manner as SJRRC employees, and all wage payments will be subject to applicable payroll taxes and withholdings.

4.3. **Required Deductions.** All items including, but not limited to, income taxes, social security taxes, and unemployment insurance required to be deducted from compensation by State or Federal Law will be deducted and forwarded to the responsible taxing authority as required by law.

4.4. **No Benefits.** The payment of the specified hourly rate for time actually worked subject to deductions required by law, shall be payment in full to Special Employee for the services of Special Employee. Special Employee specifically agrees that, except as required by law and as provided herein, she shall have no entitlement, and waives any right, to employee benefits including those extended to SJRRC employees, including but not limited to, paid vacation time, state and federal holidays, sick leave, retirement, and deferred compensation.

4.5. Medical, Dental, and Vision Benefits. Special Employee shall continue to receive the same medical, dental, and vision benefits she received as Executive Director for the period October 4, 2025, through December 31, 2025, with such benefits paid by SJRRC.

5. **Expenses.**

5.1. **Out of Pocket Expenses.** Special Employee shall be paid her actual and necessary out-of-pocket expenses incurred in the performance of her duties.

5.2. **Mileage.** Special Employee shall be paid for the use of her personal vehicle for necessary travel in the performance of her duties at the IRS standard mileage rate.

5.3. Expense submittals for out-of-pocket expenses and mileage shall follow the procedures set forth in the SJRRC Personnel Manual as may be amended from time to time.

6. **Other Provisions**

6.1 **Equipment.** For IT security purposes and consistency with shared files, SJRRC will provide a laptop computer and agency iPhone to be used by Special Employee in performing the Scope of Services. Special Employee agrees SJRRC is not responsible for compensating for the limited use of personal equipment and services (such as phone, internet, etc.) in performing the Scope of Services.

7. **Indemnification.** Rail Commission will defend, save harmless and indemnify Special Employee in accordance with Sections 800 et seq. of the Government Code.

8. **Notices.** Any notices given pursuant to or in connection with this Agreement by one party to the other will be in writing given by deposit in the United States mail, postage prepaid, addressed as follows:

Rail Commission: David Lipari, Interim Executive Director
San Joaquin Regional Rail Commission
949 E. Channel Street
Stockton, CA 95202

Special Employee: Stacey Mortensen
[To the address on file with SJRRC Human Resources.]

9 **General**

9.1. Entire Agreement. The text herein will constitute the entire Agreement between the Parties. Special Employee acknowledges that no employee, agent, or representative of Rail Commission may orally or by conduct modify the terms of this Agreement. Any modification of the terms of this Agreement must be made in a writing signed by both Special Employee and an authorized representative of the Rail Commission.

9.2. No Assignment of Rights and Responsibilities s. The rights and responsibilities under this Agreement cannot be assigned by the Special Employee to anyone else.

9.3. Effective. This Agreement will become effective on the Effective Date written above.

9.4. Severable. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, will be deemed severable, will not be affected and will remain in full force and effect.

Executed at Stockton, San Joaquin County, California, on the day and year first written above.

SJRRC

Special Employee

San Joaquin Regional Rail Commission,
a California joint powers authority

By: _____
Lisa Craig-Hensely, Chair

By: _____
Stacey Mortensen

Approved as to form:

By: _____
Janice D. Magdich, General Counsel

SJRRC RESOLUTION 25/26 -

RESOLUTION APPROVING SPECIAL EMPLOYMENT AGREEMENT

WHEREAS, the retirement of Executive Director Stacey Mortensen will be effective on October 3, 2025; and

WHEREAS, the Rail Commission's Ad Hoc Committee for Recruitment recommends that Ms. Mortensen continue to serve the Rail Commission and assist the Interim Executive Director on a part-time basis; and

WHEREAS, Ms. Mortensen is agreeable to serving as a special employee, for a limited duration of time, under the terms and conditions set forth in the attached Special Employment Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the San Joaquin Regional Rail Commission hereby Approves Special Employment Agreement.

PASSED AND ADOPTED, by the SJRRC on this 3rd day of October 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

SAN JOAQUIN REGIONAL
RAIL COMMISSION

STACEY MORTENSEN, Secretary

LISA CRAIG-HENSLEY, Chair

**San Joaquin Regional Rail Commission
ACE
Rail Support Services
TRACC
Operating Expense Report
JULY 2025
8% of Budget Year Elapsed**

SJRRC OPERATING EXPENSES	FY 25-26 BUDGET	EXPENSE THRU JULY 2025	% SPENT TO DATE
Project Management, Services & Supplies Subtotal	\$ 6,501,526	\$ 429,171	7%
Contracted Services Subtotal	\$ 633,475	\$ 26,501	4%
TOTAL OPERATING EXPENSES	\$ 7,135,001	\$ 455,672	6%

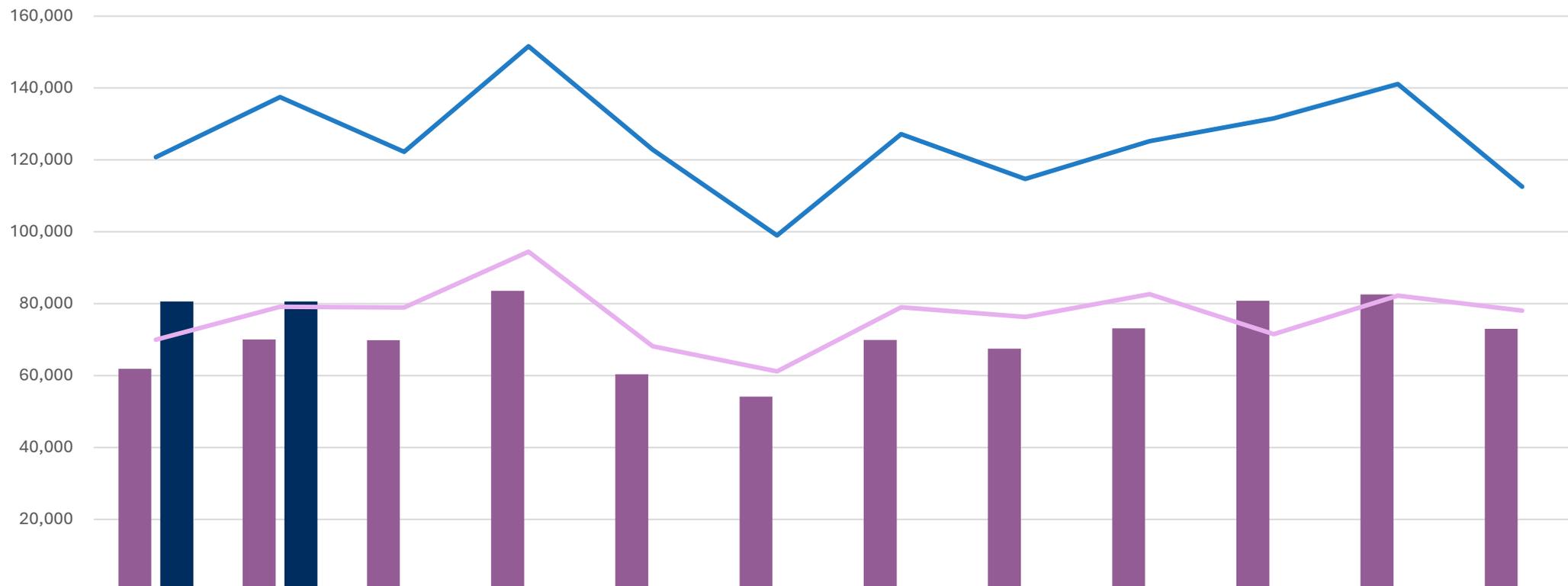
ACE OPERATING EXPENSES	FY 25-26 BUDGET	EXPENSE THRU JULY 2025	% SPENT TO DATE
Project Management, Services & Supplies Subtotal	\$ 5,949,952	\$ 433,028	7%
Contracted Services Subtotal	\$ 32,171,765	\$ 2,400,566	7%
Shuttle Services	\$ 3,219,900	\$ 268,325	8%
Capital Access	\$ 3,242,516	\$ 270,210	8%
Capital Maintenance	\$ 4,500,000	\$ 375,000	8%
TOTAL OPERATING EXPENSES	\$ 49,084,134	\$ 3,747,129	8%

RAIL SUPPORT SERVICES OPERATING EXPENSES	FY 25-26 BUDGET	EXPENSE THRU JULY 2025	% SPENT TO DATE
Project Management, Services & Supplies Subtotal	\$ 787,005	-	0%
Contracted Services Subtotal	\$ 95,496,543	\$ 2,441,903	3%
TOTAL RSS EXPENSES	\$ 96,283,548	\$ 2,441,903	3%

*RSS - Work Contracted with Caltrans; State-owned Venture car Pre Revenue "acceptance" and Post Revenue "ongoing" maintenance.

TRACC OPERATING EXPENSES	FY 25-26 BUDGET	EXPENSE THRU JULY 2025	% SPENT TO DATE
Project Management, Services & Supplies Subtotal	-	-	0%
Contracted Services Subtotal	\$ 620,000	\$ 7,301	1%
TOTAL CONTRACTED SERVICES EXPENSES	\$ 620,000	\$ 7,301	1%

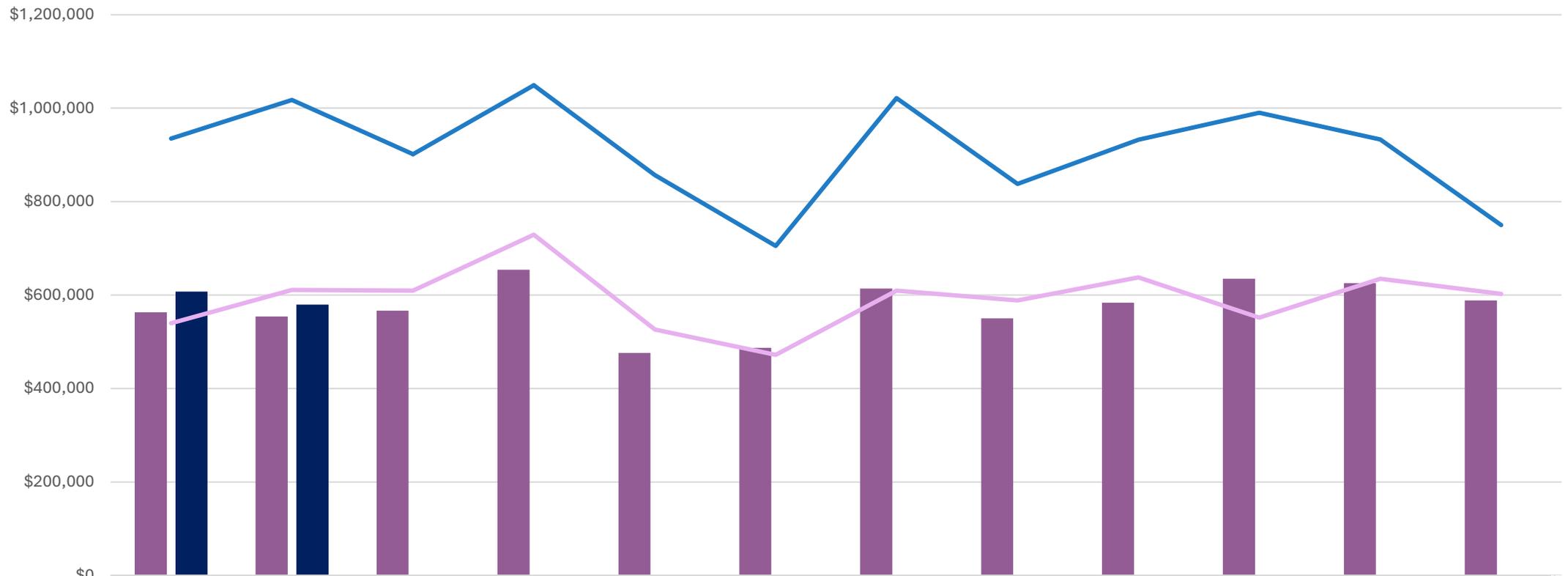
ACE Monthly Ridership



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Total
FY 24/25	61,892	70,039	69,845	83,594	60,312	54,120	69,879	67,496	73,119	80,829	82,570	72,967	846,662
FY 25/26	80,599	80,626											161,225
FY 25/26 Forecast	69,938	79,144	78,925	94,461	68,153	61,156	78,963	76,270	82,624	71,497	82,244	78,074	921,449
FY18/19 (Pre-Pandemic)	120,779	137,442	122,227	151,604	122,880	98,973	127,130	114,725	125,199	131,558	141,113	112,573	1,506,203



ACE Monthly Revenue

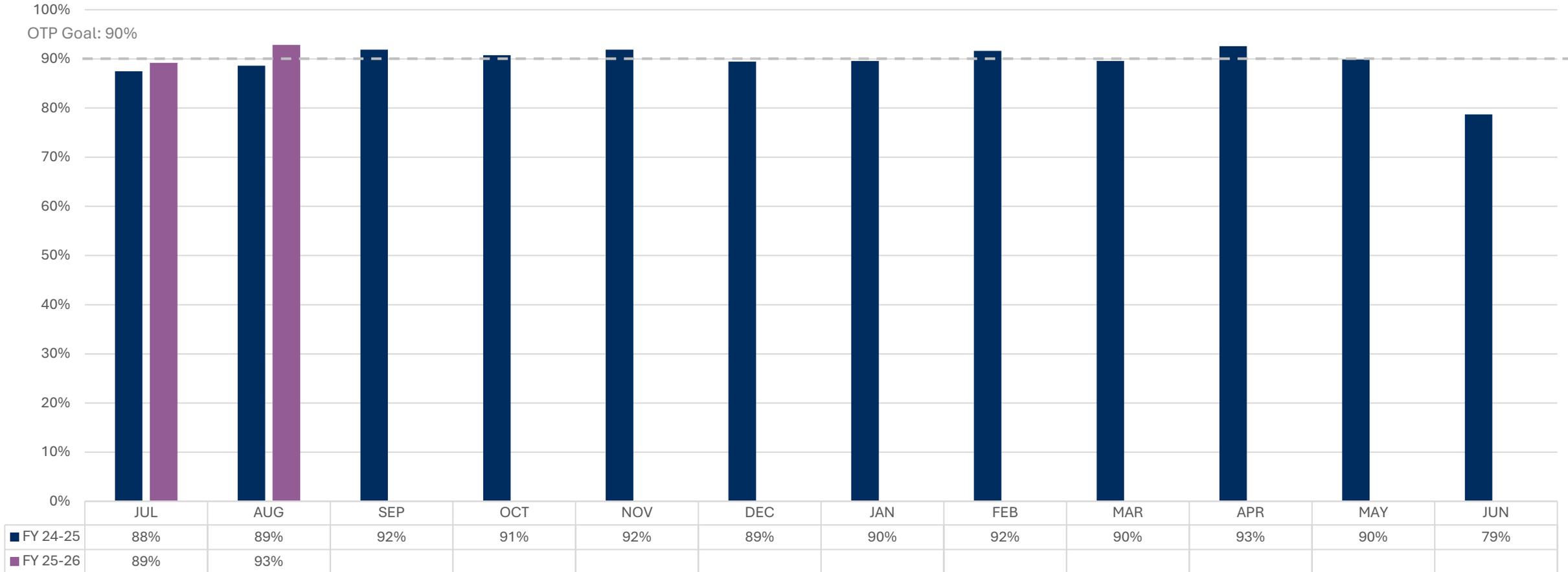


	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Total
FY 24/25	\$563,073	\$554,275	\$566,474	\$654,322	\$475,942	\$486,864	\$613,911	\$550,131	\$583,629	\$634,729	\$625,418	\$588,682	\$6,897,450
FY 25/26	\$607,691	\$579,756											\$1,187,447
FY 25/26 Forecast	\$539,921	\$610,992	\$609,300	\$729,241	\$526,138	\$472,121	\$609,596	\$588,808	\$637,861	\$551,960	\$634,921	\$602,731	\$7,113,590
FY18/19 (Pre-Pandemic)	\$934,823	\$1,017,601	\$901,396	\$1,049,117	\$856,601	\$705,227	\$1,021,424	\$837,812	\$932,548	\$990,292	\$933,163	\$749,848	\$10,929,84



ACE On-Time Performance

ACE On-Time Performance



SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of October 3, 2025

STAFF REPORT

Item 4.10

INFORMATION

Monthly Marketing and Outreach Report

Background:

San Joaquin Regional Rail Commission’s local, embedded grassroots Outreach Consultant/Team is responsible for leading agency outreach efforts along the ACE route, marketing and promoting the ACE service and its programs, supporting employer outreach, serving as liaison with stakeholders, developing partnerships to promote destination travel, maintaining a contact database, and submitting monthly reports.

October 2025

Upcoming Outreach Events Overview:

Event	Date	Type
San Joaquin Delta College Gala	October 4, 2025	Networking
Orange and Black Gala (University of the Pacific)	October 10, 2025	Networking
San Joaquin County State of the County	October 16, 2025	Networking
Main Street Day, Ripon Chamber	October 18, 2025	Networking
Central Valley Asian-American Chamber Commerce Women's Leadership Luncheon	October 23, 2025	Networking
Las Positas College 2025 Open House	November 15, 2025	Community Outreach

Fiscal Impact:

There is no fiscal impact.

Recommendation:

This is an informational item. There is no action requested.

PREPARED BY TAI GINSBERG &
ASSOCIATES, LLC



SEPT
2025

MONTHLY REPORT

LATEST LEGISLATIVE &
REGULATORY UPDATES

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EXECUTIVE SUMMARY

SEPTEMBER PRIORITIES

September 2025 was an impactful month, marked by Congress narrowly passing a Continuing Resolution in the House that subsequently failed in the Senate, raising the risk of an October government shutdown and funding disruptions. This month, confirmations of key transportation agency nominees provided leadership stability as agencies prepare for next year's surface transportation reauthorization.

Congressional hearings highlighted ongoing challenges with the Army Corps of Engineers and public transit safety. These bipartisan activities focused on improving transit security, rebuilding public trust, and reflecting national safety concerns. Industry attention centered on the proposed \$85 billion Union Pacific–Norfolk Southern merger.

LOOKING FORWARD

As the 2026 surface transportation reauthorization approaches, expect legislative activity focused on safety enhancements, streamlined project delivery, and increased infrastructure investment. We are keeping close attention to developments in the appropriations process amid fiscal pressures. Additionally, we are monitoring funding announcements, such as the recent Federal Railroad Administration National Railroad Partnership Program, which signals evolving priorities in rail infrastructure investment.

APPROPRIATIONS & BUDGET UPDATES

CONTINUING RESOLUTION

On Friday, September 19, the House passed a Continuing Resolution (CR) in a 217-212 vote, which largely fell along party lines. Rep. Thomas Massie (R-KY) and Rep. Victoria Spartz (R-IN) voted "no," while Rep. Jared Golden (D-ME) voted "yes," as the only party defections.

The measure maintains current spending levels and adds \$30 million for Member security, \$58 million for executive and judicial branch security, and \$1 billion to fix D.C.'s budget cuts from earlier this year.

The measure did not include health care demands that congressional Democrats said were required to garner their support, like an extension of the *Affordable Care Act* health insurance premium subsidies.

After the House's vote on Friday, the Senate voted down the CR, with Sen. John Fetterman (D-PA) as the only Democrat to vote yes. Two Republican senators, Sens. Rand Paul (R-KY) and Lisa Murkowski (R-AK), also voted against the measure.

As it stands, a government shutdown seems highly likely given that House Republican leaders told House members not to return to D.C. until after the funding deadline expires, and canceled scheduled votes on September 29th and 30th.



Roll Call, 9/17/25

NEW OMB GUIDANCE: FROM FURLOUGHS TO RIFs

A significant new development in this potential shutdown is a recent memo from the Office of Management and Budget (OMB). This guidance directs federal agencies to use the shutdown as an opportunity to issue Reduction in Force (RIF) notices—essentially, layoff notices—to employees in programs the Administration does not see as a priority.

This is a major departure from previous shutdowns, which typically involved temporary furloughs. While it remains to be seen how this would be implemented, this directive introduces a new level of uncertainty and risk for the federal workforce.

H.R. 5371

CONTINUING APPROPRIATIONS
AND EXTENSIONS ACT, 2026

PASSED IN THE HOUSE

217-212

FAILED IN THE SENATE

44-48

APPROPRIATIONS & BUDGET UPDATES

DIRECT IMPACTS ON THE DEPARTMENT OF TRANSPORTATION (DOT)

Based on the most recent DOT shutdown contingency plan (from March 2025), here is what we can expect. We anticipate an updated plan shortly and will advise you of any changes.

- Key parts of DOT will remain fully operational. Agencies funded through the Highway Trust Fund like FHWA are largely exempt. This means reimbursements for federal-aid highway and transit formula programs will continue as normal, as a full year of contract authority becomes available on October 1. The majority of FTA and NHTSA staff are also expected to continue working.
- Overall, approximately 40% of the total DOT workforce (around 26,000 employees) is expected to be furloughed. The FAA will be hit hard, with nearly half of its staff furloughed. However, essential personnel like air traffic controllers and safety inspectors will remain on the job, though they will have to work without pay until the shutdown ends. Other heavily impacted agencies include FRA, PHMSA, and MARAD.
- Regarding the RIF Threat: DOT is less vulnerable to OMB's RIF directive than many other departments. This is because the vast majority of its funding comes from multi-year sources (like the Highway Trust Fund and the IIJA) that are not subject to annual appropriations and the specific "program, project, or activity" (PPA) designations targeted by the OMB memo.



Politico, 9/9/25

POTENTIAL SHORT AND LONG-TERM IMPACTS

Short-Term: Expect a near-total halt in the processing of new discretionary grant applications, the advancement of rulemakings, and general communications from furloughed employees at affected agencies. While formula funding will flow, any interaction that requires active participation from furloughed federal staff will be delayed.

Long-Term: A prolonged shutdown can create significant project backlogs and delays even after funding is restored. The new threat of RIFs could have a chilling effect on the federal workforce, potentially leading to a loss of experienced personnel and institutional knowledge that could impact USDOT after the shutdown ends.

NOTABLE SEPTEMBER HEARINGS

SEPTEMBER 17, HOUSE T&I SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT

Water Resources Development Acts Implementation: Review and Oversight of Past Provisions

- This hearing focused on the Army Corps of Engineers' (Corps) challenges and efforts to improve project delivery, infrastructure maintenance, and environmental management.
- Key issues included persistent project delays, staffing shortages, and funding shortfalls affecting critical programs such as dredging, levee maintenance, and water infrastructure.
- Witnesses highlighted ongoing initiatives to enhance efficiency through improved project management, regulatory reform, and stronger partnerships with local governments and the private sector.
- The Corps emphasized the importance of modernizing processes, expanding dredging capacity, and maintaining technical expertise to meet growing demands and support resilience, flood mitigation, and community needs.



House T&I Committee, 9/17/25

OTHER HEARINGS

September 3rd - House T&I Full Committee Markup

- *FY26 Views and Estimates of the T&I Committee*
- *H.R. 4669, FEMA Act of 2025*
- *H.R. 5061, Counter-UAS Authority Security, Safety, and Reauthorization Act*

September 17th - House T&I Full Committee Markup

- *H.R.4183, Federal Maritime Commission Reauthorization Act of 2025*
- *H.R. 3962, ESTUARIES Act*
- *H.R. 5301, PIPES Act*

September 17th - Senate EPW Full Committee Hearing

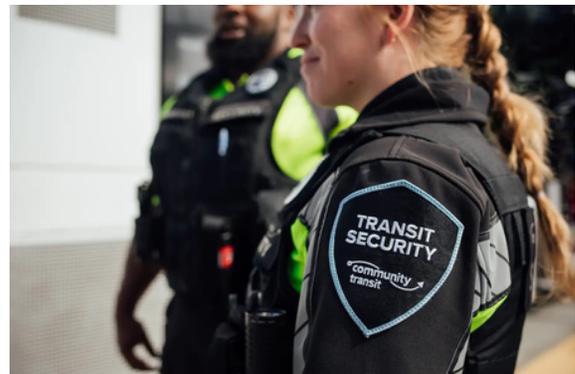
- *Oversight of the US Army Corps of Engineers*

SEPTEMBER 18, HOUSE T&I SUBCOMMITTEE ROUNDTABLE

- Leaders of the House Transportation and Infrastructure (T&I) Committee, the Republican Conference, and the Federal Transit Administration (FTA) joined in calling for improving the safety of America’s public transportation systems following a roundtable meeting on the issue held by T&I’s Subcommittee on Highways and Transit.
- Rep. David Rouzer (R-NC), Chairman of the T&I’s Highways and Transit Subcommittee, led a bipartisan closed-door roundtable discussion with transit agencies, law enforcement officials, and stakeholders to discuss the need to identify actionable solutions to improve safety on publicly funded transportation systems and restore the public’s trust in transit.



House T&I Committee, 9/18/25



Community Transit

”

As President Trump and Secretary Duffy have made clear, the safety of American families, including those relying on our transit systems to provide for their families, pursue an education, and make those important medical appointments, is a top priority for this Administration.

-- FTA Administrator Molinaro

- Transit and law enforcement officials and stakeholders who participated in the roundtable included:
 - Federal Transit Administration Administrator Marcus Molinaro
 - American Public Transportation Association (APTA) President and Chief Executive Officer Paul P. Skoutelas
 - Washington Metropolitan Area Transit Authority (WMATA) General Manager and Chief Executive Officer Randy Clarke
 - Kansas City, Missouri Police Chief Stacey Graves
 - Transportation Trades Department, AFL-CIO President Greg Regan

“

ADMINISTRATION UPDATES

POCKET RESCISSIONS

- In late August, the Trump Administration’s budget office used a maneuver known as “pocket rescissions” to halt nearly \$5 billion in funding for programs primarily focused on foreign aid.
- A pocket rescission happens when a president sends a request to Congress to cancel, or “rescind,” funds very close to the end of the federal fiscal year (September 30), which prevents Congress from acting on the rescission request within the required 45-day period, causing the funds to expire automatically.
- The action drew criticism, with lawmakers from both parties warning it could violate the law and expressing concern that it undermined trust in the appropriations process.



FTA, 9/18/25



Senate Commerce, 7/16/25

NOMINATIONS

- In response to Senate Democrats delaying the confirmation process for several Trump nominees, Senate Republicans changed the Senate rules to allow easier group confirmations of lower-level, non-judicial nominees.
- On September 18, the Senate confirmed 48 Trump nominees in a single “en bloc” vote that included sub-cabinet roles and ambassadorial appointments. The vote was 51-47 split along party lines.
- Among those confirmed were Sean McMaster as Federal Highway Administration (FHWA) Administrator, Jonathan Morrison to lead the National Highway Traffic Safety Administration (NHTSA), and Paul Roberti as Administrator of the Pipeline and Hazardous Materials Safety Administration (PHMSA).

TRANSPORTATION & INFRASTRUCTURE

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA)

- On September 4, 2025, NHTSA announced the addition of three rulemakings to the Spring 2025 Unified Agenda of Regulatory and Deregulatory Actions (Unified Agenda). The proposals seek to clarify the applicability, or lack thereof, of certain federal standards to automated vehicles (AVs).
- The rulemakings include:
 - FMVSS No. 102, “Transmission shift position sequence, starter interlock and transmission braking effect.”
 - FMVSS No. 103, “Windshield defrosting and defogging systems,” and FMVSS No. 104, “Windshield wiping and washing systems.”
 - FMVSS No. 108, “Lamps, reflective devices, and associated equipment.”
- See the NHTSA press release [here](#).

NOTICE OF FUNDING OPPORTUNITIES & REQUESTS FOR INFORMATION

- FRA is accepting applications for the National Railroad Partnership Program, due on January 7, 2026. The new NOFO allocates more than \$5 billion in funding for projects that enhance safety on intercity passenger rail networks.
- FTA is soliciting nominations for the Transit Advisory Committee for Safety (TRACS), which advises the DOT Secretary and FTA on public transit safety issues.
- FTA requested feedback from transit stakeholders (previously due September 18) on ways to improve and streamline the Capital Investment Grants (CIG) Policy Guidance while increasing project sponsor accountability and investment success.



SURFACE TRANSPORTATION REAUTHORIZATION

With surface transportation programs set to expire September 30, 2026, the House and Senate are at different stages of drafting reauthorization bills.

In the House, the T&I Committee is the primary committee with jurisdiction over the reauthorization bill. Chairman Sam Graves (R-MO) has indicated a "back to basics" approach, focusing on core infrastructure like roads and bridges, while aiming to reduce spending and eliminate what he sees as unnecessary mandates.

Chair Graves hopes to have legislative text to mark up in November, although many in D.C. are skeptical due to various factors.

In the Senate, the Committee on Environment and Public Works has jurisdiction over highway programs while the Committee on Commerce, Science, and Transportation handles safety, trucking, and rail programs. Both committees are accepting priorities from Members but have not made any commitments to releasing text or marking up legislation.



House T&I Committee



Freight Waves

UNION PACIFIC & NORFOLK SOUTHERN MERGER

The Surface Transportation Board (STB) is set to review the proposed merger between the Union Pacific (UP) and Norfolk Southern (NS) freight companies. This \$85 billion proposal follows the 2023 merger between Canadian Pacific Railway and Kansas City Southern, and could end up triggering even more attempts at consolidation.

The STB is requiring UP & NS to provide an unprecedented amount of data related to their business operations, and the proposal is subject to strict requirements to prove how the merger will increase competition.

In mid-September, President Trump met with UP CEO Jim Vena to discuss the merger. President Trump expressed support for the merger, saying it "sounds good to me". The Trump Administration has also signaled it would nominate STB member Michelle Schultz for a new term and Richard Kloster to fill the seat of former Chairman Marty Oberman.



CONTACT US

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202-536-6632

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of October 3, 2025

STAFF REPORT

Item 5

INFORMATION

Rail Safety Month Presentation

Background:

In preparation for the 2025 Rail Safety Month initiatives, the San Joaquin Regional Rail Commission (Rail Commission) is pleased to announce its collaboration with California Operation Lifesaver (COL). Established in 1972, COL is a respected organization promoting railroad safety. Their mission is to raise public awareness about the dangers associated with railroad tracks and highway-rail grade crossings, utilizing comprehensive educational programs to reduce collisions, injuries, and fatalities across the United States.

This year, the Rail Commission intensified its efforts through a dynamic partnership with local law enforcement, COL, and host railroad, Union Pacific Railroad. The coalition aimed to enhance rail safety awareness in the communities served by the Rail Commission. A notable initiative that involves creating eye-catching co-branded posters that communicate essential safety messages. These posters will be prominently displayed in station lobbies, on train platforms, and onboard ACE trains to ensure maximum visibility and impact.

To further support law enforcement initiatives, the Rail Commission hosted an “Officer on the Train” event on September 24th, focusing on key support areas. Law enforcement officers from Stockton, Lathrop, and Tracy rode in Car #1 from Stockton to Tracy. Following this journey, the group returned to the Cabral station to review rail safety topics, including effective communication between law enforcement, the railroad, and the passenger line. The group also discussed the Emergency Preparedness and Response Plan (EPREP) training and its benefits for addressing various issues of mutual concern.

Additionally, the Rail Commission hosted a “Red Out for Rail Safety Day,” during which staff wore red to symbolize the agency's commitment to safety. The event concluded with a group photo featuring staff alongside COL signs, serving as a strong visual representation of our shared mission of railroad safety.

Fiscal Impact:

There is no fiscal impact.

Recommendation:

This is an informational item. There is no action requested.

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of October 3, 2025

STAFF REPORT

Item 6

ACTION

Discuss and Provide Direction to Staff Regarding the New ACE Ticketing Platform Project - Paper Ticket Transition

Background:

Over the past two (2) fiscal years, staff has been progressing with the new ACE Ticketing Platform project. The project's goal is to onboard a mobile ticketing solution with open architecture to meet the immediate needs of ACE while creating a scalable platform for the future with benefits for passengers and staff. On Monday, August 18, 2025, the Mobile App (Phase 1) launched with the Point of Sale (Phase 2) scheduled to launch in Winter 2025. Staff will provide additional information on the new ACE Ticketing System at the October 3, 2025, San Joaquin Regional Rail Commission (Rail Commission) meeting.

The New Ticketing Platform project will unify both the Mobile App and Station Sales. The new Point of Sale system will replace and modernize the current paper tickets sold in stations today. ACE's current ticketing system relies on mechanical validators that are beyond end-of-life and are no longer produced. The new ticketing platform will include replacing all mechanical validators and updating paper fare products to Limited Use Media (LUM) smart cards, which will be inspected onboard by the Passenger Services Representatives (PSRs).

The current paper tickets do not have an expiration date displayed on the tickets and can be used up to three months after a fare increase. After that three-month period, the unused paper tickets hold value, which can be used to upgrade to a new paper ticket until the next fare increase.

To ease the transition from paper tickets to the new Ticketing System, staff will be presenting two options to the board for discussion and direction.

- 1: Extended Expiration + No Exchange; or
- 2: Limited Expiration Extension + Ticket Exchange with Extended Expiration.

Both options will help align with the New Fare Program, adopted at the March 7, 2025, Rail Commission meeting, and will ultimately result in the end of paper ticket acceptance, unify station and mobile app ticket expiration dates and allow the Rail Commission to retire the existing mechanical validators.

Based on the feedback from the Rail Commission, this item will come back for further action at a future meeting.

Fiscal Impact:

There is no fiscal impact at this time.

Recommendation:

Discuss and Provide Direction to Staff Regarding the New ACE Ticketing Platform Project – Paper Ticket Transition.

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of October 3, 2025

STAFF REPORT

Item 7

ACTION

Stockton Diamond Grade Separation Project Delivery Update

Project Background:

The Stockton Diamond Grade Separation Project (Stockton Diamond) is an intersection in downtown Stockton where the Union Pacific Railroad (UPRR) and BNSF Railway (BNSF) freight tracks cross each other. This rail junction is one of the most congested railroad intersections in California, and the current configuration requires trains to slow down or stop to allow opposing trains to pass.

The Stockton Diamond will construct a large, complex overpass and retaining structure to carry UPRR trains over the BNSF mainlines. The structures will enhance efficiency, velocity and throughput of freight and passenger trains by allowing rail traffic on both mainlines to flow unimpeded. Several new track connections will be built with 16 at-grade crossing modifications as part of the project. During construction, there are numerous phasing plans designed to keep both railroads in continuous operation.

In 2012, when the State of California and the California High Speed Rail Authority (CHSRA) were negotiating a Preliminary Engineering Agreement with UPRR, the Stockton Diamond was identified as a “pinch point” that required a solution be designed before additional conventional passenger rail expansion would be approved for Capitol Corridor, ACE, and the San Joaquins. The resulting Memorandum of Understanding (MOU) with the above parties stipulated that CHSRA or one of the Passenger Operators undertake the analysis and design a solution. By virtue of proximity, and the fact that CHSRA was in the midst of the CEQA/NEPA process for the high-speed rail system statewide, the Rail Commission was identified as the project sponsor.

Significant progress has been made toward overall project delivery since starting the effort in 2020. The Rail Commission has obtained CEQA/NEPA approvals, secured approximately \$400M in federal, state and local funding and acquired all necessary parcels and easements. The flyover structure will be built approximately 180 feet east of the current UPRR corridor to allow the existing tracks to remain in operation, and required 18 new parcels. Significant utility relocation is also required and agreements are in place with these carriers. The final design, specifications, and estimate are anticipated to be completed in October 2025. The construction bid documents are underway and are planned to be completed in November 2025. Getting the project to this stage involved complication negotiations between UPRR, BNSF, City of Stockton, Caltrans and utility carriers, over which the Rail Commission has no control. Bringing the project to this step of delivery has exceeded the Rail Commission’s original delegated responsibility from the CHSRA MOU.

Project Challenges:

The project is funded with 7 grant awards, all with different requirements for allocating the funds. The right-of-way certification process associated with the state grants is one of the most challenging aspects of getting the project into construction. Caltrans requires that all Construction and Maintenance (C&M) agreements (between UPRR, BSNF, and the Rail Commission, and between Caltrans and UPRR) be executed prior to receiving right-of-way certification. The right-of-way certification is required prior to requesting the construction allocation. However, UPRR and BNSF will not even begin the process of a C&M agreement until the project reaches 90% design completion.

Though the Rail Commission continually notified Caltrans, UPRR, and BNSF of these timelines, the Rail Commission had to ask the California Transportation Commission (CTC) for three time extensions on one of the major grant awards. The time extensions were granted with support letters from both railroads, which is almost unheard of, but the third one requires construction allocation package by October 6, 2025. The UPRR/BNSF/Rail Commission C&M agreement was not delivered with reasonable time for the Rail Commission to review and execute prior to the Caltrans deadline. Additionally, Caltrans has its own C&M Agreement with UPRR which they have not yet submitted to UPRR for review. These delays, along with other issues, will result in a missed funding allocation deadline which, at least temporarily, will have a significant effect on the overall funding plan of the project.

The Stockton Diamond, like most major transportation infrastructure projects, has experienced significant cost estimate increases in recent years. Construction costs have risen at rates far exceeding what could have been anticipated at the project's inception. Although the Planning, Grants and Programming Department has aggressively pursued and secured additional funding, the compounding cost increases result in the construction phase of the project not being fully funded.

The most recent total project estimate, which includes 14 distinct phases, is \$520M. At this level, the Stockton Diamond is now categorized as a 'Mega Project', requiring significant cash flow resources to fund the project during construction while awaiting grant reimbursement(s). Due to the reimbursement nature of grants and funding programs, the Rail Commission would likely only have the ability to cash flow approximately \$45M per month for all Valley Rail projects, including the Stockton Diamond. The cash flow for the Stockton Diamond alone could range between \$20M-\$100M/month. The Rail Commission is not structured with revenues and reserves available to cash flow such a project. The Rail Commission worked with Caltrans to request advance payment and milestone payment schedule to build up-front cash reserve but was not successful in reaching agreement.

Project Next Steps:

Though these and other challenges have complicated and delayed the delivery of the Stockton Diamond Project, the Rail Commission recognizes the value of the project not only for future passenger rail services, but also for goods movement and corridor efficiency. The work already completed has been a significant effort with partnership from UPRR and BNSF. The State will continue to support the project and explore the appropriate delivery agency capable of delivering a 'Mega Project', like the Stockton Diamond. Next steps are summarized below:

- Complete the plans, specifications, and estimate and bundle with other related documents, agreements, and project files to prepare the project for transfer to new delivery agency.

- Shift SB132 and TIRCP funding from Stockton Diamond to Valley Rail Phase 1 projects and address other grant funding sources.
- Work with the State of California (California State Transportation Agency and Caltrans) to find a suitable delivery agency that can advertise and construct the 'Mega Project' (to resolve cash flow and resource capacity issues).

Fiscal Impact:

At this time, there is not a direct fiscal impact. Subsequent items will address fiscal impacts to specific grant agreements and Rail Commission Work Program and Budget adjustment.

Recommendation:

This is an information item only. No action is being requested.

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of October 3, 2025

STAFF REPORT

Item 8

INFORMATION

Federal Fiscal Year (FFY) 2026-2028 Disadvantaged Business Enterprise (DBE) Goal Setting Methodology Update

Background:

The San Joaquin Regional Rail Commission (Rail Commission) has completed its analysis for the annual overall Disadvantaged Business Enterprise (DBE) goal applicable to the Rail Commission's contracting opportunities funded in whole or in part by the Federal Transit Administration (FTA) in FFY 2026-2028.

The annual overall DBE goal represents the percentage of DBE firms that are ready, willing, and able to participate in the Rail Commission's FTA-assisted contracting opportunities each fiscal year. The goal is expressed as a percentage of all FTA funds the Rail Commission anticipates expending in the fiscal year.

The Rail Commission has chosen the following methodology to establish the annual overall goal in accordance with the Department of Transportation (DOT) federal regulations governing the DBE program and recent guidance from DOT.

- 1) The Rail Commission determined a base figure for the relative availability of DBEs in the specific areas of expertise involved in the Rail Commission's FTA-assisted contracting opportunities for FFY 2026-2028 by using the Caltrans Unified Certification Program (CUCP) database of DBE's, the most recent national U.S. Census Bureau's County Business Pattern database for the State of California (CBP) and then weighting each area of expertise according to the amount of FTA assistance that is projected to be spent in the area.
- 2) The Rail Commission examined other evidence regarding DBE availability for the Rail Commission's geographic and contracting market, past participation, and contracting opportunities to determine if any adjustments to the base figure were needed in order to arrive at a narrowly tailored annual overall goal.

The draft Goal Methodology is attached to this staff report which reflects the details of the process of the analysis and how the final goal was determined.

Based upon the initial analysis, the Rail Commission originally proposed to the FTA and the general public an annual overall DBE race-neutral goal of 1% for FFY 2026-2028 for FTA-assisted contracts. The draft Goal Methodology was submitted to the FTA on August 1, 2025.

Public comments were welcomed between August 5, 2025 - September 19, 2025, and a DBE Outreach event was hosted by staff on September 9, 2025. Since submitting to FTA and taking into account the comments received as well as a better analysis of past participation, staff

updated the draft Goal Methodology to propose a 3% goal for FFY 2026 – 2028. The updated draft was submitted to the FTA on September 24, 2025.

Once staff receive feedback and approval from FTA, they will come back to the Board for approval and adoption of the Final DBE Goal and Methodology. That future item will also include an updated DBE Program based on feedback from the Triennial.

Fiscal Impact:

There is no fiscal impact.

Recommendation:

This is an informational item. There is no action requested.



**FFY 2026-2028 DISADVANTAGED BUSINESS ENTERPRISE GOAL AND GOAL SETTING
METHODOLOGY**

AVAILABLE FOR PUBLIC REVIEW/COMMENT: August 5, 2025 – September 19, 2025

**SUBMITTED TO U.S. DEPARTMENT OF TRANSPORTATION FEDERAL TRANSIT ADMINISTRATION:
AUGUST 1, 2025**

**RESUBMITTED TO U.S. DEPARTMENT OF TRANSPORTATION FEDERAL TRANSIT ADMINISTRATION:
SEPTEMBER 24, 2025 (REVISIONS IN **BLUE**)**

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DRAFT

EXECUTIVE SUMMARY

The San Joaquin Regional Rail Commission (“Rail Commission”) has completed its analysis for the annual overall Disadvantaged Business Enterprise (“DBE”) goal applicable to the Rail Commission’s contracting opportunities funded in whole or in part by the Federal Transit Administration (“FTA”) in Federal Fiscal Year (“FFY”) 2026 - 2028.

The annual overall DBE goal represents the percentage of DBE firms who are ready, willing, and able to participate in the Rail Commission’s FTA-assisted contracting opportunities each fiscal year. The goal is expressed as a percentage of all FTA funds the Rail Commission anticipates expending in the fiscal year.

The Rail Commission has chosen the following methodology to establish the annual overall goal in accordance with the Department of Transportation (“DOT”) federal regulations governing the DBE program and recent guidance from DOT.

STEP 1.

The Rail Commission determined a base figure for the relative availability of DBEs in the specific areas of expertise involved in the Rail Commission’s FTA-assisted contracting opportunities for FFY 2026-2028 by using the Caltrans Unified Certification Program (“CUCP”) database of DBE’s, the most recent national U.S. Census Bureau’s County Business Pattern database for the State of California (“CBP”) and then weighting each area of expertise according to the amount of FTA assistance that is projected to be spent in the area.

STEP 2.

The Rail Commission examined other evidence regarding DBE availability for the Rail Commission’s geographic and contracting market, past participation, and contracting opportunities to determine if any adjustments to the base figure were needed in order to arrive at a narrowly tailored annual overall goal.

Based upon this analysis, the Rail Commission proposes an **annual overall DBE race-neutral goal of 3% for FFY 2026-2028 for FTA-assisted contracts.**

I. FTA-ASSISTED CONTRACTING OPPORTUNITIES

The Rail Commission has identified and analyzed the FTA-assisted contracting opportunities for FFY 2026-2028 by federal dollar amounts and the North American Industry Classification Codes (NAICS) for the relevant types of work.

In Fiscal Years 2026-2028 The Rail Commission anticipates federal funding involvement on the following projects:

FTA Assisted Capital Projects		Est. Project Cost – Federal Portion Only
1. ACE Capital Access Fees		\$ 7,782,038
2. ACE Positive Train Control Capital Components		\$ 2,649,865
3. ACE Midlife Overhaul		\$ 4,925,608
4. ACE Capitalized Maintenance		\$ 16,985,088
5. ACE Rolling Stock Procurement/Options		\$ 2,564,259
6. Stockton Track Extension		\$ 5,808,812
7. ACE Tracy Station Improvements & Egress		\$ 506,419
8. ACE Extension Manteca Station and Parking Lot Extension		\$ 6,001,000
9. ACE North Lathrop Transfer Station		\$ 900,000
10. ACE Locomotive Zero-Emission Engine Conversion (Study)		\$ 1,500,000
11. ACE Security Camera Upgrade		\$ 187,903
12. ACE Public Information Display System (PIDS)		\$ 1,100,000
13. ACE Ticketing Platform Project – Phase 1		\$ 2,564,259
14. ACE Ripon Station Multimodal Station Project		\$ 914,243
15. ACE Revenue Service Communication Equipment		\$ 1,373,654
	TOTAL	\$ 55,763,148

1. ACE Capital Access Fees

The Commission entered into a trackage agreement on August 11, 1997, with Union Pacific Railroad (UPRR) to secure the trackage rights from Stockton to San Jose for the initial commitment period of 10 years. Between 2008-2023, the Commission negotiated various terms in Amendments 1 through 6. The 7th Amendment for the ACE Service extended the period from 2023 to 2028 for a cost not to exceed \$16,212,580. This trackage rights agreement will be renegotiated before December 31, 2028. The 7th Amendment for the ACE Service extended the period from 2023 to 2028 for a cost not to exceed \$16,212,580. This trackage rights agreement will be renegotiated before December 31, 2028.

2. ACE Positive Train Control Capital Components

The project is to replace obsolete Positive Train Control Components on ACE locomotives and cab cars. This is scheduled for substantial completion in FY25/26, but capital component replacement is ongoing.

3. ACE Midlife Overhaul

As part of the Rail Commission’s commitment to maintaining assets in a State of Good Repair, work is continuing to overhaul 30 ACE railcars. The Rail Commission’s Transit Asset Management Plan (TAM) identified midlife overhauls as a key initiative to ensure ACE’s revenue fleet operates at maximum performance. The Project includes a new paint scheme, seats, flooring, updated exterior paint scheme, and on-board information system including digital audio and LCD screens, etc. These overhaul projects will improve passenger experience and

reduce maintenance. This is a multi-year project started in FY19/20 and is scheduled to be completed in 2025/2026.

4. ACE Capitalized Maintenance

Track Safety Capital Projects. Track Maintenance ROW. The Rail Commission commits \$1,125,000 per year, per train per year to capitalized maintenance track improvements. Track improvement projects require executed contracts between UPRR and the Commission and are anticipated to be funded with a combination of Federal, State, and local grants. These projects include track maintenance and safety Capital Projects within the railroad right of way.

5. ACE Rolling Stock Purchase/Options

The purchase of two (2) expansion locomotives as well as the associated spare parts and training will allow the ACE service to provide efficient and reliable transportation for residents throughout the existing and the future expanded service areas. The anticipated delivery date for the second locomotive is mid-2028. This is because modifications need to be made to the locomotive to accommodate hydrogen/hybrid/Tier IV engine solutions. The final acceptance will be in late 2028. Unit #1 was received and accepted in Sept. 2024.

6. Stockton Track Extension

This project will create a direct track connection between the Rail Maintenance Facility with the Cabral Station. To facilitate the alignment of the new track, a bridge over Harding Way in Stockton, CA, will be constructed adjacent to the existing bridge. Work this fiscal year will focus on fiber optic utility relocations.

7. ACE Tracy Station Improvements & Egress

This project will reconfigure and improve the existing parking lot and curb returns at the station entrance to promote more efficient vehicular traffic flow, leaving the station and allowing better entry and exit. Work will continue into the 25/26 budget cycle.

8. ACE Manteca Station and Parking Lot Extension

Directly connected to the Manteca Transit Center, the Manteca station \$649,800 includes construction of a center loaded platform station with the pedestrian overcrossing to access the platform. Track work associated with the station construction is included in the Lathrop Wye and Track Extension Project. The Manteca Station includes a bus connecting to the Manteca Transit Center, a kiss and ride drop off area, and vehicle parking.

9. ACE North Lathrop Transfer Station

The North Lathrop Transfer Station is a very important station on the Valley Rail Corridor because it allows for platform-to-platform transfer between San Jose-Stockton/Natomas trains and Ceres/Merced-Natomas trains. Property for the station is located at the Sharpe Army Depot in Lathrop. A very long pedestrian overcrossing connects a center loaded platform west of the existing Fresno Subdivision Mainlines. About 2.4 miles of track will be constructed between MP 92 and MP 94.40. Ample parking will be provided in addition to a robust bus transfer facility and dedicated passenger drop-off area.

10. ACE – Zero Emission Engine Conversion (Study)

The project is to identify and recommend a proven technology or combination of technologies to allow the existing locomotives to be converted to near zero emission units. Hydrogen battery hybrid technology was selected. The

study still has a few avenues to research and further develops fuel and charging infrastructure needs. This study is expected to be completed in FY25/26.

11. Security Cameras Upgrade

This project applies federal and local funds for security-related equipment and services for ACE service. This includes upgrades to access control systems, cameras, and other security-related equipment and systems, as well as staff time and a third party contracts for related work and agency required transit safety trainings, exercises and briefings and is expected to be ongoing to meet the FTA 1% set aside amount that is required for formula funds.

12. ACE Public Information Display System (PIDS)

Project for existing ACE stations to upgrade and replace the current PIDS system with a modern system and install the purchased cabinets and related hardware.

13. ACE Ticketing Platform Project – Phase 1

The New ACE Ticketing Platform will replace and upgrade the existing fare collection system through a new mobile ticketing system. At a high level, the new ticketing platform will include replacing all mechanical validators with electronic validators, updating paper fare products to printed barcodes or Limited Use (LU) smart cards, and updating the mobile application. A Point-of-Sale System will be integrated with the new ticketing system in this first phase to support in-person ticket sales, fare program ticket sales, and group ticket sales. The ticketing system was launched to passengers in Summer 2025 with a small balance of activities to be completed at the beginning of FY25/26.

14. ACE Ripon Multimodal Station Project

The Ripon Station includes a center loaded platform station with the pedestrian overcrossing to access the platform. Almost one mile of track will be constructed as part of this project between MP 103.2 to MP 104.11. The Rail Commission is working closely with the City of Ripon to define the project requirements and anticipates the inclusion of a bus stop, kiss and ride drop-off area, and two (2) areas for passenger parking. To enhance the access to the station, roadway improvements at and around the station are planned for this project as well.

15. ACE Revenue Service Communication Equipment

This project will replace and upgrade onboard communications equipment for the ACE service. During the overhaul program being completed by a third-party contractor with a subcontractor completing the installation at the ACE Rail Maintenance Facility. Activities for this project include the installation of Passenger Information Systems, automated announcements, information screens on the trains for passengers, improved Wi-Fi, and security cameras.

Additional Factors

Due to operating on the UPRR and Burlington Northern and Santa Fe Railway (BNSF) owned lines, the Rail Commission is limited on bid opportunities as UPRR, and BNSF require all work done on or in conjunction with their lines be completed or reviewed by their workforce. Therefore, the Capital Lease Program and parts of the other projects on the railway were excluded from the DBE goal setting process. Furthermore, TransitAmerica, Inc. (TASI), the Rail Commission's Contracted Operator and Maintainer, performs much of the Preventative Maintenance, Positive Train Control work, and Railcar Midlife Overhaul in house. As a result, Railcar Midlife

Overhaul, Preventative Maintenance, and Positive Train Control have been excluded from the DBE goal setting process.

The Rail Commission will work with vendors on potential subcontracted DBE participation for parts procurement, when possible, for those projects listed above. This leaves the following projects:

1. Stockton Track Extension
2. ACE Tracy Station Improvements & Egress
3. ACE Extension Manteca Station and Parking Lot Extension
4. ACE North Lathrop Transfer Station
5. ACE Locomotive Zero-Emission Engine Conversion (Study)
6. ACE Security Camera Upgrade
7. ACE Public Information Display System (PIDS)
8. ACE Ticketing Platform Project – Phase 1
9. ACE Ripon Station Multimodal Station Project
10. ACE Revenue Service Communication Equipment

Allocated FTA Dollars by NAICS Code

During Federal Fiscal Year 2026-2028, the Rail Commission anticipates having an estimated \$55,763,148 in FTA funds available for expenditure. Of the total amount of FTA assistance available, the Rail Commission anticipates awarding \$20,856,290, or 37.40% (see Table 1) for the ten (10) projects outlined above in FFY 2026-2028. The Rail Commission has determined that the FTA-assisted contracting opportunities will involve work in forty-six (46) 2022 NAICS codes, which have been grouped into major three-digit NAICS classifications in Table 2.

Table 1

NAICS Code	Industry Title	Total Estimated Cost (Federal Share)	% of Federal Funding
23	Construction	\$15,955,062	28.61%
33	Manufacturing	\$1,042,814	1.87%
42	Wholesale Trade	\$1,042,815	1.87%
48 - 49	Transportation and Warehousing	\$417,126	.75%
53	Real Estate and Rental and Leasing	\$312,844	.56%
54	Professional, Scientific, and Technical Services	\$2,085,629	3.74%
Total Allocated FTA Dollars by NAICS Code		\$20,856,290	
Total FTA Funds		\$55,763,148	
% of Allocated FTA Funds			37.40%

II. GOAL METHODOLOGY

1. Determining a Base Figure

The base figure was developed to express the relative availability of DBEs within the Rail Commission market area in the specific areas of expertise involved in the proposed FTA-assisted contracting opportunities. For this purpose, the Rail Commission has opted to include all of California as the Market Area in setting the DBE goal. Due to the size of the agency and the cost of the projects involved, it is unlikely that an out-of-state contractor will be submitting bids or proposals.

Determining DBE availability was done by comparing data from the CUCP DBE database (comprised of the Caltrans maintained CUCP DBE database) and the U.S. Census Bureau’s County Business Pattern (CBP) database. For each NAICS code, CBP data from the State of California was used to determine the total number of businesses. The total number of DBEs for each NAICS code was determined by using the most closely matched 2022 NAICS codes from the CUCP DBE database. The total number of DBEs was compared to the total number of all firms to show the percentage of DBEs available in each area of expertise. **(Table 2)**

$$\text{Base Figure} = \frac{\text{Number of DBEs registered in specialized category}}{\text{Number of all CBP firms by specialized category}}$$



NAICS Code	Description	Number of DBE Firms Available to Perform Work	Number of All Firms Available to Perform Work (CBP)	Percentage of Available DBE Firms
236210	Industrial Building Construction	97	1218	7.96%
236220	Commercial & Institutional Building Construction	163	18706	0.87%
237110	Water & Sewer Line & Related Structures Construction	145	3552	4.08%
237120	Oil & Gas Pipeline & Related Structures Construction	30	416	7.21%
237130	Power & Communication Line & Related Structures Construction	53	1925	2.75%
237210	Land Subdivision	22	2079	1.06%
237310	Highway, Street, & Bridge Construction	399	2991	13.34%
237990	Other Heavy & Civil Engineering Construction	178	1281	13.90%
238110	Poured Concrete Foundation & Structure Contractors	181	8646	2.09%
238120	Structural Steel & Precast Concrete Contractors	96	2078	4.62%
238130	Framing Contractors	26	3946	0.66%
238140	Masonry Contractors	7	5192	0.13%
238150	Glass & Glazing Contractors	9	4115	0.22%
238160	Roofing Contractors	5	11686	0.04%
238170	Siding Contractors	3	1265	0.24%
238190	Other Foundation, Structure & Building Exterior Contractors	24	2916	0.82%
238210	Electrical Contractors & Other Wiring Installation Contractors	174	40639	0.43%
238220	Plumbing, Heating, & Air-Conditioning Contractors	39	46735	0.08%
238290	Other Building Equipment Contractors	9	3263	0.28%
238310	Drywall & Insulation Contractors	36	9653	0.37%
238320	Painting & Wall Covering Contractors	35	19512	0.18%
238330	Flooring Contractors	14	8772	0.16%
238340	Tile & Terrazzo Contractors	9	7062	0.13%
238350	Finish Carpentry Contractors	22	11129	0.20%
238390	Other Building Finishing Contractors	18	3546	0.51%
238910	Site Preparation Contractors	205	10832	1.89%
238990	All Other Specialty Trade Contractors	238	14184	1.68%
339950	Sign Manufacturing	23	2439	0.94%
423320	Brick, Stone, & Related Construction Material Merchant Wholesalers	40	1364	2.93%

423390	Other Construction Material Merchant Wholesalers	23	1489	1.54%
423510	Metal Service Centers & Other Metal Merchant Wholesalers	22	3943	0.56%
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	32	7228	0.44%
424950	Paint, Varnish, & Supplies Merchant Wholesalers	2	906	0.22%
488210	Support Activities for Rail Transportation	10	372	2.69%
484110	General Freight Trucking, Local	82	38318	0.21%
484121	General Freight Trucking Long-Distance Truckload	63	31159	0.20%
484122	General Freight Trucking Long-Distance Less than Truckload	19	4233	0.45%
493190	Other Warehousing & Storage	1	1247	0.08%
532490	Other Commercial & Industrial Machinery & Requirement Rental & Leasing	21	6158	0.34%
541310	Architectural Services	121	14878	0.81%
541330	Engineering Services	593	35584	1.67%
541350	Building Inspection Services	26	3991	0.65%
541360	Geophysical Surveying and Mapping Services	23	167	13.77%
541370	Surveying and Mapping (except Geophysical) Services	61	1979	3.08%
541620	Environmental Consulting	419	6092	6.88%
561621	Security Systems Services	19	3112	0.61%
Totals		3,837	411,998	0.93%

2. Adjusting the Base Figure

Key factors considered when adjusting the Base Figure were as follows:

a. Market Area:

In years past the Rail Commission limited the market area for DBE firms to within a 100-mile radius of the proposed project locations. With the list of available DBE firms already slim, the Rail Commission has opted to not eliminate any firms regardless of location or likelihood to bid, instead the entire state of California is included.

b. Past Participation:

Over the past three (3) years, the Rail Commission has maintained and/or awarded forty-six (46) prime contracts utilizing FTA funds. Of those prime contracts, seventeen (17) had subcontractor opportunities. Of those prime contracts with subcontractor opportunities, five (5) had DBE participation, and one (1) was awarded to a DBE as the prime contractor. Weighing the participation percentage based on the number of previously awarded is difficult as the projects identified in this program are different from the prior contracts.

c. Decrease in available DBEs

The overall DBEs available in the State of California have sharply decreased since 2023. The total available DBEs in the 2023 – 2025 Goal was 4,336 but now it is 3,837. The Rail Commission reached out to other transit partners and found that they had also experienced a decline in available DBEs.

Below is a chart outlining DBE participation in FTA awarded contracts awarded by the Rail Commission withing the last three (3) Federal Fiscal Years:

Fiscal Year	FTA DBE Participation	DBE Goal
FFY 2022	2.60%	2.5%
FFY 2023	8.58%	4.93%
FFY 2024	.61%	4.93%
Median Participation	11.79%	

In reviewing past participation:

- In 2022, the DBE Goal was met through awarding a prime contractor with two DBEs on their contract and paying more DBEs during that period.
- The 2023 increase in DBE percentage was due to one prime utilizing more DBEs and another prime adding a new DBE.
- The 2024 decrease in DBE percentage was due to no new formal procurements being released that used FTA funds in FY2024 and no new FTA funds received in FY2024. All FTA funds in FY2024 were used for on-going contracts and/or daily operations.

While an analysis of the 2023 - 2025 Methodology was completed, the results were not relied on in the goal setting process. due to the following matters: UPRR continuance of contractually required projects and the decrease overall of incoming FTA funds for new projects.

d. Project List:

As outlined in Section I above, ten (10) of the proposed projects scheduled for FTA assistance in the upcoming triennial period are reasonably expected to receive DBE participation. Past projects that are in progress are expected to be completed within this current three (3) year period. Therefore, a historic median of the past projects was not used to calculate the new goal

e. FTA funding availability

As outlined in Section 1 above the amount of FTA funding estimated over the next three years is less than the previous triennial, which was \$71,968,602. This also contributes to overall goal calculation.

f. Bid opportunities:

Operating along the UPRR lines limits bid opportunities on the Rail Commission sponsored projects as UPRR requires all work done on or in conjunction with their lines to be completed by their workforce. The largest projects being proposed for the upcoming cycle are the Stockton Track Extension and the North Lathrop Transfer Station, which both fall directly under this restriction. However, there remain some opportunities for construction management, consulting, and subcontractor work for the other projects listed in Section I.

g. Public Participation:

The Rail Commission will issue a public notice on their official website and social media publishing the DRAFT Proposed FTA DBE Goal and Goal Setting Methodology for FFY 2026 – 2028. The notice will be published in both English and Spanish. The notice will inform the public of the proposed goal and rationale being available for inspection at the Rail Commission’s principal office during normal business hours and that the Rail Commission would accept comments on the goal analysis for forty-five (45) days from the date of the public notice.

The Rail Commission will send the public notice to local Chambers of Commerce, local DBEs as identified on the State Database and Small Business Development Centers ranging from Sacramento to the Silicon Valley and Oakland, and DBE firms currently doing business with the Rail Commission.

The Rail Commission will update this FFY 2026 - 2028 DBE Goal and Goal Setting Methodology after the comment period closes and resubmit it to FTA for review.

h. Weighted Percentage:

The Rail Commission adjusted the amount of FTA-assisted contracting opportunities available to DBEs based on the percentage of FTA funds projected to be used for specific NAICS categories, including Civil and Heavy Construction, Transportation and Warehousing, and Special Services, in completing the : Stockton Track Extension, ACE Tracy Station Improvements & Egress, ACE Extension Manteca Station and Parking Lot Extension, ACE North Lathrop Transfer Station, ACE Locomotive Zero-Emission Engine Conversion (Study), ACE Security Camera Upgrade, ACE Public Information Display System (PIDS), ACE Ticketing Platform Project, ACE Ripon Station Multimodal Station Project, and ACE Revenue Service Communication Equipment projects. **(Table 3)**

With the list of available DBE firms already slim, the Rail Commission did not eliminate any firms regardless of location or likelihood to bid. Instead, the available DBE firms in each category were multiplied by the percentage of DOT funds allocated toward the related project, giving a total weighted DBE percentage of 1%. **(Table 3)**

$$\text{Weighted Base Figure} = \frac{\text{Number of DBEs registered in specialized category}}{\text{Number of all CBP firms by specialized category}} \times \text{weight} \times 100$$

In evaluating the two main components: the Base Figure and the Weighted DBE Availability, the weighted DBE Availability of .097% will be rounded up to 1% and used as the DBE goal.

Table 3

DBE Availability by % of FTA Dollars

NAICS	Description	DBE	CBP	Availability	% of Total FTA Dollars	Weighted DBE %
23	Construction					
236210	Industrial Building Construction	97	1218	7.96%		
236220	Commercial & Institutional Building Construction	163	18706	0.87%		
237110	Water & Sewer Line & Related Structures Construction	145	3552	4.08%		
237120	Oil & Gas Pipeline & Related Structures Construction	30	416	7.21%		
237130	Power & Communication Line & Related Structures Construction	53	1925	2.75%		
237210	Land Subdivision	22	2079	1.06%		
237310	Highway, Street, & Bridge Construction	399	2991	13.34%		
237990	Other Heavy & Civil Engineering Construction	178	1281	13.90%		
238110	Poured Concrete Foundation & Structure Contractors	181	8646	2.09%		
238120	Structural Steel & Precast Concrete Contractors	96	2078	4.62%		
238130	Framing Contractors	26	3946	0.66%		
238140	Masonry Contractors	7	5192	0.13%		
238150	Glass & Glazing Contractors	9	4115	0.22%		
238160	Roofing Contractors	5	11686	0.04%		
238170	Siding Contractors	3	1265	0.24%		
238190	Other Foundation, Structure & Building Exterior Contractors	24	2916	0.82%		
238210	Electrical Contractors & Other Wiring Installation Contractors	174	40639	0.43%		
238220	Plumbing, Heating, & Air-Conditioning Contractors	39	46735	0.08%		
238290	Other Building Equipment Contractors	9	3263	0.28%		
238310	Drywall & Insulation Contractors	36	9653	0.37%		



238320	Painting & Wall Covering Contractors	35	19512	0.18%		
238330	Flooring Contractors	14	8772	0.16%		
238340	Tile & Terrazzo Contractors	9	7062	0.13%		
238350	Finish Carpentry Contractors	22	11129	0.20%		
238390	Other Building Finishing Contractors	18	3546	0.51%		
238910	Site Preparation Contractors	205	10832	1.89%		
238990	All Other Specialty Trade Contractors	238	14184	1.68%		
		2237	247339	0.90%	76.5%	.69%
33	Manufacturing					
339950	Sign Manufacturing	23	2439	0.94%		
		23	2439	0.94%	5%	0.05%
42	Wholesale Trade					
423320	Brick, Stone, & Related Construction Material Merchant Wholesalers	47	328	14%		
423390	Other Construction Material Merchant Wholesalers	32	410	8%		
423510	Metal Service Centers & Other Metal Merchant Wholesalers	30	1043	3%		
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	75	1831	4%		
424950	Paint, Varnish, & Supplies Merchant Wholesalers	8	221	4%		
488210	Support Activities for Rail Transportation	10	372	2.69%		
484110	General Freight Trucking, Local	82	38318	0.21%		
484121	General Freight Trucking Long-Distance Truckload	63	31159	0.20%		
484122	General Freight Trucking Long-Distance Less than Truckload	19	4233	0.45%		
493190	Other Warehousing & Storage	1	1247	0.08%		
		294	90259	0.33%	5%	.017%
48-49	Transportation and Warehousing					

488210	Support Activities for Rail Transportation	10	372	2.69%		
484110	General Freight Trucking, Local	82	38318	0.21%		
484121	General Freight Trucking Long-Distance Truckload	63	31159	0.20%		
484122	General Freight Trucking Long-Distance Less than Truckload	19	4233	0.45%		
493190	Other Warehousing & Storage	1	1247	0.08%		
		175	75329	0.23%	2%	0.005%
53	Real Estate Rental and Leasing					
532490	Other Commercial & Industrial Machinery & Requirement Rental & Leasing	21	6158	0.34%		
		21	6158	0.34%	1.5%	0.005%
54	Professional, Scientific, and Technical Services					
541310	Architectural Services	120	3527	3%		
541330	Engineering Services	564	8893	6%		
541350	Building Inspection Services	26	3991	0.65%		
541360	Geophysical Surveying and Mapping Services	23	167	13.77%		
541370	Surveying and Mapping (except Geophysical) Services	61	1979	3.08%		
541620	Environmental Consulting	435	1572	28%		
561621	Security Systems Services	19	3112	0.61%		
		1243	62691	1.98%	10%	0.20%
	Totals	3,837	41,1998	0.93%	100%	.967%

III. PROPOSED OVERALL DBE GOAL

Taking all the information into consideration, including public comments, additional analysis of previous years goal attainment, and weighing heavily on the DOT assisted contract opportunities anticipated to be available in this triennial period, the Rail Commission proposes to use the weighted DBE Availability figure and set an annual overall DBE goal of 3% for FFY 2026-2028 for FTA-assisted contracts.

As part of the prescribed goal-setting methodology, the Rail Commission must project the percentage of its Proposed Overall DBE Goal that can be met utilizing race-neutral and race-conscious measures. Because of the emphasis placed on race-neutral methods and the types of contracting opportunities, Rail Commission proposes that the FFY 2026-2028 goal will be met by race-neutral measures.



IV. RACE NEUTRAL MEANS TO ACHIEVE THE DBE ANNUAL OVERALL GOAL

The Rail Commission plans to continue or implement the following race neutral measures to maximize bidding and contracting opportunities to DBE and Small Business firms:

- A. Publicly announce all bid opportunities
- B. Invite DBE firms to bid based on past participation
- C. Unbundling large contracts to make them more accessible
- D. Encouraging prime contractors to subcontract portions of the work
- E. Participate in outreach and communications programs

In years past the Rail Commission has had a difficult time meeting DBE goal on a consistent year-to-year basis because contract opportunities tend to be very restrictive as described in Section I.

The Rail Commission will carefully monitor its progress during the course of the year and may establish appropriate contract-specific goals if race-neutral methods do not appear sufficient to achieve the overall annual DBE participation for FFY 2026-2028. At such time the Rail Commission will consult local disparity studies to assist in the new determination.

V. PUBLIC PARTICIPATION

1. Consultation

The Rail Commission staff attended thirteen (13) events over the last three (3) years that focused on DBE firms and how to do business with the Rail Commission.

On September 9, 2025, the Rail Commission hosted a virtual Public Outreach Event to present the methodology and staff answered questions.

[Attachment C](#) documents these events and provides additional details.

2. Publication of Proposed Goal

The proposed FFY 2026-2028 DBE goal will be made available to the public on the official website at <https://www.sjrrc.com/civil-rights/>. **Attachment B** will document the location of the goals on the website.

ATTACHMENT A
Public Notice



Chair, **Lisa Craig-Hensley**, City of Lodi
Vice-Chair, **Leo Zuber**, City of Ripon
Commissioner, **Dan Arriola**, City of Tracy
Commissioner, **Steven Ding**, San Joaquin County

Executive Director, **Stacey Mortensen**

Commissioner, **Christina Fugazi**, City of Stockton
Commissioner, **Mike Morowit**, City of Manteca
Commissioner, **John Marchand**, City of Livermore
Commissioner, **Raj Salwan**, City of Fremont

PUBLIC NOTICE
San Joaquin Regional Rail Commission

NOTICE IS HEREBY GIVEN, that the San Joaquin Regional Rail Commission, (herein referred to as “Rail Commission”) has established a Proposed Overall Disadvantage Business Enterprise (DBE) Goal of 1% for Federal Fiscal Years (FFYs) 2026/2027/2028. The Rail Commission proposes to meet 100% of the goal through the use of race-neutral measures and 0% through the use of race-conscious measures. The DBE goal is applicable to U.S. Department of Transportation (DOT)-assisted contracts scheduled to be solicited and awarded during the period of October 1, 2025 through September 30, 2028.

The Rail Commission’s Proposed Overall Goal and its rationale (developed in response to DOT DBE Program Regulations published under Title 49 CFR Part 26) are available for inspection and public review as of August 5, 2025 for thirty (30) days following the date of this Notice on the Rail Commission’s website at <https://www.sjrrc.com/civil-rights/>.

The Rail Commission will accept public comments for forty-five (45) days from the date of this Notice, at the following address: *San Joaquin Regional Rail Commission, Attention: Tamika Smith, 949 E Channel St., Stockton, CA 95202* or via email at DBE@sjrrc.com.

The public comment period will close on September 19, 2025.

To further support the public participation process, the Rail Commission will host office hours to accept comments from the public. The office hours are intended to facilitate receiving input from the Rail Commission’s contracting community, stakeholders, which include minority and women business groups, community organizations, trade associates and other officials or organizations that may have information concerning the availability of disadvantaged businesses and comments on the Rail Commission’s proposed DBE overall goal and corresponding methodology.

Dates and times of the office hours will be shared publicly once finalized.

Upon request, materials can be provided in alternate languages, language translation can also be made available. All requests for reasonable accommodations must be made at least three working days (72 hours) in advance of the scheduled meeting date.

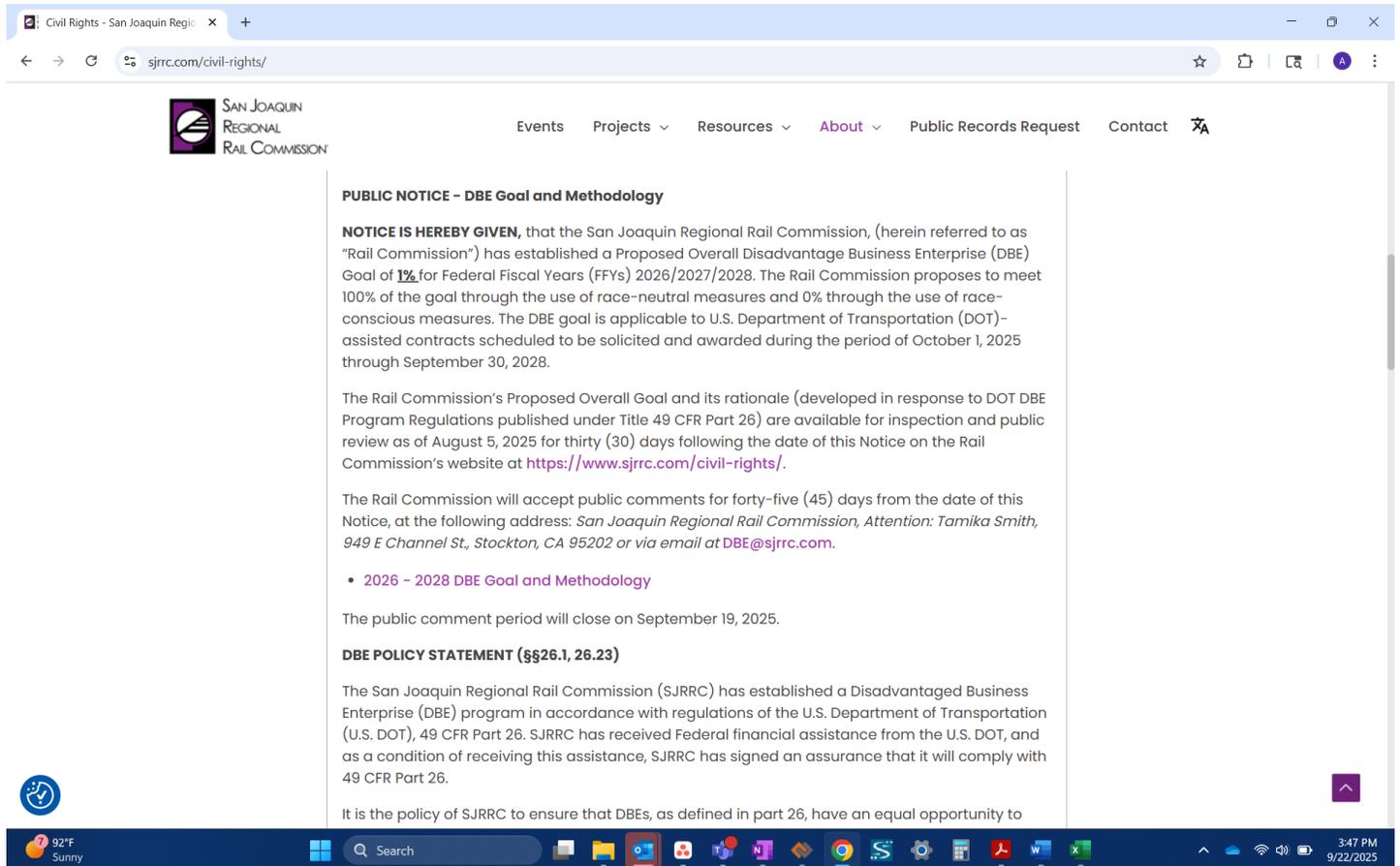
Sincerely,



Tamika Smith
Director of Rail Services
DBE Liaison Officer (DBELO)

Dated: August 5, 2025

ATTACHMENT B Website Posting



The screenshot shows a web browser window with the address bar displaying "sjrrc.com/civil-rights/". The website header includes the San Joaquin Regional Rail Commission logo and a navigation menu with items: Events, Projects, Resources, About, Public Records Request, and Contact. The main content area features a "PUBLIC NOTICE – DBE Goal and Methodology" section. The notice text states that the Rail Commission has established a Proposed Overall Disadvantage Business Enterprise (DBE) Goal of 1% for Federal Fiscal Years (FFYs) 2026/2027/2028. It details the goal's application to DOT-assisted contracts and provides information on public comment periods and the DBE Policy Statement (§§26.1, 26.23). A list item for "2026 - 2028 DBE Goal and Methodology" is visible. The browser's taskbar at the bottom shows the date as 9/22/2025 and the time as 3:47 PM.

PUBLIC NOTICE – DBE Goal and Methodology

NOTICE IS HEREBY GIVEN, that the San Joaquin Regional Rail Commission, (herein referred to as “Rail Commission”) has established a Proposed Overall Disadvantage Business Enterprise (DBE) Goal of **1%** for Federal Fiscal Years (FFYs) 2026/2027/2028. The Rail Commission proposes to meet 100% of the goal through the use of race-neutral measures and 0% through the use of race-conscious measures. The DBE goal is applicable to U.S. Department of Transportation (DOT)-assisted contracts scheduled to be solicited and awarded during the period of October 1, 2025 through September 30, 2028.

The Rail Commission’s Proposed Overall Goal and its rationale (developed in response to DOT DBE Program Regulations published under Title 49 CFR Part 26) are available for inspection and public review as of August 5, 2025 for thirty (30) days following the date of this Notice on the Rail Commission’s website at <https://www.sjrrc.com/civil-rights/>.

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- [2026 - 2028 DBE Goal and Methodology](#)

The public comment period will close on September 19, 2025.

DBE POLICY STATEMENT (§§26.1, 26.23)

The San Joaquin Regional Rail Commission (SJRRC) has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (U.S. DOT), 49 CFR Part 26. SJRRC has received Federal financial assistance from the U.S. DOT, and as a condition of receiving this assistance, SJRRC has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of SJRRC to ensure that DBEs, as defined in part 26, have an equal opportunity to



ATTACHMENT C
DBE Events

DRAFT

SAN JOAQUIN REGIONAL RAIL COMMISSION

Meeting of October 3, 2025

STAFF REPORT

Item 9

INFORMATION

ACE Passenger Information Display Systems (PIDS) Overview

Background:

In 2018, the Capitol Corridor Joint Powers Authority (CCJPA) began an initiative to upgrade and replace the legacy Passenger Information Display Systems (PIDS) for Capitol Corridor, ACE, and the San Joaquins which were initially installed in 2004. PIDS play an important role for passengers at stations, as it takes in the real-time GPS location of trains and translates it into estimated times of arrival (ETA). These digital signs display current time, ETAs for various passenger trains up to 30 minutes away, delay information, and other messages related to service amenities and changes to regular service. Audio announcements are synchronized with visual messages at all stations, indoor and outdoor.

In November 2019, CCJPA onboarded XenaTech Software Integration Services, LLC (XenaTech) for the design, testing, implementation, and maintenance of a new PIDS system called CalPIDS. At that time, it was estimated that XenaTech would require three to six months to develop a solution and the first iteration of the CalPIDS system was projected to be completed in the Summer of 2021. In December 2020, CCJPA took over the operational and mechanical responsibilities of the legacy PIDS system from Amtrak, and the San Joaquin Regional Rail Commission (Rail Commission) entered into a reimbursement agreement with CCJPA, that outline shared costs among the three services:

Capitol Corridor	San Joaquins	ACE
44.41%	38.16%	17.43%

Currently, the CalPIDS project remains incomplete. CCJPA’s new estimated timeline projects that Capitol Corridor stations would be completed by the end of 2026. After this phase of the project, then the work would begin at ACE stations.

Given the critical role PIDS play in both providing timely passenger information and ensuring ADA compliance, staff notes that the current legacy PIDS are nearing the end of their useful life. Compounding this challenge are the continued delays in CCJPA’s project delivery. After evaluating the current project status and other parallel projects, staff has concluded that there are two options for consideration. One option is to maintain the current course and allow CCJPA additional time to complete its project. This direction would ensure that there is alignment in systems and hardware used across both agencies; however, the timing for delivery for ACE is undetermined and could extend for several more years. By that time, the custom technical approach would be even further behind today’s technology. Alternatively, the Rail Commission could pursue an independent solution designed to meet the needs not only of ACE but also future Valley Rail stations. Should staff pursue this option, the strategy would be to bundle the new PIDS solution with other passenger-facing initiatives—such as signage and wayfinding—to create a unified project. This approach would deliver greater coherence across systems,

generate efficiencies, and reduce overall costs. An additional benefit would be that there would be a blueprint for future Valley Rail stations that would have time for testing and enhancing along the current ACE corridor. The impact of this decision would mean a delay in the current implementation plan for the signage and wayfinding project. This item is meant to provide background and status on the program, with the plan of Staff returning with a recommendation to the Rail Commission board at a future meeting. Regardless of how this project moves forward, CCJPA will continue to operate and maintain legacy PIDS until an updated solution is implemented.

Fiscal Impact:

There is no fiscal impact.

Recommendation:

There is no action requested. This is an information item.