SAN JOAQUIN REGIONAL RAIL COMMISSION

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

Chief Executive Officer, **Chris Orlando**

Commissioner, **Christina Fugazi,** City of Stockton
Commissioner, **Regina Lackey,** City of Manteca
Commissioner, **John Marchand**, City of Livermore
Commissioner, **Raj Salwan,** City of Fremont

General Counsel, **Janice D. Magdich**

SAN JOAQUIN REGIONAL RAIL COMMISSION
SPECIAL BOARD MEETING

Thursday, March 5, 2026 – 8:30 am

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

Teleconference Locations:

1052 S. Livermore Ave. Livermore, CA 94550	3300 Capitol Ave. Building A Fremont, CA 94538	1215 W. Center Street Manteca, CA 95337

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 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. If a member of the public wishes to make a public comment:

1. **Submit written comments to SJRRC staff via email at clerk@sjrrc.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 (SJRRC) 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 SJRRC Board is advised to have an interpreter or to contact SJRRC during regular business hours at least 48 hours prior to the time of the meeting so that SJRRC 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. **Quarterly Safety Briefing**
   Presented by: Cameron Paler (Safety and Security Specialist)

3. **Roll Call**

Roll Call:	Arriola, Canepa (pending oath), Fugazi, Lackey, Marchand, Salwan, Vice-Chair Zuber, Chair Craig-Hensley
Ex-Officios:	StanCOG-Appointed Representative, SJCOG Executive Director, SJRTD CEO, Caltrans District 10 Director

4. **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.

5. Consent Calendar

5.1	Approve Minutes of Special San Joaquin Regional Rail Commission February 6, 2026 Board Meeting (Regular and Special Voting Members)	**ACTION**
5.2	Adopt a Resolution Ratifying and Affirming the Chief Executive Officer's Action in Negotiating and Executing the Grant Application and Further Authorizing the Chief Executive Officer, or Designee, to Negotiate and Execute Any Grant Agreements, Standard Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and/or Fund Transfer Agreements to Obtain the San Joaquin Council of Governments Senate Bill 125 Phase 2 Applications Grant Program Funding in the Amount of $4 Million Towards the for the San Joaquin Street Station Exterior Paint, Striping, and Lighting Improvements Project and ACE Rolling Stock Capital Spares Project (Regular and Special Voting Members)	**ACTION**
5.3	Adopt a Resolution Rescinding Resolution 24/25-44 and Adopting a Resolution Approving the Personnel Manual for the San Joaquin Regional Rail Commission Amended, as of March 5, 2026 (Regular Voting Members)	**ACTION**
5.4	Monthly Expense Report	**INFORMATION**
5.5	Quarterly Capital Expense Report	**INFORMATION**
5.6	ACE Monthly Ridership	**INFORMATION**
5.7	ACE Monthly Fare Revenue	**INFORMATION**
5.8	ACE On-Time Performance	**INFORMATION**
5.9	Washington Update	**INFORMATION**

6. Adopt a Resolution Authorizing Staff to Move Forward with Valley Rail North for Initial Implementation, Continuing Project Development and Pursuing Additional Grant Opportunities for Valley Rail South, Based on Recommendation of the Station/Facilities Development Committee **ACTION**
Presented by: David Lipari (Deputy Executive Director)
(Regular Voting Members)

7. Report and Public Hearing on the Status of San Joaquin Regional Rail Commission Vacancies, Recruitment, and Retention for Calendar Year 2025, Pursuant to Assembly Bill 2561 **ACTION**
Presented by: Angela Pugh (Human Resources Manager)
(Regular Voting Members)

8. ACE Special Trains Update **INFORMATION**
Presented by: Freddy Rodriguez (Marketing Coordinator)

9. Board Member Comments

10. Ex-Officio Comments

11. Chief Executive Officer's Report
Chris Orlando

12. CLOSED SESSION
Conference with Legal Counsel re Pending Litigation: Government Code §54956.9(a); One Case; Barbara Johnson Carter v. San Joaquin Regional Rail Commission, et al., Alameda County Superior Court, Case No. 24CV079639
(Regular and Special Voting Members)

13. CLOSED SESSION
– Conference with Legal Counsel re Pending Litigation: Government Code §54956.9(a); (a): Three (3) Cases

- **San Joaquin Regional Rail Commission v. AG Auto Group, et al., Sacramento County Superior Court, Case No. To Be Set By The Court (6400 Blacktop Rd., Suites I & J, Rio Linda, CA);**
- **San Joaquin Regional Rail Commission v. Aleksandr Medvedev, et al., Sacramento County Superior Court, Case No. To Be Set By The Court (6400 Blacktop Rd., Suites G & H, Rio Linda, CA)**; and
- **San Joaquin Regional Rail Commission v. Auto Boss, LLC, et al., Sacramento County Superior Court Case No. 26CV004610 (6362 Blacktop Rd., Suites H, I & J, Rio Linda, CA)**

(Regular Voting Members Only)

14. CLOSED SESSION
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
AND CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code Sections 54957 and 54957.6
Agency Designated Representative: Lisa Craig-Hensley, Board Chair
Unrepresented Employee: General Counsel
(Regular Voting Members Only)

15. Return to Open Session
Janice D. Magdich (General Counsel)

16. Adjournment

The next regular meeting is scheduled for April 3, 2026 – 8:30 am.

SAN JOAQUIN REGIONAL RAIL COMMISSION
Special Meeting of March 5, 2026

Item 4.1 **ACTION**

Minutes of San Joaquin Regional Rail Commission February 6, 2026 Board Meeting

The meeting of the San Joaquin Regional Rail Commission (Rail Commission) was held at 9:30 am on February 6, 2026, in the Board Room of the Cabral Station, 949 E. Channel Street, Stockton, CA. Board Members attended this meeting 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. Roll Call

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

Commissioners Absent: Salwan, Lackey

Ex-Officios Present: Kim Anderson (SJCOG), Ken Baxter (SJRTD), Tom Dumas (Caltrans)

3. Public Comment

There were no public comments.

4. Consent Calendar **ACTION**

4.1 Approve Minutes of Special San Joaquin Regional Rail Commission January 8, 2026 Board Meeting **ACTION**
(Regular and Special Voting Members)

4.2 Adopt a Resolution Ratifying and Affirming the Chief Executive Officer's Action to Submit an Application to Obtain the United States Department of Transportation's Fiscal Year 2026 Better Utilizing Investments to Leverage Development (BUILD) Grant Program Funding in the Amount of $25 Million Towards the Modesto Station and Track Improvement Project and Further Authorizing the Chief Executive Officer, or Designee, to Negotiate and Execute Any Grant Agreements, Standard Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and/or Fund Transfer Agreements **ACTION**
(Regular and Special Voting Members)

4.3 Adopt a Resolution Rescinding SJRRC Resolution 25/26-11 and Affirming the Chief Executive Office to Submit a Revised 2026 San Joaquin One Voice® Application for the San Joaquin Street Layover Track Project (Layover Project) **ACTION**
(Regular and Special Voting Members)

4.4	Adopt a Resolution Authorizing and Designating the Acting Clerk of the Board to Attend Closed Sessions of the Commission, to Keep and Enter in a Minute Book a Record of Topics Discussed and Decisions Made by the Commission Pursuant to Government Code Section 54957.2 (Regular Voting Members Only)	**ACTION**
4.5	Adopt a Resolution Approving Listing of Local Government Officials and Designated San Joaquin Regional Rail Commission Employees Required to Complete Fiscal and Financial Training in Accordance with Senate Bill 827 (Regular Voting Members Only)	
4.6	Monthly Expense Report	**INFORMATION**
4.7	ACE Monthly Ridership	**INFORMATION**
4.8	ACE Monthly Fare Revenue	**INFORMATION**
4.9	ACE On-Time Performance	**INFORMATION**
4.10	Quarterly Report Out of Agreements and Purchases over $100,000 Executed in the Second Quarter of Fiscal Year 2025/2026	**INFORMATION**
4.11	San Joaquin Regional Rail Commission Station/Facilities Development Committee Report Out	**INFORMATION**
4.12	Washington Update	**INFORMATION**

There were no public comments on this item.

Chair Craig-Hensley pulled item 4.1 and asked staff to follow up on the Great America Shuttle – Superbowl Update item regarding data for shuttle adjustments and the possibility of adjusting the shuttle timeline.

Chair Craig-Hensley pulled item 4.3 and asked for clarification on the revised San Joaquin One Voice® application. Chris Orlando, Chief Executive Officer (CEO), stated the project is being revised due to the regional impact assessment of Capital Program and Grant Strategy and the reprioritization of grant approach.

Chair Craig-Hensley pulled item 4.9 and inquired about the delays depicted in the graphic. Nathan Alastra, Operations Superintendent, stated the delays in November and December will be discussed during Item 7 of the agenda.

Chair Craig-Hensley pulled item 4.10 and asked for clarification on grant writing efforts and the contract lengths. Autumn Gowan, Procurement and Contracts Manager, stated the grant writing contracts are 5-year on -call contracts, and when they are amended, staff presents the amendments to the Rail Commission board if the amounts exceed $250,000.

Commissioner Marchand abstained from items listed for Regular Voting Members Only.

M/S/C (Marchand/Fugazi) to approve Items 4.1-4.12 of the Consent Calendar.

Passed and Adopted by the San Joaquin Regional Rail Commission on February 6, 2026, by the following vote to wit:

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

5. Adopt a Motion Establishing a New Regular Rail Commission Meeting Date and Time of the First Friday of Every Month at 8:30 AM **ACTION**

Jackie Miramontes, Manager of Administration, gave a presentation on this item.

Chair Craig-Hensley asked if the newest Rail Commission member had been notified of the time change.

Ms. Miramontes confirmed Commissioner Lackey was informed of the new time.

There were no comments on this item.

M/S/C (Arriola/Marchand) to Approve a Motion Establishing a New Regular Rail Commission Meeting Date and Time of the First Friday of Every Month at 8:30 AM.

Passed and Adopted by the San Joaquin Regional Rail Commission on February 6, 2026, by the following vote to wit:

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

6. San Joaquin Regional Rail Commission Election of Officers **DISCUSSION/ ACTION**

Mr. Orlando provided background information on this item and returned the conversation to the Board of Commissioners for discussion.

There were no public comments on this item.

M/S/C (Zuber/Fugazi) to appoint Commissioner Lisa Craig-Hensley as the Rail Commission Chair

Passed and Adopted by the San Joaquin Regional Rail Commission on February 6, 2026, by the following vote to wit:

AYES:	4	Arriola, Fugazi, Vice-Chair Zuber, Chair Craig-Hensley
NOES:	0	
ABSTAIN:	0	
ABSENT:	1	Lackey

M/S/C (Craig-Hensley/Arriola) to appoint Commissioner Leo Zuber as the Rail Commission Vice-Chair

Passed and Adopted by the San Joaquin Regional Rail Commission on February 6, 2026, by the following vote to wit:

AYES:	4	Arriola, Fugazi, Vice-Chair Zuber, Chair Craig-Hensley
NOES:	0	
ABSTAIN:	0	
ABSENT:	1	Lackey

7. ACE Quarterly Performance Update (October 1, 2025 – December 31, 2025) **INFORMATION**

Mr. Alastra and Chad Duvauchelle, Transportation Research Analyst, gave a presentation on this item.

Commissioner Fugazi asked for clarification on the low ACE Revenue in Quarter 2.

Mr. Duvauchelle stated the forecast was originally set for the entire year and was affected by the slower month and one less operating date.

There were no public comments. This was an information item only.

8. Board Member Comments

Chair Craig-Hensley shared her recent experience with the Rail Commission's insurance brokers and expressed her enthusiasm for the strong safety record set by the agency.

9. Ex-Officio Comments

Kim Anderson, on behalf of Diane Nguyen, for SJCOG, announced an upcoming event on March 10 at the Oak Park Senior Center in Stockton, CA. This event will be the launch of the clean mobility car share service expansion of Míocar car-share services.

Ken Baxter, with SJRTD, provided a follow-up regarding the Amtrak bus station on San Joaquin Street and was pleased to announce the lighting and safety improvements brought on by the Rail Commission.

Tom Dumas, with Caltrans, congratulated the Rail Commission on the recent grant award of $602,000 toward Operating Funds for operating services to San Jose from the Low Carbon Transit Operations Program (LCTOP). Mr. Dumas also shared the California Highway Patrol's

(CHP's) new program where citations for drivers traveling over 100 miles per hour (MPH) are sent directly to the California Department of Motor Vehicles (DMV) and stays on file with that agency.

10. Chief Executive Officer's Report

Mr. Orlando asked staff to introduce new Support Services employee, Todd.

Mr. Orlando also shared information on the ACE Super Bowl Special Train ticket sales and the recent February 4 customer and passenger appreciation event held at the Great America Station.

11. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Pursuant to Government Code Sections 54956.9(d)(4): Five (5) Cases.
Regarding Real Property located at:

- **6400 Blacktop Rd., Suite A, Rio Linda, CA, Occupied by Sacramento Alfredo Castro;**
- **6400 Blacktop Rd., Suites I & J, Rio Linda, CA, Occupied by AG Auto Group;**
- **6400 Blacktop Rd., Suites G & H, Rio Linda, CA, Occupied by Aleksandr Medvedev; and**
- **6362 Blacktop Rd., Suites H, I & J, Rio Linda, CA, Occupied by Auto Boss, LLC.**

12. CLOSED SESSION
CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8
Property: APN 010-0023-018 City of Sacramento, for a temporary construction easement
Agency Negotiator: Tim McCloud, Senior Project Coordinator, for Monument
Negotiating party: Traci Canfield, Senior Manager TOC & Real Estate, for SacRT
Under negotiation: Price and payment terms

13. CLOSED SESSION
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
AND CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code Sections 54957 and 54957.6
Agency Designated Representative: Lisa Craig-Hensley, Board Chair
Unrepresented Employee: General Counsel

14. Return to Open Session

Janice D. Magdich, General Counsel, stated item 11 was discussed, directions were given by the Commission, and there were no other reportable actions.

Ms. Magdich explained that for item 12 – authorization was given after discussion, and there were no other reportable actions.

Chair Craig-Hensley reported on item 13 and stated directions were given to the CEO. Chair Craig-Hensley asked for this item to be on the agenda at the next scheduled Rail Commission board meeting.

15. Adjournment

Chair Craig-Hensley adjourned the meeting at 10:48 am.

The next regular meeting scheduled for March 6, 2026 – 9:30 am has been cancelled.

The next special meeting is scheduled for March 5, 2026 – 8:30 am.

SAN JOAQUIN REGIONAL RAIL COMMISSION
Special Meeting of March 5, 2026

STAFF REPORT

Item 5.2 **ACTION**

Adopt a Resolution Ratifying and Affirming the Chief Executive Officer's Action in Negotiating and Executing the Grant Application and Further Authorizing the Chief Executive Officer, or Designee, to Negotiate and Execute Any Grant Agreements, Standard Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and/or Fund Transfer Agreements to Obtain the San Joaquin Council of Governments Senate Bill 125 Phase 2 Applications Grant Program Funding in the Amount of $4 Million Towards the for the San Joaquin Street Station Exterior Paint, Striping, and Lighting Improvements Project and ACE Rolling Stock Capital Spares Project

Background:
California Senate Bill 125 (Chapter 54 of the Statutes of 2023) guides the distribution of $4 billion in General Fund through the Transit and Intercity Rail Capital Program (TIRCP) on a population-based formula to regional transportation planning agencies, which will have the flexibility to use the money to fund transit operations or capital improvements. The San Joaquin Council of Governments (SJCOG) Senate Bill (SB) 125 Phase 2 Program has $25.7 million available to fund capital projects.

San Joaquin Regional Rail Commission (Rail Commission) staff submitted two (2) SB 125 Phase 2 applications by the January 16, 2026, deadline: San Joaquin Street Station Exterior Paint, Striping and Lighting Improvements (San Joaquin Street Station) Project requesting $2 million and ACE Rolling Stock Capital Spares (ACE Capital Spares) Project requesting $2 million.

San Joaquin Street Station Project:
The San Joaquin Street Station Project will bring the station to a state of good repair through restoration, repair, and replacement of the deteriorated components, in keeping with the Secretary of the Interior's Standards for the Treatment of Historic Properties. The proposed improvements include exterior station painting and restoration of the exterior damage, lead paint abatement, and potential lighting/stripping/Americans with Disabilities Act (ADA) improvements/curb and gutter improvements as budget permits.

In 2022, improvements were made to the San Joaquin Street Station roof and exterior structure. However, there were insufficient funds to paint the historical station, built in 1900. The San Joaquin Street Station Project continues that effort by delivering improvements to enhance this critical Gold Runner passenger rail gateway that connects multiple communities across San Joaquin County and to the surrounding county transit services. A cleaner, more welcoming, and maintained station exterior improves the overall passenger experience and supports increased ridership.

ACE Capital Spares Project:
The Capital Spares Project includes rolling stock wheel sets, capital spare parts, new paint scheme, seats, flooring, updated exterior paint scheme, and on-board information systems including digital audio and liquid crystal display screens. The project is essential to delivering the Rail Commission's Transit Asset Management Plan midlife overhaul key initiative to ensure ACE's revenue fleet operates at maximum performance.

The Capital Spares Project supports the continued effort to ensure the ACE fleet stays in a state of good repair. Additionally, the overhaul of 30 Legacy ACE railcars demonstrates the Rail Commission's commitment to maintaining assets in a state of good repair. These overhaul projects improve the passenger experience, extend useful life of the equipment, and improve reliability. By ensuring that the maximum number of vehicles are available for service, the ACE service can extend the size of consists to accommodate the increasing ridership, while still maintaining an adequate spare ratio. Due to the long lead time on critical Capital Spare components having a sufficient inventory is critical to equipment availability and reliability.

Fiscal Impact:
There is no fiscal impact.

Recommendation:
Adopt a Resolution Ratifying and Affirming the Chief Executive Officer's Action in Negotiating and Executing the Grant Application and Further Authorizing the Chief Executive Officer, or Designee, to Negotiate and Execute Any Grant Agreements, Standard Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and/or Fund Transfer Agreements to Obtain the San Joaquin Council of Governments Senate Bill 125 Phase 2 Applications Grant Program Funding in the Amount of $4 Million Towards the for the San Joaquin Street Station Exterior Paint, Striping, and Lighting Improvements Project and ACE Rolling Stock Capital Spares Project.

SJRRC RESOLUTION 25/26 –

RESOLUTION RATIFYING AND AFFIRMING THE CHIEF EXECUTIVE OFFICER'S ACTION IN NEGOTIATING AND EXECUTING THE GRANT APPLICATION AND FURTHER AUTHORIZING THE CHIEF EXECUTIVE OFFICER, OR DESIGNEE, TO NEGOTIATE AND EXECUTE ANY GRANT AGREEMENTS, STANDARD AGREEMENTS, PROGRAM SUPPLEMENTAL AGREEMENTS, FUND EXCHANGE AGREEMENTS, AND/OR FUND TRANSFER AGREEMENTS TO OBTAIN THE SAN JOAQUIN COUNCIL OF GOVERNMENTS SENATE BILL 125 PHASE 2 APPLICATIONS GRANT PROGRAM FUNDING IN THE AMOUNT OF $4 MILLION TOWARDS THE FOR THE SAN JOAQUIN STREET STATION EXTERIOR PAINT, STRIPING, AND LIGHTING IMPROVEMENTS PROJECT AND ACE ROLLING STOCK CAPITAL SPARES PROJECT

WHEREAS, the San Joaquin Council of Governments Senate Bill (SB) 125 Phase 2 Program has $25.7 million available to fund capital projects; and

WHEREAS, San Joaquin Regional Rail Commission (Rail Commission) staff submitted two (2) SB 125 Phase 2 applications by the January 16, 2026 deadline: San Joaquin Street Station Exterior Paint, Striping, and Lighting Improvements (San Joaquin Street Station Project) requesting $2 million and ACE Rolling Stock Capital Spares (ACE Capital Spares) Project requesting $2 million; and

WHEREAS, the San Joaquin Street Station Project includes exterior station painting and restoration of exterior damage, lead paint abatement, and potential lighting/stripping/Americans with Disabilities Act (ADA) improvements/curb and gutter improvements as budget permits; and

WHEREAS, the ACE Capital Spares Project includes rolling stock wheel sets, capital spare parts, new paint scheme, seats, flooring, updated exterior paint scheme, and on-board information system including digital audio and liquid crystal display screens.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the San Joaquin Regional Rail Commission hereby Ratifies and Affirms the Chief Executive Officer's Action in Negotiating and Executing the Grant Application and Further Authorizing the Chief Executive Officer, or Designee, to Negotiate and Execute Any Grant Agreements, Standard Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and/or Fund Transfer Agreements to Obtain the San Joaquin Council of Governments Senate Bill 125 Phase 2 Applications Grant Program Funding in the Amount of $4 Million Towards the for the San Joaquin Street Station Exterior Paint, Striping and Lighting Improvements Project and ACE Rolling Stock Capital Spares Project.

PASSED AND ADOPTED, by the San Joaquin Regional Rail Commission this 5th day of March 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

SAN JOAQUIN REGIONAL RAIL COMMISSION

_____
CHRIS ORLANDO, Secretary

_____
LISA CRAIG-HENSLEY, Chair

SAN JOAQUIN REGIONAL RAIL COMMISSION
Special Meeting of March 5, 2026

STAFF REPORT

Item 5.3 **ACTION**

Adopt a Resolution Rescinding Resolution 24/25-44 and Adopting a Resolution Approving the Personnel Manual for the San Joaquin Regional Rail Commission Amended, as of March 5, 2026

Background:
On December 1, 2008, the Board of Commissioners approved a resolution adopting the San Joaquin Regional Rail Commission's (Rail Commission's) Personnel Manual (Manual). On January 5, 2024, the Board adopted a revised Manual that contained numerous updates and clarifications to employment law, statutes, guidelines, policies, and procedures. Additional updates were made to the Manual and approved by the Board on April 5, 2025.

Over the last year, Staff drafted further updates and worked in coordination with the Rail Commission's General Counsel to determine which areas of the Manual required further revision, based on applicable laws, regulations, and best practices. The updated Manual contains major and minor revisions that add or clarify policies and align the Manual with state and federal regulations and current best employment practices.

Proposed revisions are summarized as follows:

Article/ Section	Policy	Description of Update
3.3.5	Pay in Lieu of Vacation Policy	Updated to provide clarification.
5.4	Vehicle Allowance Policy	Updated to eliminate vehicle allowance. Employees are eligible for reimbursement at the Internal Revenue Service (IRS) mileage reimbursement rate.
6.3.2.4	Attendance and Tardiness Policy	Updated to clarify the process for notification of being out or late.
7.9	Driving Policy	Updated requiring annual certification from drivers and employee consent to annual Motor Vehicle Report (MVR), and possibly other consumer reports, as an ongoing condition of employment.
7.10	Agency Vehicle Use Policy	Updated to include Agency FasTrak account rules.
10	Technology Use and Security	Updated to improve technology security measures based on current best practices.

The Rail Commission's General Counsel has reviewed and approved the proposed revisions.

Fiscal Impact:
There is no fiscal impact.

Recommendation:
Adopt a Resolution Rescinding Resolution 24/25-44 and Adopting a Resolution Approving the Personnel Manual for the San Joaquin Regional Rail Commission, Amended as of March 5, 2026.

SJRRC RESOLUTION 25/26 –

RESOLUTION RESCINDING RESOLUTION 24/25-44 AND ADOPTING A RESOLUTION APPROVING THE PERSONNEL MANUAL FOR THE SAN JOAQUIN REGIONAL RAIL COMMISSION AMENDED, AS OF MARCH 5, 2026

WHEREAS, on December 1, 2008, the Board of Commissioners approved a resolution adopting the San Joaquin Regional Rail Commission's (Rail Commission's) Personnel Manual (Manual); and

WHEREAS, on January 5, 2024, the Board adopted a revised Manual that contained numerous updates and clarifications to employment law, statutes, guidelines, policies, and procedures; and

WHEREAS, additional updates were made to the Manual and approved by the Board on April 5, 2025; and

WHEREAS, over the last year, Staff drafted further updates and worked in coordination with General Counsel to determine which areas of the Manual required further revision based on applicable laws, regulations, and best practices; and

WHEREAS, General Counsel has reviewed and approved the proposed revisions.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the San Joaquin Regional Rail Commission Hereby Rescinds Resolution 24/25-44 and Adopts a Resolution Approving the Personnel Manual for the San Joaquin Regional Rail Commission Amended, as of March 5, 2026.

PASSED AND ADOPTED, by the San Joaquin Regional Rail Commission this 5th day of March 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

SAN JOAQUIN REGIONAL RAIL COMMISSION

_____
CHRIS ORLANDO, Secretary

_____
LISA CRAIG-HENSLEY, Chair

San Joaquin Regional Rail Commission

PERSONNEL MANUAL

DRAFT



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ARTICLE 1: INTRODUCTION

SECTION 1.1: PERSONNEL MANUAL

This Personnel Manual, hereinafter referred to as "Manual", is intended to educate new employees and serve as a resource for current employees. The Personnel Manual contains information regarding employment policies and practices of San Joaquin Regional Rail Commission (SJRRC). Consistent with California Labor Laws, employment with SJRRC is "at-will" which means that an employee can be terminated for any lawful reason without warning. An employee under the "at-will" employment status in California also reserves the right to cease work or quit their job for any reason and without warning. Either the employee or SJRRC may terminate the employment relationship at any time, with or without notice, and with or without cause.

Every employee is required to read this Manual in its entirety, as it is a valuable reference for understanding employment with SJRRC. Employees are required to sign an acknowledgment stating that they have read and understand the Manual. It is the responsibility of employees to familiarize themselves and comply with the provisions of this Manual. The Manual describes general employment guidelines and employees should understand that the Manual is not intended to be a contract of continued employment (express or implied), nor is it intended to otherwise create any legally enforceable obligation on the part of SJRRC or its employees. Unless otherwise noted in this Manual "days" refer to calendar days.

This edition of the Manual adopted by the SJRRC Board of Directors by Resolution No. 25/26-XX on March 5, 2026, supersedes and replaces all previous personnel manuals, practices, policies, and guidelines but does not alter the SJRRC's policy of at-will employment. This Manual is used in concert with other policies and procedures which may be adopted from time to time. In the event of conflict between any of the documents, the most recently approved document shall prevail. In the event of conflict between any of the policies in this Manual and state or federal law, such state or federal law will apply. SJRRC reserves full discretion to add to, modify, or delete provisions of this Manual, or the policies and procedures on which they may be based, at any time, without advance notice. No oral statements or representations can change the provisions of this Manual. For this reason, employees are urged to check with the Human Resources (HR) Department or their supervisor to obtain current information regarding the status of any particular policy, procedure, or practice.

This Manual applies to all employees of SJRRC, except where inconsistent with a written contract of employment.

SECTION 1.2: EQUAL EMPLOYMENT OPPORTUNITY

It is SJRRC's policy to provide equal employment opportunity for all existing and potential employees. SJRRC is an Equal Employment Opportunity Employer. SJRRC does not unlawfully discriminate in its employment actions or exclude from employment opportunities on the basis of race, color, religion, religious creed, ancestry, national origin, sex, gender (including gender identity, gender expression, sexual orientation, pregnancy, childbirth, breastfeeding or related

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conditions), age (40 or over), genetic information, mental and physical disability, marital status, military status, veteran status, or other legally protected class.

In accordance with applicable law, SJRRC also makes reasonable accommodations for employees and applicants who request an accommodation based on disability, sincerely held religious beliefs, and for pregnancy, childbirth, or related medical conditions. This policy and the law prohibit employment discrimination against any employee or applicant on the basis of legally protected status outlined above.

SJRRC prohibits discrimination, harassment (including sexual harassment), and retaliation against any individual on the basis of any legally protected class listed above. For information about the types of conduct that constitute impermissible discrimination, harassment, and retaliation, SJRRC's internal procedures for addressing complaints, and the legal remedies available through filing a complaint with appropriate state and federal agencies, please refer to SJRRC's Policy Against Discrimination, Harassment, and Retaliation located in Section 1.4 of this Manual.

This policy applies to all areas of employment, including recruitment, hiring, selection, training, promotion, compensation, benefits, transfer, disciplinary action, demotion, termination of employment, and social and recreational programs. It is the responsibility of every supervisor, manager, and employee to conscientiously follow this policy. All SJRRC executives, management, and supervisory personnel share in the responsibility for implementing and monitoring SJRRC's Policy Against Discrimination, Harassment, and Retaliation within their respective areas and will be assigned specific tasks to ensure compliance is achieved. SJRRC will evaluate its managers' and supervisors' performance on their successful implementation of SJRRC's policies and procedures, in the same way SJRRC assesses their performance regarding other agency goals. Questions regarding this policy should be discussed with a manager, supervisor, the EEO Officer, or the HR Department.

SECTION 1.3: EMPLOYMENT AT WILL

All employment at SJRRC is "at will." This means that employment is for an indefinite period of time. Both employees and SJRRC have the right to terminate employment at any time, with or without just cause, and with or without advance notice. SJRRC does not guarantee continued or permanent employment. Employees also may be demoted or disciplined, and the terms of their employment may be altered at any time, with or without just cause, at the discretion of SJRRC. Only the Chief Executive Officer (CEO) has the authority to alter this arrangement in accordance with the law, to enter into an agreement for employment for a specified period of time, or to make any agreement contrary to this at-will status. Any such agreement must be in writing, must be signed by the CEO and by the affected employee, and must express a clear and unambiguous intent to alter the at-will nature of the employment relationship. Nothing in this Manual shall be interpreted to be in conflict with or to eliminate or modify in any way the at-will employment status of SJRRC employees.

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SECTION 1.4: POLICY AGAINST DISCRIMINATION, HARASSMENT, AND RETALIATION

Section 1.4.1. Purpose of Policy. SJRRC strives to provide a workplace free of unlawful discrimination, harassment, retaliation, intimidation, and exploitation. Accordingly, SJRRC prohibits unlawful discrimination, harassment, and retaliation in accordance with the California Fair Employment and Housing Act, and any other applicable law or ordinance. This prohibition includes discrimination, harassment and retaliation based on race, color, religion, religious creed, ancestry, national origin, sex, gender (including gender identity, gender expression, sexual orientation, pregnancy, childbirth, breastfeeding or related conditions), age (40 or over), legally protected medical condition, genetic information, mental and physical disability, marital status, military status, veteran status, or any other legally protected class by federal, state, or local laws.

SJRRC strongly disapproves of and will not tolerate discrimination of, harassment of, or retaliation against employees by managers, supervisors, or co-workers. Similarly, SJRRC will not tolerate such unlawful conduct by its employees or non-employees with whom SJRRC employees have a business, service, or professional relationship. SJRRC will attempt to protect employees from discrimination, harassment, and retaliation by non-employees in the workplace.

Section 1.4.2. Harassment Defined. Harassment includes verbal, physical, and visual conduct that creates an intimidating, offensive, or hostile working environment or that interferes with an employee's work performance. Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2) submission or rejection of the conduct is used as the basis for an employment decision; or (3) the harassment interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

Harassing conduct can take many forms and may include, but is not limited to, the following (when based upon an employee's protected status as noted above): slurs, jokes, statements, gestures, assault, impeding or blocking another's movement or otherwise physically interfering with normal work, pictures, drawings, or cartoons, violating someone's "personal space," foul or obscene language, leering, stalking, staring, unwanted or offensive letters or poems, offensive email, text, or voicemail messages

Sexually harassing conduct in particular is unlawful and may include all of these prohibited actions, as well as other unwelcome conduct, such as requests for sexual favors, conversation containing sexual comments, and other unwelcome sexual advances. Sexually harassing conduct can be by a person of either the same or opposite sex. Sexually harassing conduct need not be motivated by sexual desire to be violative of this policy.

Section 1.4.3. Reporting and Investigating Discrimination and Harassing Conduct. Incidents of discrimination, harassment, including work-related harassment, and retaliation by SJRRC personnel or any other person should be reported immediately to the Director of Administration, who is responsible for investigating harassment complaints, or the HR Department. An employee is not required to report discrimination and harassing conduct to the Director of Administration or HR Department if that person is the individual who is the subject of

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the complaint, but may instead report the complaint to their immediate supervisor or any other manager or supervisor. Managers and supervisors who receive complaints or who observe harassing or other unlawful conduct must immediately inform the Director of Administration or HR Department so that an investigation may be initiated.

Every reported complaint of discrimination, harassment, and retaliation will be treated seriously and investigated thoroughly and promptly by impartial and qualified personnel. The Director of Administration, or official responsible for investigating the complaint, will notify the employee who lodged the complaint of progress during the investigation, including documentation where applicable and tracking for reasonable progress, and timely notification of the results of the investigation. The investigation will be handled in as confidential a manner as possible, consistent with a full, fair, and proper investigation (e.g., parties will receive appropriate due process, SJRRC will reach reasonable conclusions based on the evidence collected, etc.). While it is desirable to maintain utmost confidentiality, once an investigation begins, it may be necessary to interview other employees. Strict confidentiality and proper discretion will be maintained as far as possible to safeguard parties to the investigation from innuendo and harmful gossip. Employees (or other complainants) making complaints are expected to cooperate fully with the person or persons designated to investigate the complaint.

In addition to notifying SJRRC about harassment or retaliation complaints, affected employees may also direct their complaints to the California Civil Rights Department ("CRD"), which has the authority to conduct investigations of the facts. The deadline for filing complaints with the CRD can be found on the CRD website at calcivilrights.ca.gov. If informal settlement efforts fail, the employee may file a lawsuit in the appropriate court of law. The courts have the authority to award monetary and non-monetary relief in meritorious cases. Employees can contact the nearest CRD office at the locations listed on SJRRC's CRD labor law compliance poster or by checking the State Government website at calcivilrights.ca.gov.

Affected employees may also file a charge of employment discrimination with the U.S. Equal Employment Opportunity Commission (EEOC) at EEOC.gov. A lawsuit may be filed under federal law alleging discrimination on the basis of race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), national origin, age (40 or older), disability, genetic information, or retaliation. Refer to EEOC.gov for further information on filing deadlines and exemptions when filing a lawsuit.

Section 1.4.4. Corrective Action. SJRRC will not tolerate retaliation against any employee for making a good-faith complaint under this policy or for cooperating in an investigation. Retaliation of any kind against an employee for complaining or taking part in an investigation concerning bullying and/or harassment is a serious disciplinary offense. If discrimination, harassment, or retaliation is established, SJRRC will take corrective action. Corrective action may include, for example: training, referral to counseling, or disciplinary action ranging from a verbal or written warning to termination of employment, depending on the circumstances. Records of any warning for workplace bullying and/or harassment will remain in an employee's personnel file and may be considered in the investigation of any future allegations of a similar nature. With regard to acts of harassment by customers or vendors, corrective action will be taken after consultation with the appropriate management personnel.

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Section 1.4.5. Harassment Prevention Training. Every SJRRC nonsupervisory employee is required to complete one (1) hour of Sexual Harassment and Abusive Conduct Prevention training within their first three (3) months of employment and at least once every two (2) years thereafter. In addition, all employees hired as or promoted to a supervisory or management position must undergo at least two (2) hours of interactive Sexual Harassment and Abusive Conduct Prevention training within the first ninety (90) days of assuming a new supervisory or management position. Additionally, all supervisors and managers must complete at least two (2) hours of interactive sexual harassment awareness and prevention training at least once every two (2) years thereafter. An employee who fails to comply with this section may be subject to disciplinary action, up to and including termination of employment.

Section 1.4.6. Liability for Harassment. Any employee of SJRRC, whether a coworker or manager, found to have engaged in prohibited harassment is subject to disciplinary action, up to and including immediate termination from employment. Any employee who engages in prohibited harassment may be held personally liable for monetary damages. SJRRC does not consider conduct in violation of this policy to be within the course and scope of employment or the direct consequence of the discharge of one's duties. Accordingly, to the extent permitted by law, SJRRC reserves the right not to provide a defense or pay damages assessed against employees for conduct in violation of this policy.

SECTION 1.5: POLICY AGAINST WORKPLACE VIOLENCE

1.5.1. Statement of Policy. SJRRC recognizes that violence in the workplace is a growing nationwide problem necessitating a firm, considered response by employers. The costs of workplace violence are great, both in human and financial terms. The safety and security of SJRRC employees are paramount. SJRRC is committed to providing a safe and secure workplace for its employees. SJRRC strictly prohibits employees, consultants, customers, visitors, or anyone else on SJRRC premises or engaging in a SJRRC-related activity from behaving in a violent or threatening manner. Moreover, SJRRC seeks to prevent workplace violence before it begins and reserves the right to address certain behaviors, even in the absence of violent behavior.

SJRRC believes that prevention of workplace violence begins with recognition and awareness of potential early warning signs and has established procedures within the HR Department for responding to any situation that presents the possibility of violence.

Acts or threats of physical violence, including intimidation, harassment, coercion, or any other violent behavior that involves or affects SJRRC or that occurs on SJRRC property or in the conduct of Agency business off SJRRC property, will not be tolerated. This prohibition against threats and acts of violence applies to all persons involved in SJRRC operations, including, but not limited to SJRRC personnel, contract workers, temporary employees, and anyone else on SJRRC property or conducting SJRRC business off SJRRC property. Violations of this policy, by any individual, will lead to disciplinary and/or legal action as appropriate. Disciplinary action may include immediate termination of employment.

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Possessing firearms or weapons on SJRRC property (including parking areas), or at SJRRC-sponsored events, or while conducting SJRRC business is dangerous and is strictly prohibited. Disciplinary action may include immediate termination of employment.

This policy is intended to bring SJRRC into compliance with existing legal provisions requiring employers to provide a safe workplace; it is not intended to create obligations beyond those required by existing law.

1.5.2. Definitions. Workplace violence is any intentional conduct that is sufficiently severe, offensive, or intimidating to cause an individual to reasonably fear for their personal safety or the safety of their family, friends, and/or property, such that employment conditions are altered or a hostile, abusive, or intimidating work environment is created for one or several SJRRC employees. Workplace violence may involve any threats or acts of violence occurring on SJRRC premises, regardless of the relationship between SJRRC and the parties involved in the incident. It also includes threats or acts of violence that affect the business interests of SJRRC or that may lead to an incident of violence on SJRRC premises. Threats or acts of violence occurring off SJRRC premises that involve employees, agents, or individuals acting as a representative of SJRRC, whether as victims of or active participants in the conduct, may also constitute workplace violence. Specific examples of conduct that may constitute threats or acts of violence under this policy include, but are not limited to the following:

1.5.2.1. Threats or acts of physical or aggressive contact directed toward another individual;

1.5.2.2. Threats or acts of physical harm directed toward an individual or their family, friends, associates, or property;

1.5.2.3. The intentional destruction or threat of destruction of SJRRC property or another Employee's property;

1.5.2.4. Harassing or threatening phone calls, emails, text messages, or social media posts;

1.5.2.5. Surveillance;

1.5.2.6. Stalking;

1.5.2.7. Veiled threats of physical harm or similar intimidation; or

1.5.2.8. Any conduct resulting in the conviction under any criminal code provision relating to violence or threats of violence that adversely affects the SJRRC's legitimate business interests. Workplace violence does not refer to occasional comments of a socially acceptable nature. These comments may include references to legitimate sporting activities, popular entertainment, or current events. Rather, it refers to behavior that is personally offensive, threatening, or intimidating.

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1.5.3. Reporting. If any employee observes or becomes aware of any of the above-listed actions or behavior by an employee, customer, consultant, visitor, or anyone else, they should immediately notify the Director of Administration or HR Department.

Furthermore, employees should notify the Director of Administration or HR Department of any restraining order in effect, or if a potentially violent non-work-related situation exists that could result in violence in the workplace.

1.5.4. Investigation. All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. Under this policy, decisions may be needed to prevent a threat from being carried out, a violent act from occurring, or life-threatening situation from developing. No existing policy or procedure of the SJRRC should be interpreted in a manner that prevents the making of these necessary decisions.

SJRRC will make the sole determination of whether, and to what extent, threats or acts of violence will be acted upon. In making this determination, SJRRC may undertake a case-by-case analysis in order to ascertain whether there is a reasonable basis to believe that workplace violence has occurred. No provision of this policy shall alter the at-will nature of employment with SJRRC.

In appropriate circumstances, SJRRC will inform the reporting individual of the results of the investigation. To the extent possible, SJRRC will maintain the confidentiality of the reporting employee and of the investigation. SJRRC may, however, need to disclose results in appropriate circumstances, for example, in order to protect individual safety. SJRRC will not tolerate retaliation against any employee who reports workplace violence.

Any person who engages in a threat or violent action on SJRRC property may be removed from the premises as quickly as safety permits and may be required, at SJRRC's discretion, to remain off SJRRC premises pending the outcome of an investigation of the incident.

When threats are made or acts of violence are committed by employee(s), a judgment will be made by SJRRC as to what actions are appropriate, including possible medical evaluation and/or possible disciplinary action, up to and including termination of employment.

ARTICLE 2: EMPLOYMENT STATUS

SECTION 2.1: EMPLOYEE CLASSIFICATION

Employee classifications are as follows:

2.1.1. Regular Full-Time Employees. An employee who is regularly scheduled to work not less than forty (40) hours per week for a period of indefinite duration is referred to as a regular full-time employee. A regular full-time employee is eligible for the benefits described in this Manual.

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2.1.2. Regular Part-Time Employees. An employee who is regularly scheduled to work less than forty (40) hours per week is referred to as a regular part-time employee. A regular part-time employee is eligible for pro-rated benefits described in this Manual.

2.1.3. Contract Employees. Contract employees are persons retained by the Agency for a predetermined time, for a predetermined rate of pay, for a predetermined scope of work. Contract employees do not become regular employees after the predetermined time period has lapsed. Contract employees are not eligible for the benefits described in this Manual except as otherwise required by applicable law.

2.1.4. Temporary Employees. Temporary employees are persons hired to work on special assignment with the understanding that such work will be completed within a specified period of time. When the need arises, the SJRRC will hire employees for a temporary period or contract out, using a temporary contract service or agency independent of the SJRRC. Temporary employees do not become regular employees as a result of the passage of time. Temporary employees are not eligible for the benefits described in this Manual except as otherwise required by California Paid Sick Leave and other applicable law.

2.1.5. Exempt/Non-Exempt Employees. Employees shall be classified as either exempt or non-exempt based on criteria in the Fair Labor Standards Act (FLSA). Exempt employees, by definition, are exempt from earning overtime compensation and are paid on a salary basis. Nonexempt employees are employees who are eligible to be paid for overtime work in accordance with the provisions of applicable wage and hour laws. Overtime pay requirements are set forth in section 4.4 of this Manual entitled “Overtime Compensation.” All employees working in Director, Deputy Director, and Manager level positions have been established as exempt. Future positions may be added to any group by the CEO at their discretion, in accordance with applicable law.

2.1.6. Change in Employment Status. SJRRC may change the employment classification of any employee at any time based on the nature of the employment assignment in conformance with the FLSA.

2.1.7. Hiring Powers. The CEO and General Counsel are hired by, and serve at the pleasure of, the Board of Directors; all other employees of SJRRC are hired by, and serve at the pleasure of the CEO, subject to this Manual.

2.1.8. Immigration Compliance. Under federal law, all new hires must produce original documentation establishing their identity and right to work in the United States, and complete a Form I-9, attesting to their employment authorization. A list of acceptable documents to establish eligibility to work may be obtained from the HR Department or on the last page of the Form I-9. All documentation must be unexpired. Documentation must be produced within three (3) business days of hire, or on the first day of any employment that is less than three (3) business days.

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ARTICLE 3: HOLIDAYS, VACATION, LEAVES OF ABSENCE

SECTION 3.1: OFFICE HOLIDAYS

SJRRC administrative offices are closed in observance of the following holidays each year:

New Year's Day	Independence Day
Martin Luther King, Jr. Day	Labor Day
Presidents' Day	Veterans Day
César Chávez Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Juneteenth	Christmas Day

3.1.1. Eligibility. Unless otherwise provided in this policy, all full-time employees will receive time off with pay at their normal base rate for each SJRRC-observed holiday. Part-time employees receive holiday time off, with pay pro-rated according to the number of weekly hours they are scheduled to work, divided by forty (40) hours. Employees scheduled to work on SJRRC-observed holidays will receive time off with pay for the hours they were scheduled to work on said holiday. Temporary and contract employees are not eligible for paid holiday benefits. All employees are ineligible for paid holiday benefits during unpaid leaves of absence.

3.1.2. Weekends and Vacations. Holidays falling on Saturdays will typically be observed on the preceding Friday. Holidays falling on Sundays will typically be observed on the following Monday. Holidays that occur during an eligible employee's vacation will not be counted as vacation days taken.

3.1.3. Pay In Lieu of Holiday Time Off. SJRRC may, in its sole discretion, require some or all employees to work on SJRRC-observed holidays. Employees who are required to work on SJRRC-observed holidays will accrue holiday hours equal to the number of hours worked or may be paid at two (2) times their normal base rate for all hours worked at the discretion of the CEO

3.1.4. Religious Holidays. Upon adequate notice, SJRRC will make reasonable accommodations, by rescheduling working hours, or releasing from work without pay, an employee to allow observance of a religious holiday, provided the accommodation would not impose an undue hardship on SJRRC.

SECTION 3.2: FLOATING HOLIDAY ACCRUAL

All regular full-time employees are granted four (4) floating holidays to be accrued at the rate of eight (8) hours per fiscal quarter. The accrual date is the first day of each fiscal quarter. All regular part-time employees are granted floating holidays, which are pro-rated by the number of hours they are scheduled to work each week, divided by forty (40) hours.

Floating holidays may be accumulated up to a maximum of 48 hours. Accumulation shall cease when 48 hours have been accumulated, until floating holidays have been taken to reduce the

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number of hours accumulated to less than 48 hours. Any accruals over the maximum cap are converted to sick time accrual. As with all discretionary time off, the floating holiday hours off must be approved in advance by the employee's supervisor.

Floating holiday hours, up to a maximum accrued amount of 48 hours, will be paid out upon termination of employment.

SECTION 3.3: VACATION POLICY

SJRRC provides vacation benefits to eligible employees to enable them to take paid time off for rest and recreation. SJRRC believes this time is valuable for employees in order to enhance their productivity and provide a work-life balance.

3.3.1. Vacation Accrual. All regular full-time employees accrue vacation time off based on their length of service, measured from the date of hire. All regular part-time employees are eligible to accrue vacation time off, pro-rated, according to the number of weekly hours they are scheduled to work, divided by forty (40) hours. Vacation time accrued in a given pay period is not available for use until the start of the next pay period.

No vacation may be taken during the first ninety (90) days of service unless otherwise permitted by the CEO. Vacation time off must be approved in advance by the employee's supervisor.

3.3.2. Calculation of Vacation Accrual. All regular full-time employees accrue vacation time based on the following schedules:

DIRECTORS

Years of Continuous Service	Annual Equivalent
Date of hire through the 5th year	120 hours
6th year through the 10th year	160 hours
11th year and thereafter	200 hours

DEPUTY DIRECTORS

Years of Continuous Service	Annual Equivalent
Date of hire through the 6th year	120 hours
7th year through the 11th year	160 hours
12th year and thereafter	200 hours

MIDDLE MANAGEMENT GROUP

Years of Continuous Service	Annual Equivalent
Date of hire through the 3rd year	80 hours
4th year through 8th year	120 hours

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9th year through 14th year	160 hours
15th year and thereafter	200 hours

ALL OTHER EMPLOYEES

Years of Continuous Service	Annual Equivalent
Date of hire through the 4th year	80 hours
5th year through 9th year	120 hours
10th year through 15th year	160 hours
16th year and thereafter	200 hours

The vacation time listed above accrues per pay period (e.g., an employee whose annual equivalent is 120 hours per year accrues approximately .57692 per hour worked or approximately 4.61538 each pay period.)

All regular part-time employees accrue vacation time based on the above schedules, pro-rated by the number of hours actually worked each week, divided by forty (40) hours.

3.3.3. Temporary Employees. Temporary employees do not accrue vacation benefits.

3.3.4. Maximum Accrual. Vacation accruals may not exceed three (3) times an employee's current annual entitlement. Once this maximum is reached, all further vacation accruals will cease, and hours accrued over the max cap will be accrued as sick leave. Vacation accruals will recommence after the employee has taken vacation and their accrued hours have dropped below the maximum.

For those employees who became employees of SJRRC during calendar year 1998, and who were employed (at the time of their employment by SJRRC) by San Joaquin County, and notwithstanding any other part of this Manual, the vacation accrual maximum of three (3) times the employee's current annual entitlement shall not apply to the employees discussed in this Section and they shall be grandfathered in with their accrual balance.

3.3.5. Pay in Lieu of Vacation. Only upon the approval of the CEO, or designee, and only as funding is available, an employee may buy down forty (40) hours of vacation time up to a maximum of two (2) times per fiscal year as follows: forty (40) hours in the first half of the fiscal year and forty (40) hours in the second half of the fiscal year. However, in order to be eligible to request the buy-down, the employee must have used a minimum of 20-hours of vacation in the prior 6-months to be eligible, and the employee must have a minimum of eighty (80) hours of accrued but unused vacation remaining after any buy-down of vacation accrual. Written requests to buy down vacation accrual must be emailed to the HR Department at hr@sjrrc.com at least one week prior to the upcoming pay date; if buy down request is approved, it will be applied on the following paycheck.

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3.3.6. Vacation Accrual During Periods of Leaves of Absence. Employees do not accrue vacation during an unpaid leave of absence. Vacation accruals will recommence when the employee returns to work. Vacation accrual continues during paid leaves of absence.

3.3.7. Vacation Time Off Approval. All vacation time off must be approved in advance by the employee's supervisor. Employees and supervisors should consider the safety and operational requirements of SJRRC when considering vacation approval. The CEO may deny an employee's requested vacation time off over the approval of the employee's supervisor if such requested time off could negatively impact the safety or efficient operations of SJRRC.

3.3.8. Vacation Use. All vacation days generally should be taken not later than the fiscal year immediately following the year in which they accrue.

3.3.9. Vacation Advances. An employee is not permitted to borrow on future accrual of vacation benefits.

3.3.10. Holidays Occurring During Vacation. If an observed SJRRC holiday occurs during an employee's scheduled vacation, no deduction from accrued vacation will be made for the holiday.

3.3.11. Transition Rules. For those employees who became employees of SJRRC during calendar year 1998, and who were employed (at the time of their employment by SJRRC) by San Joaquin County, and notwithstanding any other part of this Manual, the employees discussed in this Section shall accrue vacation in accordance with Section 3.3.2, by calculating years of continuous service by adding years of continuous service at San Joaquin County to years at SJRRC.

SECTION 3.4: SICK LEAVE POLICY

In order to help prevent loss of earnings that may be caused by accident or illness, SJRRC has established paid sick leave for all employees who work for SJRRC thirty (30) or more days within a year from the beginning of employment in California.

3.4.1. Eligibility. All SJRRC employees become eligible by working for SJRRC in California for thirty (30) or more days within a year of beginning employment and will accrue sick leave beginning on their first day of employment.

3.4.2. Accrual. Sick leave accrual is based on hours worked. Full-time, part-time, and temporary employees accrue sick leave for each hour worked. To illustrate, in a typical work schedule, regular full-time employees generally accrue 96 hours of sick leave per year (approximately 1.38 hours of sick leave for every 30 hours worked). Sick leave accrued in a given pay period is not available for use until the start of the next pay period.

3.4.3. Use. No sick leave may be taken during the first ninety (90) days of service, unless otherwise permitted by the CEO. After ninety days of service, sick leave may be used for preventative care, or the diagnosis, care, or treatment of an existing illness, injury, or medical

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condition (including medical and dental appointments), for the employee or the employee's immediate family member, as defined below.

3.4.4. Immediate Family Defined. For purposes of this policy, an employee's "immediate family member" is defined as an employee's spouse, legally registered domestic partner, child (including biological, adopted, foster, step-child, legal ward or a child to whom the employee stands *in loco parentis, i.e.* "standing in place of a parent"), sibling, parent of the employee or the employee's spouse/domestic partner (including a biological, adoptive, or foster parent, a step-parent, or legal guardian of the employee, or a person who stood *in loco parentis* when the employee was a minor), grandparent, grandchild, great-grandparent, or sibling, grandparent, great-grandparent, grandchild of the employee's spouse.

3.4.4.1 Designated Person. Sick Leave may also be used to care for a designated person, which is any individual identified by the employee at the time the employee requests to use sick leave. SJRRC limits an employee to one designated person per 12-month period. While the definition of a designated person is broad and can include any family member, neighbor, or friend, employees should keep in mind that once they choose a designated person, it cannot be changed for 12 months.

3.4.4.2 Victims of Crime and Violence. Sick leave may also be used by an employee who is a victim of domestic violence, sexual assault, stalking, or other qualifying acts of violence for purposes specified under California law (See Section 3.5.4.8 for more details).

3.4.5. There shall be no limit on accrual of sick leave. Unused accrued sick leave carries over to the following year.

3.4.6. SJRRC retains the right to request verification from a licensed health care provider for all absences of three (3) consecutive workdays or longer due to illness or disability. Sick pay may be withheld if a satisfactory verification is not received. The HR Department may also request verification from a licensed health care provider for absences of less than three (3) days if inappropriate use of sick leave benefits is suspected.

3.4.7. Employees must provide reasonable advance notice to their supervisor by emailing their supervisor (an estimate of dates needed to be off work at minimum) and the HR Department at hr@sjrrc.com (additional information will be requested from HR as appliable), if the need for leave is foreseeable, or as soon as practicable if the need is not foreseeable, and in any event no later than one (1) hour before the employee's scheduled start-time for non-Rail Services Department positions. Refer to SJRRC Attendance and Tardiness Policy in Section 6.3.2.4 for more information and requirements for providing reasonable advance notice if there is a need for leave.

3.4.8. Sick leave will not accrue during any unpaid leave of absence.

3..4.9. Coordination of Sick Leave Benefits with Worker's Compensation and Non-Occupational Disability or Medical Leaves of Absence. SJRRC will pay sick leave benefits to an eligible employee during the normal three (3) day waiting period before the employee is paid

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workers' compensation benefits pursuant to the applicable state or federal law governing the industrial injury or illness.

Similarly, the SJRRC will pay sick leave benefits during the normal seven (7) day waiting period before the eligible employee is paid benefits from either state disability or other disability plan.

Following the three (3) day and seven (7) day waiting periods specified above, an employee will continue to accrue sick leave if they have accrued time on the books. An employee will receive pay, less disability benefits they are receiving.

SECTION 3.5: OTHER LEAVES OF ABSENCE

3.5.1. Family Care and Medical Leave

SJRRC provides family care, medical, and military exigency leave under both the California Family Rights Act ("CFRA") and the federal Family and Medical Leave Act of 1993 ("FMLA") and military caregiver leave as provided under the FMLA. These leaves may run concurrently. Differences between the FMLA and CFRA may affect an individual employee's right to a particular leave. Thus, the policies below generally describe the aggregated leaves available under these laws but should not be construed as promising specific provision will apply in any given case, nor in all cases. Employees should contact the HR Department after reviewing the general policy provisions stated below to discuss their specific leave entitlements or related questions.

3.5.1.1 Eligibility

Generally, to be eligible for family care, medical, and military family leave and for military caregiver leave, an employee must:

(1) Have worked for SJRRC for at least 12- months prior to the date on which the leave is to commence;
(2) Have worked at least 1,250 hours in the 12-months preceding the date the leave commences;
(3) For any leave that qualifies only under the FMLA (and not under the CFRA), the employee must work at a location with 50 employees or more within a 75-mile radius of SJRRC's next closest facility. For a leave that qualifies under the CFRA, the employee is eligible if SJRRC directly employs 5 or more persons.

An employee returning from fulfilling their National Guard or Reserve military obligation will be credited with the hours of service that would have been performed but for the period of military service in determining the 1,250 hours of service.

3.5.1.2 Permissible Uses

"Family care and medical leave" may be requested for:

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(1) The birth or adoption of an employee's child or the child of the employee's domestic partner, or the placement of a foster child with the employee or with the employee's domestic partner.
(2) To care for a "family member" with a serious health condition. Under the FMLA and CFRA a "family member" includes the employee's spouse, child, or parent. Under the CFRA (but not under the FMLA), a "family member" also includes the employee's grandparent, grandchild, sibling, parent-in-law, and domestic partner. Under the CFRA (but not under the FMLA), leave may also be requested to care for a "designated person" with a serious health condition. A "designated person" is any individual related by blood or whose association with the employee is the equivalent of a family relationship. The employee may identify the designated person at the time the employee requests the leave. SJRRC limits employees to one designated person per 12-month period for family care and medical leave.
(3) For an employee's own serious health condition.

Generally, a "serious health condition" refers to an illness, injury, impairment, or physical or mental condition of an employee or an employee's covered family member that involves inpatient care in a hospital, hospice, or residential health care facility, either overnight or when an overnight stay was reasonably expected (even if it did not occur); subsequent treatment in connection with such inpatient care or any period of incapacity; or continuing treatment by a health care provider, including but not limited to treatment for substance abuse. Subject to certain conditions, "continuing treatment" can exist with incapacity due to pregnancy or with incapacity due to a chronic condition, as well as other conditions.

"Military exigency leave" may be requested when there is a qualifying military exigency arising out of the fact that an employee's spouse, child, or parent (and domestic partner or parent-in-law under the CFRA) is on covered active duty (or has been notified of an impending call or order to covered active duty) in the Armed Forces outside of the United States. Qualifying military exigencies include the following:

- *Short-notice deployment* where the employee may take leave to attend any issue that arises from the fact that a military member (whether in the Regular Armed Forces, National Guard, or Reserves) is notified of an impending call or order to active duty seven (7) or less calendar days prior to the date of deployment. Leave taken for this purpose can be used for a period of seven calendar days beginning on the date the covered service member receives the notification.
- *Military events and related activities* where the employee may take leave to attend to any official ceremonies, programs or events related to the call to active duty and to attend to family support, assistance programs, or informational briefings related to the call to active duty.
- *Childcare and school activities* where the employee may take leave to arrange for alternative childcare or to provide childcare on an urgent, immediate need basis when the need arises from the call to active duty, to enroll or transfer a child to a new school, to attend meetings with school or daycare facility staff regarding

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disciplinary measures, parent-teacher conferences, or meetings with school counselors.

- *Financial and legal arrangements* where the employee may take leave to make or update financial or legal arrangements related to the covered servicemember's absence, such as preparing powers of attorney, wills, transferring bank accounts, and the like, or appearing or acting on behalf of the absent servicemember in matters related to military benefits.
- *Counseling* where the employee may take leave to attend counseling, the need for which arises from the call to active duty of the covered servicemember.
- *Rest and recuperation* where the employee may take up to 15-days of leave to spend time with a covered servicemember each time the servicemember is on short-term rest and recuperation leave during the period of deployment.
- *Post-deployment activities* where the employee may take leave for a period of up to 90-days following the termination of the deployment to attend arrival ceremonies, reintegration briefings and events, and other official ceremonies or programs provided by the military, or to address issues that arise out of the death of a covered servicemember.
- *Parental leave* where the employee may take qualifying leave to care for the parent of a military member, or someone who stood *in loco parentis* to that military member, when the parent is incapable of self-care. To qualify as parental leave, the need for the leave must arise out of the military member's call to active duty. Further, the leave must be for one of the following purposes: (1) to arrange for alternative care for the parent; (2) to provide care for the parent on an urgent, immediate need basis; (3) to admit or transfer the parent of the military member to a care facility; or (4) to attend a meeting with staff at a care facility for the parent.
- *Additional activities* where the employee may take leave to address other events that arise out of the call to active duty as SJRRC and the employee may agree as to both timing and duration.

"**Military caregiver leave**" may be requested to care for a covered servicemember if the employee is the covered servicemember's spouse, child, parent, or next of kin. For purposes of this leave, a covered servicemember is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness, or (2) a covered veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness.

3.5.1.3 Substitution of Paid Leave

Employees are required to substitute accrued vacation time and other paid personal leave (except sick leave) for all family care, medical leaves, military exigency leaves, and military caregiver leaves, unless the employee is receiving Paid Family Leave (PFL) benefits, in which case the employee has the option of using vacation to supplement PFL benefits. Employees are required to substitute sick leave only for the employee's own medical leave. Employees may elect to substitute sick leave to attend to an illness of a covered family member or designated person.

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3.5.1.4 Amount of Leave

3.5.1.4.1 Family Care, Medical, and Military Caregiver Leave

Provided all the conditions of this policy are met, an employee may take a maximum of 12 weeks of family care, medical, and military exigency leave in a rolling 12-month period measured backward from the date the employee's leave commences, unless more time is required by law.

Employees who are unable to work due to pregnancy disability will be granted the greater of 12-weeks leave or the amount of leave to which the employee may be entitled under California state law for a pregnancy-related disability or in connection with childbirth. Family care leaves for the birth, adoption, or foster care placement of a child must be concluded within one year of the birth, adoption, or placement.

3.5.1.4.2 Military Caregiver Leave

Provided all the conditions of this policy are met, an employee may take a maximum of 26-weeks of military caregiver leave in a single 12-month period, inclusive of the time the employee takes for family care, medical, or military exigency leave during that period. This 12-month period will be measured forward from the first day leave is taken.

Spouses who are both employed by SJRRC may take a maximum combined total of 26-weeks in the 12-month period for the care of the servicemember and the birth, adoption, or foster care of their child or to care for an ill parent, provided that no more than 12-weeks of this combined 26-week period may be taken for reasons other than to care for the servicemember.

3.5.1.4.3 Intermittent Leave

Medical leave for the employee's own serious health condition, family care leave for the serious health condition of the employee's spouse, parent, or child, and military caregiver leave may be taken intermittently or on a reduced schedule when medically necessary. Where the intermittent or reduced schedule leave is for planned medical treatment, the employee must make an attempt to schedule the treatment so as not to disrupt unduly SJRRC's operations. Where the family care leave is to be taken in connection with the birth, adoption, or foster placement of a child, the minimum duration for each period of leave is two (2) weeks, except that the employee may request leave of less than two (2) weeks' duration on any two (2) occasions. Exigency leave may also be taken intermittently or on a reduced schedule.

3.5.1.4 Leave's Effect on Pay

Except to the extent that other paid leave is substituted for family care, medical, and military family leave, leave under the FMLA and the CFRA is unpaid. However, employees may be entitled to California State Disability Insurance (SDI) when leave is taken for their own serious health condition.

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Employees also may be entitled to Paid Family Leave (PFL) benefit payments for up to eight (8) weeks in any twelve (12) month period during leaves to care for qualifying family members. PFL provides a partial wage replacement for absences from work to care for a seriously ill or injured family member or for bonding with a minor child within one year of the birth or placement of the child in connection with foster care or adoption. Employee contributions provide funding for this program. PFL is administered like SDI by the California Employment Development Department. To the extent possible, PFL benefits must run concurrently with family care leave and do not entitle an employee to take any additional time off.

3.5.1.5 Leave's Effect on Benefits

During an employee's family care, medical, and military family leave, SJRRC will continue to pay for the employee's participation in SJRRC's group health plans, to the same extent and under the same terms and conditions as would apply had the employee not taken leave.

Thus, the employee must continue to pay their share of the benefit plan premiums (health, dental, vision, life, dependent life, and long-term disability) during the leave. If paid leave is substituted for the unpaid leave, such payments will be deducted from the employee's pay through the regular payroll deductions. Otherwise, the employee must make arrangements with SJRRC for the payment of such premiums.

If the employee fails to pay their share of the premiums during leave, or if the employee fails to return from the leave at the expiration of 12-weeks (or 26-weeks in the case of a military caregiver leave) for a reason other than the recurrence, continuation, or onset of a serious health condition for which leave under this policy is allowed or other circumstances beyond the employee's control, SJRRC can recover any health plan premiums paid by SJRRC on the employee's behalf during any periods of the leave, and may send a letter demanding payment of premiums owed.

3.5.1.7 Procedure for Requesting Leave

3.5.1.7.1 Notice Requirements

Employees must notify SJRRC, by contacting the HR Department, of their request for family care, medical, military exigency, or military caregiver leave with at least a verbal request, although a written request is also requested by SJRRC, as soon as they are aware of the need for such leave. For foreseeable family care, medical, and military caregiver leave, the employee must provide 30-days advance notice to SJRRC of the need for leave. For events that are unforeseeable 30-days in advance, the employee must notify SJRRC as soon as is practicable and generally must comply with SJRRC's normal call-in or notice procedures. If the leave is requested in connection with a planned, non-emergency medical treatment, the employee must make an attempt to schedule such treatment so as to avoid unduly disrupting SJRRC operations and may be requested to reschedule the treatment so as to minimize disruption of SJRRC's business.

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If an employee fails to provide the requisite 30-day advance notice for foreseeable events without any reasonable excuse for the delay, SJRRC reserves the right to delay the taking of the leave until at least 30 days after the date the employee provides notice of the need for family care or medical leave.

All requests for family care, medical, military exigency, and military caregiver leave should include enough information to make SJRRC aware that the employee needs qualifying leave, and the anticipated timing and duration of the leave, if known. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform SJRRC if the requested leave is for a reason for which FMLA/CFRA leave was previously taken or certified.

Any requests for extensions of leave under this policy must be received as soon as is practicable and must include the revised anticipated date(s) and duration of the leave. To the extent permitted by law, SJRRC reserves the right to deny requests for extensions or deny reinstatement to an employee who exceeds the leave amounts provided by this policy or fails to provide requested medical certification. In addition, if an employee has a disability, they may be eligible for leave under the Americans with Disabilities Act (ADA) or state law. For more detailed information on extended leaves, please contact Human Resources.

Once SJRRC is aware of the employee's need for leave, it will inform the employee whether they are eligible under the FMLA/CFRA. If the employee is eligible, the notice will specify any additional information required, as well as the employee's rights and responsibilities. If the employee is not eligible, SJRRC will provide a reason for the ineligibility.

3.5.1.7.2 Certification

Any request for medical leave for an employee's own serious health condition, for family care leave to care for a child, spouse, domestic partner, or parent with a serious health condition, or for a serious injury, or for military caregiver leave must be supported by medical certification from a health care provider.

For military caregiver leave, the employee must provide confirmation of a family relationship to the seriously ill or injured service member. Employees generally must provide the required certification within 15 days after SJRRC's request for certification. For foreseeable leaves, employees must provide the required medical certification before the leave begins. When this is not possible, employees must provide the required certification within 15 days after SJRRC's request for certification, unless it is not practicable under the circumstances to do so, despite the employee's good faith efforts.

Medical certifications must include the following:

For leave for a covered family member's serious health condition or for the serious injury or illness of a qualifying servicemember: (a) the date on which the serious health condition or

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serious injury or illness commenced; (b) the probable duration of the condition or injury or illness; (c) the health care provider's estimate of the amount of time needed for family care; (d) the health care provider's assurance that the health care condition or injury or illness warrants the participation of the employee to provide family care; and (e) in the case of intermittent or reduced schedule leave where medically necessary, the probable duration of such a schedule.

For the employee's own serious health condition: (a) the date on which the serious health condition commenced; (b) the probable duration of the condition; (c) a statement that, due to the serious health condition, the employee is unable to perform the essential functions of their position; and (d) in the case of intermittent leave or reduced schedule leave where medically necessary, the probable duration of such a schedule. In addition, the certification may, at the employee's option, identify the nature of the serious health condition involved.

Absent extenuating circumstances, an employee's failure to timely submit a sufficient certification—whether in connection with the original leave request or recertification—may delay protected leave for the period of time after the 15-day deadline expires through the date when the certification is provided. If the certification is never provided, the leave will not be deemed protected under applicable law.

Failure to timely provide the required certification may result in the denial of foreseeable leave until such certification is provided. In the case of unforeseeable leaves, failure to timely provide the required certification may result in a denial of the employee's continued leave. Where the employee's need for leave due to the employee's own serious health condition, or the serious health condition of the employee's covered family member, lasts beyond a single leave year, SJRRC may require the employee to provide a new medical certification in each subsequent leave year. Any request for an extension of the leave must also be supported by an updated medical certification.

It is the employee's responsibility either to furnish a complete and sufficient certification or to furnish the health care provider providing the certification with any necessary authorization from the employee or the employee's family member in order for the health care provider to release a complete and sufficient certification to SJRRC to support the employee's leave request.

Where permitted by law, if SJRRC has a good-faith, objective reason to doubt the validity of the medical certification provided by the employee, SJRRC may require the employee to obtain a second opinion from a doctor of SJRRC's choosing at SJRRC's expense. If the employee's health care provider providing the original certification and the doctor providing the second opinion do not agree, SJRRC may require a third opinion, also at SJRRC's expense, performed by a mutually agreeable doctor who will make a final determination. It is the employee's responsibility to furnish their healthcare provider with the necessary authorization for the disclosure of medical information to the doctor(s) who will provide the second and third opinions. If the employee fails to provide the necessary authorization, the request for leave may be denied, in accordance with applicable law.

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3.5.1.7.3 Designation of Protected Leave

Once SJRRC has enough information to determine whether the leave is CFRA and/or FMLA-qualifying, SJRRC will inform the employee if leave will be designated as CFRA and/or FMLA-protected and, the amount of leave available to the employee. If SJRRC determines that the leave is not protected, SJRRC will notify the employee.

3.5.1.7.4 Recertification

The employee taking leave because of their own serious medical condition or the serious medical condition of a family member may be required, except in cases of military caregiver leave, to provide SJRRC with recertification at appropriate intervals. For purposes of recertification, the employer may request the same information as allowed by law for the original certification.

3.5.1.7.5 Return to Work Certification

Where the leave is for the employee's own serious health condition, SJRRC requires employees to provide medical certification that they are released to return to work and able to do so. SJRRC may delay restoring the employee to employment or terminate the employee without such certificate.

3.5.1.8 Leave's Effect on Reinstatement

Employees timely returning from a leave covered under this policy are entitled to reinstatement to the same or equivalent position consistent with applicable law. An employee has no greater right to reinstatement than if they had been continuously employed rather than on leave. SJRRC will comply with all applicable laws pertaining to reinstatement of employees, including, where required, the reasonable accommodation of employees who have been on an approved leave.

SJRRC complies with applicable family care, medical leave, and military family leave laws. Under the CFRA and FMLA, it is unlawful for any employer to: interfere with, restrain, or deny the exercise of any right provided under the CFRA/FMLA; or discharge or discriminate against any person for opposing any practice made unlawful by the CFRA/FMLA or for involvement in any proceeding under or relating to the CFRA/FMLA. If an employer has done so, an employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer under the FMLA. The FMLA does not affect any federal or state law prohibiting discrimination, or supersede any state or local law or collective bargaining agreement that provides greater family or medical leave rights. If you have questions or would like further clarification about your rights under the CFRA/FMLA or other types of leave, please contact Human Resources. Separately, employees may file complaints of claimed violations of CFRA with the California Civil Rights Department (CRD) (formerly the Department of Fair Employment and Housing (DFEH)), which is authorized to investigate such complaints. For more information, visit the CRD's website at http://www.calcivilrights.ca.gov.

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3.5.2. Pregnancy-Related Disability Leave or Transfer.

3.5.2.1. Eligibility and Duration.

3.5.2.1.1. Leave of Absence. Any employee who is disabled on account of pregnancy, childbirth, or related conditions may take a pregnancy-related disability leave of up to four (4) months. To be eligible for pregnancy disability leave, an employee must provide timely medical certification confirming the condition meets the requirements of State law. Pregnancy Disability Leave may be taken intermittently, or on a reduced-hours schedule, as medically necessary.

3.5.2.1.2. Temporary Transfer Before Childbirth. Any employee affected by pregnancy is entitled to transfer temporarily to a less strenuous or hazardous position or to less strenuous or hazardous duties if so requested, the transfer is medically necessary and the transfer can be reasonably accommodated. Written medical certification is required for temporary transfers.

3.5.2.2. Substitution of Paid Leave for Pregnancy-Related Disability Leave. An employee taking pregnancy-related disability leave must substitute any available sick pay for their leave and may, at their option, substitute any accrued vacation time for their leave. The substitution of paid leave for pregnancy-related disability leave does not extend the total duration of the leave to which an employee is entitled.

3.5.2.3. Leave's Effect on Benefits. During an employee's family care, medical, and military family leave, SJRRC will continue to pay for the employee's participation in SJRRC's group health plans, to the same extent and under the same terms and conditions as would apply had the employee not taken leave.

Thus, the employee must continue to pay their share of the benefit plan premiums (health, dental, vision, life, dependent life, long term disability, and voluntary supplemental benefits) during the leave. If the employee substitutes paid leave for the unpaid leave, such payments will be deducted from the employee's pay through the regular payroll deductions. Otherwise, the employee must make arrangements with SJRRC for the payment of such premiums.

All other benefits will be governed in accordance with the terms of each benefit plan and are the sole responsibility of the employee.

SJRRC may recover from the employee the premium(s) that SJRRC paid to maintain coverage for the employee under the group health plan if the employee fails to return from leave after the period of leave has expired and the employee's failure to return is for a reason other than: (i) the employee is taking leave under the California Family Rights Act; (ii) the continuation, recurrence, or onset of a health condition that entitles the employee to leave for pregnancy disability; or (iii) other circumstances beyond the employee's control.

Employees on Pregnancy-Disability leave will accrue employment benefits, such as sick leave, vacation leave, and seniority, only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual.

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Employee benefits may be continued during the unpaid portion of the Pregnancy-Disability leave.

3.5.2.4. Other Terms and Conditions of Leave. The provisions of SJRRC's Family Care, Medical and Military Family Leave policy regarding the leave's effect on pay, notice requirements, medical certification requirements, and reinstatement also apply to all pregnancy-related disability leaves. However, for pregnancy-related disabilities, there is no process for obtaining more than one medical opinion, and there is no reinstatement exception for employees. For the purpose of applying those provisions, an employee's pregnancy-related disability is considered to be a serious health condition.

3.5.3. Other Disability Leaves

In addition to medical or pregnancy-related disability leaves described in Sections 3.5.1 (Family Care and Medical Leave) and 3.5.2 Pregnancy-Related Disability Leave or Transfer), employees may take a temporary disability leave of absence if necessary to reasonably accommodate a workplace injury or a disability under the Americans with Disabilities Act (ADA) or the Fair Employment and Housing Act (FEHA). Any disability leave under this section will run concurrently with any medical leave to which the employee is entitled. Disability leaves under this section will be unpaid.

Employees taking disability leave must comply with the Family Care, Medical, and Military Family Leave provisions regarding substitution of paid leaves, notice, and medical certification. For the purpose of applying these provisions, disability leave will be considered to be a medical leave.

If a disability leave under this section extends beyond 12-weeks in a 12-month period, the employee will not be entitled to any continued employer contributions towards any employee benefit plan unless otherwise required by law. An employee, however, may elect to continue participating in such benefit plans, at the employee's own expense, to the extent permitted by such plans.

The duration of a leave under this section shall be consistent with applicable law, but in no event shall the leave extend past the date on which an employee becomes capable of performing the essential functions of their position, with or without reasonable accommodation. For a full explanation of leave duration and reinstatement rights, employees should contact the HR Department.

3.5.4. Other Leaves of Absence

SJRRC grants eligible employees leaves of absence for military leave, jury or witness duty, certain court appearances, appearances at school or daycare activities, emergency duty as a volunteer firefighter, a reserve peace officer, or emergency rescue personnel, to vote in a statewide election, for bereavement leave, for leave related to being a victim of crime or violence, or leave for the donation of an organ or bone marrow. Unless otherwise required by law, employees will not be paid for such leaves of absence.

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Employees wishing to take a leave of absence for one of these reasons should refer to the procedures outlined below or contact the HR Department.

3.5.4.1. Military Leave of Absence. SJRRC will grant employees a military leave of absence to the extent required by applicable federal and state law.

3.5.4.2. Military Spouse Leave. Qualifying California employees will be given up to 10 days leave during that time in which the employee's spouse or legally registered domestic partner is on leave from deployment in a combat zone with the active duty or reserve military or national guard during a period of military conflict. Employees may use accrued vacation time to cover this absence. If the employee has no accrued time, the employee must request time off without pay.

Qualifying employees are employees who work an average of 20-hours per week and have a spouse or legally registered domestic partner who is serving as (1) a member of the U.S. Armed Forces and who has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States or (2) a member of the Armed Forces Reserve Components or the National Guard and has been deployed during a period of military conflict.

Qualifying employees who wish to request this leave must provide SJRRC with a written request for such leave within two (2) business days of receiving official notice that the military spouse or legally registered domestic partner will be on leave from deployment. The employee must also provide written documentation to SJRRC certifying that the military member will be on military leave from deployment.

3.5.4.3. Jury and Witness Duty. SJRRC will provide employees paid time off to serve, as required by law, on a jury or grand jury. SJRRC will also provide employees with time off to appear in court or other judicial proceedings as a witness to comply with a valid subpoena or other court order.

Exempt employees who work any portion of a workweek in which they also serve on jury duty or appear as a witness will receive their full salary for that workweek.

Employees are required to provide reasonable advance notice of the need for jury/witness leave and are to provide proof of jury service to the HR Department. Employees are also expected to report to work each day or portion of a day they are not performing jury/witness duty.

3.5.4.4. Leave for Educational/Daycare Purposes. Employees will be granted time off without pay for up to 40 hours per calendar year, but no more than eight (8) hours in any calendar month, to participate in the activities of schools or licensed child daycare facilities attended by their children. Employees may substitute accrued vacation, administrative leave, floating holiday hours, or compensatory time off for purposes of a planned absence under this Section.

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Employees wishing to take time off under this Section must provide their supervisors with reasonable notice of the planned absence. If both parents of a child are employed by SJRRC at the same worksite, the request for time off under this Section will be granted to the first parent to provide notice of the need for time off. The request from the second parent will be accommodated if possible.

SJRRC reserves the right to request that the employee furnish written verification from the school or daycare facility as proof that the employee participated in school or daycare activities on the specific date and at a particular time. Failure to provide written verification is grounds for disciplinary action.

3.5.4.5. Volunteer Firefighter, Reserve Peace Officer, and Emergency Rescue Personnel. Nonexempt employees will be granted time off without pay to perform emergency duties as a volunteer firefighter, reserve peace officer, or emergency rescue personnel. Employees who are volunteer firefighters, reserve peace officers, or emergency reserve personnel are also eligible for unpaid leave of up to 14-days per calendar year for training. Exempt employees who work any portion of a workweek in which they also perform such emergency duties or training will receive their full salary for that workweek. Otherwise, exempt employees will be granted time off without pay. Exempt and non-exempt employees may substitute accrued time, with the exception of sick leave, for any unpaid portion of leave to perform such emergency duties or training.

3.5.4.6. Voting Time Off. Employees are eligible for paid time off for the purpose of voting in a statewide election only if they do not have sufficient time outside of working hours to vote because of their job duties. If possible, employees should make their request at least two (2) business days in advance of the election. With sufficient justification, time off will be provided at the beginning or end of the employee's regular shift, whichever will allow the most available time for voting and the least time off work.

Employees who choose to take accrued time off to vote must coordinate with their supervisor at least two (2) business days in advance.

If an employee requests time off to vote, the employee is required to use their accrued hours (vacation, floating holiday, compensatory time, or administrative leave) for paid time off to vote. Sick time may not be used for voting time off.

3.5.4.7. Bereavement Leave. The Bereavement Leave Policy establishes rules for providing time off to employees for absences related to the death of an "immediate family member" as defined in this policy.

3.5.4.7.1 Eligibility. After 30 days of employment, all employees who suffer a death in their "immediate family" may be allowed to be absent for five (5) workdays for each immediate family member who dies.

3.5.4.7.2 Definitions. For purposes of this policy, an employee's "immediate family member" is defined in Section 3.4.4 of this Manual.

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3.5.4.7.3 Rules and Conditions. Three (3) of the five (5) workdays shall be with pay for which employees will be paid at their regular base pay. Employees may use sick leave for any unpaid days of bereavement leave.

Bereavement leave may be taken intermittently but must be completed within 3-months of the death. SJRRC may require documentation of the death, which can be a death certificate, published obituary, or written verification of death, burial, or memorial services from a mortuary, funeral home, burial society, crematorium, religious institution, or governmental agency. The documentation must be provided within 30 days of the first day of bereavement leave.

If an employee requires more than five (5) days off for bereavement leave, the employee may request additional unpaid leave or may request the opportunity to use any accrued vacation time.

3.5.4.7.4 Bereavement Pay. Bereavement pay is calculated based on the employee's base pay rate and does not include any incentive pay or overtime.

3.5.4.7.5 Leave for Reproductive Loss. SJRRC allows employees five (5) days off (job-protected) for reproductive loss. Reproductive loss is defined as failed adoption, failed surrogacy, miscarriage, stillbirth, or unsuccessful assisted reproduction experienced by the employee, the employee's spouse, or domestic partner.

Reproductive loss leave may be taken intermittently but must be completed within 3-months of the loss event. However, if the employee, prior to or immediately following a reproductive loss event, chooses to take or is already taking leave pursuant to FMLA/CFRA, Pregnancy Disability Leave, or other leave entitlement under state or federal law, the reproductive loss leave must be completed within 3 months of the end of the other leave.

Reproductive loss leave is unpaid, but employees may use sick leave or other paid leave for the unpaid leave.

If an employee experiences more than one reproductive loss event within a 12-month period, SJRRC is not obligated to grant a total amount of reproductive loss leave time in excess of 20 days within a 12-month period.

3.5.4.8. Leave for Victims of Crime and Violence to Seek Relief.

SJRRC will provide unpaid time off to an employee who has been the victim of certain crimes and violent acts. Employees who are the victims of any crime or a "qualifying act of violence" as defined below may take time off for the following purposes:

- To obtain or attempt to obtain any relief for themselves or their family member. Relief includes, but is not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the victim or the family member of the victim.

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- To seek, obtain, or assist a family member to seek or obtain medical attention for or to recover from injuries caused by a qualifying act of violence.
- To seek, obtain, or assist a family member to seek or obtain services from a domestic violence shelter, program, rape crisis center, or victim services organization or agency as a result of a qualifying act of violence.
- To seek, obtain, or assist a family member to seek or obtain psychological counseling or mental health services related to an experience of a qualifying act of violence.
- To participate in safety planning or take other actions to increase safety from future qualifying acts of violence.
- To relocate or engage in the process of securing a new residence due to the qualifying act of violence, including, but not limited to, securing temporary or permanent housing or enrolling children in a new school or childcare.
- To provide care to a family member who is recovering from injuries caused by a qualifying act of violence.
- To seek, obtain, or assist a family member to seek or obtain civil or criminal legal services in relation to the qualifying act of violence.
- To prepare for, participate in, or attend any civil, administrative, or criminal legal proceeding related to the qualifying act of violence.
- To seek, obtain, or provide childcare or care to a care-dependent adult if the childcare or care is necessary to ensure the safety of the child or dependent adult as a result of the qualifying act of violence.

As used in this policy, a victim of a "qualifying act of violence" means someone who has suffered the following acts, regardless of whether anyone is arrested for, prosecuted for, or convicted of any crime:

- Domestic violence;
- Sexual assault;
- Stalking;
- An act, conduct, or pattern of conduct that includes:
    - An individual causing bodily injury or death to another
    - An individual who exhibits, draws, brandishes, or uses a firearm or other dangerous weapon
    - An individual who uses or makes a reasonably perceived or actual threat of use of force against another to cause physical injury or death.

A "family member" under this policy means the employee's child, parent, grandparent, sibling, spouse, domestic partner, or designated person.

SJRRC requires reasonable advance notice of the leave when feasible. If time off is taken due to an emergency, the employee must, within 15-days of the absence, provide SJRRC with certification of the need for the leave, such as a police report, court order, documentation from a healthcare provider, victims advocate, or counselor.

Employees eligible for paid sick leave benefits under California law may take any such available paid time off, consistent with such law, for the purposes set forth in this section. For

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more information, please see the Sick Leave Policy in Section 3.4 of this Manual. In the event paid sick leave benefits are not available, employees taking leave under this section may elect to apply accrued and unused vacation to such time.

SJRRC may limit the total leave time the employee may take as follows:

- Five (5) total days when the employee is not a victim and the leave is for a family member who is a victim who is not deceased for the specific purpose of relocating or engaging in the process of securing a new residence.
- Ten (10) total days for all other reasons specified above when the employee is not a victim and the leave is for a family member who is a victim and is not deceased.
- Leave for all other permitted reasons is limited to 12 weeks and such leave would run concurrently with FMLA/CFRA leave if eligible.

In addition, SJRRC will provide a reasonable accommodation for an employee who is a victim of a crime or qualifying act of violence or whose family member is a victim of a qualifying act of violence, and who has disclosed that status to SJRRC, if the employee requests an accommodation for their safety while at work. Such accommodations may include a transfer, reassignment, modified schedule, changed work telephone or workstation, installed lock, assistance in documenting domestic violence, sexual assault, or stalking that occurs in the workplace, an implemented safety procedure, or another adjustment to a job structure, workplace facility, or work requirement in response to domestic violence, sexual assault, or stalking, or referral to a victim assistance organization. SJRRC will engage, in good faith, in a timely and interactive process with the employee to determine an effective reasonable accommodation, and SJRRC may request that the employee provide (i) a written statement, signed by the employee or someone acting on their behalf, certifying that the accommodation is for the purpose stated above, and (ii) a certification demonstrating the employee's status as a victim of domestic violence, sexual assault, or stalking. Every 6 months after the date of the previous certification, SJRRC may request recertification of such status. SJRRC will maintain certifications as confidential if it identifies the employee as a victim of domestic violence, sexual assault, or stalking, and will disclose such information only as required by law, or as necessary to protect the employee's workplace safety. SJRRC will notify the employee before such disclosure.

SJRRC prohibits discrimination, discharge, or retaliation against an employee for taking time off or requesting an accommodation under this policy, or based on the employee's status as a victim.

3.5.4.8. Crime Victims' Leave for Judicial Proceedings. SJRRC will provide time off to an employee to attend judicial proceedings related to a crime, if that employee is a victim of crime, an immediate family member of a victim, a legally registered domestic partner of a victim, or the child of a legally registered domestic partner of a victim. SJRRC requires that, where feasible, in advance of taking leave, the employee provide it with a copy of the notice of each scheduled proceeding that is provided to the victim by the agency responsible for providing notice. If advance notice is not possible, the employee is required to provide SJRRC with a copy of the notice within a reasonable time.

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3.5.4.9. Leave for Organ and Bone Marrow Donation. SJRRC will grant an employee the following paid leaves of absence for the purpose of organ or bone marrow donation:

1. A leave of absence of up to five (5) days in any one-year period for the purpose of donating the employee's bone marrow to another person.

2. A leave of absence of up to 30-days in any one-year period for the purpose of the employee donating their organ to another person.

A leave of absence for the purpose of organ or bone marrow donation will be provided with pay, however, if an employee has earned and unused sick or vacation time available, the employee is required to first use up to five (5) days of paid sick or vacation time for a bone marrow donation and up to two (2) weeks of sick or vacation time for organ donation. In order to receive a leave of absence pursuant to this policy, the employee must provide written verification to the HR Department that they are an organ or bone marrow donor and that there is a medical necessity for the donation of the organ or bone marrow.

Any leave taken for the donation of an organ or bone marrow will not constitute a break in service for purposes of the employee's right to salary adjustments, sick leave, vacation, administrative leave, floating holiday hours, or seniority. During any leave taken under this policy, SJRRC will maintain and pay for coverage under any group health plan, for the full duration of this leave.

Leave provided under this policy may be taken in one (1) or more periods. Leave taken under this policy will not run concurrently with any leave taken pursuant to the federal Family and Medical Leave Act or the California Family Rights Act.

Upon expiration of a leave of absence authorized by this policy, SJRRC will restore the employee to the position held by the employee when the leave began or to a position with equivalent seniority status, employee benefits, pay, and other terms and conditions of employment. SJRRC may decline to restore an employee for reasons unrelated to the exercise of rights under this policy by the employee.

SECTION 3.6: CATASTROPHIC LEAVE PROGRAM

The Catastrophic Leave Program provides a method for employees to voluntarily assist fellow employees who have exhausted their paid leave time due to a catastrophic illness or injury of the employee or the employee's family member. However, given the voluntary nature of the program, SJRRC cannot guarantee any employee donated time.

Catastrophic illness or injury is an illness or injury that is expected to incapacitate the employee for an extended period of time, and which creates a financial hardship because the employee has exhausted all of their accumulated leave. It is further defined as a debilitating illness or injury of an "immediate family member" that results in the employee being required to take time off from work for an extended period of time to care for the family member when this creates a

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financial hardship because the employee has exhausted their accumulated leave. Immediate family members are defined in Section 3.4.4 of this Manual.

3.6.1. Conditions of Participation. Applications for receipt of catastrophic leave donations, up to 60 days (or 480 hours) maximum per occurrence, will be processed by an HR Department representative with the approval of the CEO.

3.6.1.1. Employee becomes eligible to receive catastrophic leave donations when the employee has exhausted, or will soon exhaust all of their accrued leave, as a result of a verifiable long-term illness or injury suffered by either the employee or an immediate family member, as defined in Section 3.4.4.

3.6.1.2. Any employee may voluntarily donate accrued sick leave, vacation, compensatory time, administrative leave, or holiday time. All donations will be calculated at the donor's hourly rate and converted into leave time at the recipient's hourly rate.

3.6.1.3. Donations may only be made in whole-hour increments up to a maximum of sixteen (16) hours per donor in each pay period.

3.6.1.4. Donors must have an overall leave balance of one-hundred sixty (160) hours remaining after donated time has been deducted.

3.6.1.5. Once donated to an individual, donated leave cannot be reclaimed by the donor. The HR Department representative will monitor recipient needs and the voluntary donors to avoid surplus donated hours.

3.6.2. The HR Department representative will maintain a confidential file of donation authorizations and drawdown by recipients.

3.6.3. No Alteration of Employment Rights. The catastrophic leave program does not alter the employment rights of SJRRC or the recipient, nor extend or alter limitations otherwise applicable to Leaves of Absence or Sick Leave, except as noted herein.

SECTION 3.7: ADMINISTRATIVE TIME OFF

Notwithstanding any other portion of this Manual, it is recognized that exempt employees do not receive overtime compensation, may work irregular hours, and may not be able to take vacation when desired. Accordingly, exempt employees shall be entitled to receive paid administrative leave each year according to the following classifications:

- Eighty (80) hours per year for Directors
- Sixty (60) hours per year for Deputy Directors
- Forty (40) hours per year for Middle Managers

Administrative leave is not, however, a vested or earned form of compensation. Any unused administrative time at the end of the fiscal year shall roll over into the next fiscal year.

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Any accrued and unused Administrative Leave shall be compensated for upon termination. Administrative leave shall be granted at the beginning of each fiscal year. For employees hired after that date, administrative leave will be prorated.

SECTION 3.8: ACCRUAL BALANCES AND PAY UPON TERMINATION

3.8.1. Vacation, Holiday, Administrative Leave, Floating and Comp Time Pay upon Termination. Upon termination of employment, employees are paid all accrued but unused vacation, holiday, regular, floating, and comp time up to the maximum cap as set forth in this Manual, through their last day worked at their base rate of pay at the time of termination, except as required by applicable law. Any accruals over the maximum cap are converted to sick time accrual.

3.8.2. Accrued, but unused sick leave will not be paid upon termination, except as provided in Section 5.3.2 of this Manual pertaining to retirement. An employee who is laid off from SJRRC and is rehired within one (1) year will have their accrued sick leave balance as of the date of termination reinstated, provided the hours had not previously been donated.

SECTION 3.9: EFFECT OF RE-EMPLOYMENT ON LEAVE ACCRUAL RATES

A former employee whose employment is reinstated with SJRRC shall not be entitled to previously accumulated and unused leave benefits, and shall not be entitled to previously donated leave accruals.

ARTICLE 4: HOURS OF WORK, OVERTIME, AND PAYDAYS

While SJRRC is a California public entity, it is not subject to California wage and hour by statute. SJRRC is a local government employer and defined as public agency, and therefore, SJRRC is instead subject to the Federal Labor Standards Act (FLSA).

SECTION 4.1: HOURS OF WORK/REST BREAKS/MEAL PERIOD/LACTATION BREAK

SJRRC administrative office hours are generally from 8:00 a.m. to 5:00 p.m., Monday through Friday. As a public agency, SJRRC is not subject to state laws governing the length, timing, and conditions of meal periods and rest breaks. SJRRC generally provides employees with one hour unpaid for lunch. However, depending on assignment, staff may be assigned specific hours, shifts, and days of work outside of the general office hours. Non-exempt employees receive two (2) fifteen-minute paid break periods for each full workday, one in the first half of their shift and one in the second half of their shift. Employees are encouraged to take a minimum of a30-minute lunch break in the middle of their shift, and away from their desk area or workspace.

Lactation Breaks/Accommodation: Any employee who is nursing an infant child has the right to request a reasonable break each time they need to express their breast milk (lactation breaks). The lactation break time shall, if possible, run concurrently with any break time already provided

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to the employee. Break time for an employee that does not run concurrently with an authorized rest period shall be unpaid.

SJRRC shall provide for lactation breaks to be taken at a place other than a bathroom that is in close proximity to the employee's work area, shielded from view and free from intrusion. The break area shall be safe, clean, and free of hazardous materials (as defined in section 6382 of the Labor Code), contain a surface to place a breast pump and personal items, contain a place to sit, and have access to electricity or alternative devices such as extension cords or charging stations needed to operate an electric or battery-powered breast pump.

SJRRC shall provide access to a sink with running water and a refrigerator suitable for storing milk in close proximity to the employee's workspace. If SJRRC cannot provide a refrigerator, SJRRC will provide another cooling device suitable for storing milk, such as an employer-provided cooler.

An employee may make a request for a lactation break accommodation to their immediate supervisor, and/or the HR Department. SJRRC will respond to the request. If SJRRC cannot provide break time or a location that complies with the above policy, SJRRC shall provide a written response to the employee. If SJRRC demonstrates that complying with the policy above would create an undue hardship, SJRRC will nevertheless make reasonable efforts to provide an employee with the use of a room or other location, other than a toilet stall, in close proximity to the employee's work area, for the employee to express milk in private.

An employee who believes their right to a lactation accommodation in accordance with sections 1030 to 1034 of the Labor Code may file a complaint with the California Labor Commissioner.

SECTION 4.1.1: NONTRADITIONAL WORK HOURS

A nontraditional work hours policy is established for employees required to work four (4) ten-hour work days per week.

The nontraditional 4/10 workweek consists of the following:

- Depending on area of assignment, employees will work two 40-hour work weeks consisting of eight (8) 10-hour workdays during the two-week, 80 hour pay period. The daily work schedule (start and end time) will be determined in consultation with the employee's supervisor and in accordance with train schedule.
- Supervisors shall diligently coordinate department schedules to avoid accruing overtime or compensated time off incurred by attending necessary work-related activities on the employee's day off or through the attendance of after-hour meetings.
- Overtime or Compensated time off for 4/10 employees accrues only when an employee works more than 40 hours in either of the two workweeks.

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SECTION 4.2: PAYDAYS

Complete and accurate time records are to be kept by all employees, noting hours worked as well as any leave time taken. Paydays are every other Friday, or the last working day prior to either of these dates should payday fall on a holiday. Paychecks are distributed through direct deposit to the employee's bank account or credit union, or will be available in the HR Department in paper check form. The employee will be required to sign acknowledging receipt of the check.

SECTION 4.3: TIME CARD POLICY

- Accurate recording of time is the employee's responsibility.
- Employees should record their hours worked daily. Nonexempt employees must accurately record all actual time worked.
- Employees must also accurately record their absences and use of vacation and sick time.
- Nonexempt employees are prohibited from working "off the clock," meaning working time that employees do not record as time worked for payroll purposes.
- Time records must be entered into the timekeeping system no later than 10:00 a.m. every Monday for the previous week.
- If a holiday falls on Monday, this defaults to the end of shift the Friday prior to the Monday (electronic payroll transmission is Tuesday). Employees should submit their time record for the week at the end of the workday on the Friday prior to a Monday holiday.
- Should an employee fail to report their hours, the employee may be subject to deferred payment.
- Falsification of hours worked, including working "off the clock" may result in disciplinary action up to and including termination of employment.
- Exempt Employees receive a salary that is intended to compensate them for all hours that they may work. Generally, exempt employees receive their full salary for any workweek in which work is performed. However, by law, exempt employee salaries are subject to certain deductions, and SJRRC may reduce an exempt employee's salary for the following reasons in a workweek in which work was performed:
    1. Deductions for full-day absences due to personal reasons, including vacation (vacation time may be used to receive pay).
    2. Deductions for full-day absences for sickness or disability, pursuant to SJRRC's sick leave policy (sick leave may be used to receive pay).
    3. Deductions for full-day disciplinary suspensions for infractions of safety rules of major significance (including those that could cause serious harm to others).
    4. Deductions for Family and Medical Leave absences (full or partial days – vacation or sick leave may be substituted).
    5. Deductions to offset amounts received as payment for jury and witness fees or military pay.
    6. Deductions for unpaid disciplinary suspensions of one (1) or more full days for significant infractions of major workplace conduct rules as set forth in this Manual.

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7. Deductions for the first or last week of employment when the employee works less than forty (40) hours in one workweek.

- Exempt employees are required to use accrued vacation or sick leave for absences on a given workday for personal reasons, sickness, or disability. Salary will not be reduced for partial-day absences if the employee does not have sufficient time off. However, the employee may be subject to discipline for poor attendance. Exempt employees shall have the flexibility, as approved by their Department Head, to substitute time and days as needed.

SECTION 4.4: OVERTIME COMPENSATION

4.4.1. At the discretion of the CEO, and based upon SJRRC's Budget capacity, overtime compensation may take form as overtime pay or compensation time, in accordance with applicable law.

4.4.2. Workweek and Workday. Unless otherwise provided: SJRRC's workweek is Monday through Sunday. The workweek on which weekly overtime calculations will be based on a forty-hour workweek, which begins each Monday at 12:01 a.m., and each workday on which daily overtime calculations will be based begins at midnight.

4.4.3. Regular Paydays. Employees are paid biweekly, every other Friday. Employees must submit their hours worked in a timely manner to ensure that they are paid for all hours worked. If a payday falls on a holiday, pay will be deposited on the preceding business day. For employees who are not enrolled in direct deposit, checks are distributed by the HR Department on the date assigned for payment. If the employee is absent from work when the paycheck is distributed, the employee may claim the paycheck from the HR Department upon returning to work. Employees are required to sign for paper checks in person.

4.4.4. Overtime Definition. All non-exempt employees who work more than forty (40) hours in one workweek will receive compensatory time (comp time) or overtime, computed only on those hours actually worked. Compensated holidays, or leave time, for example, are not hours worked and are therefore not counted in making comp time and overtime calculations. Overtime compensatory time and pay will be computed as follows, unless required otherwise by law:

4.4.4.1 Overtime Pay. Overtime pay must be approved in advance by the CEO or , designee, in advance. Overtime pay is computed at the rate of one and one-half (1 1/2) times the non-exempt employee's regular rate of pay for all hours actually worked in excess of forty (40) hours in any one workweek.

4.4.4.2. Compensatory Time. Compensatory Time may be accrued by a non-exempt employee during a pay period in which overtime hours are worked upon the written request by employee and written approval of a non-exempt employee's supervisor before the overtime hours are worked.

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4.4.4.2.1 Accrual of Compensatory Time. Compensatory Time accrues at a rate of one and one-half (1 1/2) regular hours for every hour over 40 hours actually worked. If an hour of employment would otherwise be compensable at a rate of more than one and one-half times the non-exempt employee's regular rate of compensation, then the employee may receive compensatory time off commensurate with the higher rate.

4.4.4.2.2 Non-exempt employees may not accrue compensatory time in excess of two hundred and forty (240) hours. Once this maximum is reached, no further compensatory time shall be accrued, and the employee will be paid overtime compensation instead. Compensatory time accrual may recommence after the non-exempt employee has taken compensatory time or had compensatory time cashed out by SJRRC, and their accrued compensatory time hours have dropped below the maximum.

4.4.4.2.3 An employee who has accrued compensatory time off shall, upon termination of employment, be paid for the unused compensatory time at a rate of compensation not less than the final regular rate received by the employee.

SECTION 4.5: OTHER TYPES OF PAY

4.5.1. Reporting Pay. Non-exempt employees who report to work at SJRRC's request, other than a regularly scheduled shift, will be paid a minimum of four (4) hours pay at the regular straight-time rate, without regard to the number of hours actually worked, unless the reasons for lack of work are beyond SJRRC's control.

4.5.2. Callback Pay. A non-exempt employee who is called back to work for a second work period in any one workday and is given less than two (2) hours work will be paid a minimum of two (2) hours of pay at the employee's regular rate of pay for the second work period, without regard to the number of hours actually worked, unless the reasons for any failure to furnish two (2) hours of work are beyond SJRRC's control. Callback time is not counted as "hours work" for overtime purposes beyond the time in which work actually is performed during callback.

4.5.3. On-Call Pay. Time spent responding to notifications and actual time worked will be paid at the regular work rate. Otherwise, on-call duty is not working and is not compensable under the FLSA. Scheduled on-call employees who work over 40 hours in one work week will receive overtime only for hours actually worked.

4.5.3.1 Scope. SJRRC is subject to federal wage and hours rules under the Fair Labor Standards Act (FLSA). This On-Call Policy applies to non-exempt employees only.

4.5.3.2 Purpose. The purpose of this policy is to provide guidelines regarding the process and procedures to be followed for non-exempt employees who are required to maintain their availability after hours, on weekends, and on holidays, and remain on-call in the event it becomes necessary to report to work.

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4.5.3.3 Identification and Notification. Employees required to maintain on-call status shall be identified and notified by Department Superintendent or designee in writing. Department Superintendent, or designee, will create and maintain a current list of on-call employees.

4.5.3.4 On-Call Requirements. Superintendent or designee shall provide employees who are required to be on-call with a schedule of dates and times that the staff must remain on-call. The schedule will be provided, at a minimum, one (1) month in advance of scheduled on-call duty. In addition, the following guidelines apply:

- Scheduled on-call staff must remain available by telephone, text, and email while off site and respond to any message within 15 minutes.
- If an emergency requires scheduled on-call staff to return to reporting location, they must do so within one (1) hour of responding to the message.
- Scheduled on-call staff is not required to restrict their activities while on-call, except that they must remain available to respond within the established timeframes and abstain from alcohol or other controlled substances. Refer to SJRRC Personnel Manual, Article 9: Drug-Free Workplace, for more information regarding alcohol and drug use.
- If scheduled on-call staff has a conflict and is unable to be on-call during their assigned time, it is the staff's obligation to pre-arrange with their immediate supervisor for a replacement to cover the staff's on-call shift.
- Scheduled on-call staff who fail to respond or report as required are subject to disciplinary action up to and including termination.

4.5.4 Bilingual Pay. The Bilingual Pay Policy allows for additional compensation to authorized employees who are certified bilingual. The Bilingual Pay Policy clarifies the rate of pay, pay rate when leave is taken and applicable accrued time to be paid out upon termination of employment.

4.5.4.1 Applicability. This Bilingual Pay Policy applies to all San Joaquin Regional Rail Commission (SJRRC) employees.

4.5.4.2. Work Rules and Conditions. SJRRC may authorize bilingual pay when it is determined to be operationally necessary. SJRRC shall determine which languages are appropriate for such pay and the number of employees to be certified. To be eligible for bilingual pay the employee must first demonstrate verbal and/or written language proficiency. SJRRC will arrange an assessment to determine verbal and/or written language proficiency.

Bilingual pay shall be paid for hours actually worked for any pay period in which the employee is certified. An employee who is receiving bilingual pay is expected to provide assistance to any SJRRC department upon request for language assistance in conversing, transcribing and/or translating.

4.5.4.3. Definitions.

a. Public-Facing Positions. Most of the position's activities involve direct interaction with members of the public.

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1. Customer Service Representative
2. Passenger Services Representative – only when working in Customer Service, ACE Station Ticket Sales, or onboard ACE train.
3. Passenger Services Lead – only when working in Customer Service, ACE Station Ticket Sales, or onboard.
4. Passenger Services Supervisor – only when working in Customer Service, ACE Station Ticket Sales, or onboard.

b. Non-Public Facing Positions

All positions not identified above.

Designation of public facing positions are subject to change in the discretion of the CEO or designee.

4.5.4.4. Compensation. Certified bilingual employees in public-facing positions, as defined above, shall be compensated at an additional $1.50 per hour actually worked.

Certified bilingual employees in non-public-facing or other authorized positions shall be compensated at an additional $1.50 per hour for actual hours worked utilizing their bilingual skills. Time for utilizing bilingual skills shall be recorded in increments of no less than 15-minutes or actual time worked after the first 15-minutes.

Bilingual pay for authorized positions will be included in calculations when determining the regular rate of pay for overtime hours worked.

Other rates of pay are as follows:

a. Holiday Pay and Other Paid Time Off

Bilingual pay will not be included in holiday pay, vacation pay, floating holiday pay, and administrative leave for public-facing and non-public-facing positions. Holiday pay, vacation pay, floating holiday pay, and administrative leave will be paid at the employee's hourly or base rate of pay.

b. Paid Sick Leave

Bilingual pay is included in the calculation for regular rate of pay for paid sick leave.

c. Compensatory Time and Pay

Bilingual pay is included in the calculation for regular rate of pay for overtime pay and accrued compensatory time used.

d. Compensation Upon Termination of Employment

For Public Facing Positions, accrued holiday, vacation, floating holiday hours, compensatory time, and administrative leave, up to the maximum accrual allowed, will be

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paid at the employee's regular rate of pay at the time of termination of employment. Bilingual pay is considered in the calculation for regular rate of pay under the Fair Labor Standards Act (FLSA).

For Non-Public-Facing Positions, accrued holiday, vacation, floating holiday hours, and administrative leave, up to the maximum accrual allowed, will be paid at the employee's base rate of pay, and bilingual pay shall not be included in the rate calculation.

4.5.4.5 Eligibility. Eligibility of authorized bilingual employees is reviewed regularly, or at minimum, on an annual basis by the Human Resources (HR) Department in coordination with other department Managers to verify whether employees receiving bilingual pay are performing duties that require utilization of bilingual skills.

4.5.5. Pay Advances. There will be no pay advances.

4.5.6. Payment upon Termination. If an employee resigns, their paycheck will be available on the final day of work, provided the employee has given at least 72 hours' prior notice. If an employee resigns without giving 72 hours' notice, their paycheck will be hand-delivered at SJRRC's discretion to their last known address no later than 72 hours after the date when an employee is considered to have separated from employment. If an employee is separated involuntarily, their paycheck will be available at the time of termination. The employee's final paycheck will include payment for all wages due and not previously paid and for accrued but unused vacation, holiday, administrative leave hours, and compensation time, minus authorized deductions.

SECTION 4.6: PERFORMANCE EVALUATION

4.6.1. Annual Performance Evaluations. The purpose of annual employee performance evaluations is to provide employees with feedback on performance and to suggest ways to improve performance. Factors considered in performance reviews include, but are not limited to, the quality of job performance, quantity of work completed, attendance, meeting requirements of job description, dependability, attitude, cooperation, compliance with SJRRC employment policies, any disciplinary actions, and year-to-year improvement in overall performance. This is accomplished through communication between the employee and their supervisor. Employee performance evaluations shall be prepared annually following a schedule established by the CEO. Employees will be asked to submit a self-assessment of their performance during the review period, as well as a list of several goals for the upcoming year. Each employee shall be given a copy of their performance evaluation report after discussing the evaluation with their supervisor. The employee will sign the evaluation as an acknowledgment that it was discussed with them by the evaluating supervisor. The signature of the employee does not necessarily indicate agreement with the evaluation. The employee performance evaluations shall become part of the employee's official personnel record. Employee performance evaluations may be considered along with other pertinent information when a merit increase or a disciplinary action is being contemplated. Annual performance evaluations do not guarantee an annual merit increase. If an employee receives an "improvement needed" or "unsatisfactory" rating in any of the performance categories, the CEO may or may not, at their discretion, award a merit increase.

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The supervisor will discuss performance goals for the next evaluation period with the employee. An employee receiving an “unsatisfactory” or “improvement needed” rating will automatically be reviewed three (3) months after receiving their performance evaluation report and again in six (6) months. It is expected that the employee will improve their performance to a satisfactory level within these specified time periods.

4.6.2. Goal Setting Session. The performance evaluation is a formal opportunity for the supervisor and employee (a) to review the employee’s performance in accordance with SJRRC objectives and directives, and (b) to set personal job-related goals for the employee. Subsequent performance evaluations shall review an employee’s efforts toward achieving these goals. If the employee fails to achieve the goals set forth in the performance evaluation, the supervisor and the employee shall analyze the appropriateness of the goals and the employee’s activities, and then reestablish goals or take appropriate action when necessary. Goals should be stated in measurable terms and may be ongoing. The goals set by the supervisor and the employee, and the evaluation of goal achievement, shall become part of the employee’s official personnel file.

SECTION 4.7: MERIT INCREASES

All increases or decreases in annual compensation, if any, will be based upon merit as determined through performance evaluations conducted by the employee’s supervisor with the approval of the CEO. Annual compensation increases, if any, will be based upon an allocation from an annual “merit pool” established by the Rail Commission based upon overall staff performance and accomplishments of the previous year. The “merit pool” would be a percentage of total annual compensation to all staff, which would be set aside for merit increases allocated as recommended by the CEO. Increases are generally granted once annually and may be retroactively paid at the discretion of the CEO. Employees serving the Commission for less than twelve (12) months may receive a prorated merit increase as recommended by their supervisor and approved by the CEO.

Based upon economic and budgetary conditions, the CEO may identify alternative merit-based awards other than compensation adjustments or other measures, as necessary.

SECTION 4.8: BOARD’S RIGHT TO CHANGE

SJRRC reserves the right to amend, modify, eliminate, or discontinue at any time any benefit practice or policy, in whole or in part, without notice.

ARTICLE 5: OTHER BENEFITS

SECTION 5.1: OTHER EMPLOYEE BENEFITS

The SJRRC provides certain benefits for its regular full-time eligible employees.

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5.1.1. Insurance Benefits. This section describes the benefits provided by SJRRC and information on employee eligibility for benefits. Details regarding each benefit plan are contained in SJRRC's Employee Benefits Guide, to be updated annually. Regular full-time employees are eligible to participate in the various insurance programs offered by SJRRC on the first day of the following month of their first day of employment. Annually, there will be an Open Enrollment period. Should an employee decline to participate in these programs on initial eligibility date, the employee may request entry into a plan during annual Open Enrollment period or within 30 days of a Qualifying Life Event (QLE).

5.1.1.1. Workers' Compensation Insurance. SJRRC carries workers' compensation insurance coverage as required by law to protect employees who are injured on the job. This insurance provides coverage for certain medical, surgical, and hospital treatment in addition to payment for any lost earnings that result from work-related injuries. The carrier will pay promptly when due the benefits required of the employee by the workers' compensation law. The cost of this coverage is paid completely by SJRRC.

5.1.1.2. Medical, Dental, Vision, Long Term Disability, Accidental Death and Dismemberment, and Life Insurance. All regular full-time employees and their dependents, which includes spouse, child, legally registered domestic partner, and/or child that employee is granted legal guardianship by a court, are eligible to participate in the SJRRC's health, dental, vision, and life insurance plans. Regular full-time employees are eligible to participate in SJRRC's Long Term Disability and Accidental Death and Dismemberment (AD&D) plans. Insurance coverage start dates for qualified employees vary by type of policy. Employees should see the HR Department for information detailing eligibility, coverage, costs, and other related insurance information.

5.1.1.3. Non-Participation in Medical Plan. Eligible employees may decline to participate in SJRRC's health, dental, and vision insurance plans ("Medical Insurance Plans"), but such employees are required to demonstrate that medical coverage is effective through other means for the employee. An employee who chooses not to participate in SJRRC's Medical Insurance Plan may elect to receive, in lieu of benefits under SJRRC's Medical Insurance Plan, the pre-tax cash equivalent of an amount benchmarked in 2010 against the lowest cost medical plan and the cost of employee health coverage in their respective age band. Employees who elected to receive the cash equivalent prior to the adoption of this Personnel Manual update shall be grandfathered in at their current cash equivalent amount, or whichever is greater. The CEO may adjust the benchmark from time to time. The cash equivalent shall not include any costs related to any dependent coverage.

5.1.1.4. Payment of Premiums. Except under leave provisions in this Manual and in accordance with applicable law, employees must have eighty (80) recorded hours per pay period to receive an employer contribution toward health benefit premiums. Should an employee have less than 80 hours recorded in a pay period, the employee shall be responsible for all health benefit premiums due for the employee's and eligible dependents' coverage.

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SECTION 5.2: CONTINUING EDUCATION

SJRRC is committed to the training and development of all employees and makes every effort to provide continuing education opportunities (certificate and/or certification programs, degree programs, etc.) available to employees when SJRRC determines that an employee's attendance at a continuing education program is in the best interest of SJRRC. All requests to attend continuing education programs will be reviewed and granted or denied at the sole discretion of the CEO. Refer to SJRRC Education Reimbursement Program, attached as Appendix A, for details and requirements.

SECTION 5.3: RETIREMENT PROGRAM

5.3.1. Availability. The SJRRC Retirement Program is available to all regular full-time employees over the age of twenty-one (21) years, which consists of a defined contribution money purchase plan under Section 401(a) of the Internal Revenue Code whereby SJRRC contributes a fixed percentage of each participant's salary. Employees should contact the HR Department for additional information.

Additionally, SJRRC offers a voluntary deferred compensation plan under Section 457 of the Internal Revenue Code. Under the plan, a participant can elect to contribute a portion of their salary on a tax-deferred basis, pursuant to limitations set by statute and regulations. Refer to the IRS website at www.irs.gov for current annual contribution limits. Descriptions of these plans are available in the HR Department. SJRRC shall make a contribution to the deferred compensation plan equal to two percent (2%) of the employee's base salary for Directors. SJRRC shall make a contribution equal to one- and one-half percent (1.5%) of the employee's base salary for Deputy Directors. SJRRC shall make a contribution equal to one percent (1%) of the employee's base salary for Middle Management Group Employees.

5.3.2. Conversion of Sick Leave Accrual Balance Upon Retirement. Upon retirement from SJRRC, any employee, having at least ten (10) years continued service with SJRRC, having unused accumulated sick leave, shall have the option to be paid a lump sum in an amount equivalent to twenty-five percent (25%) of their then current daily wage rate for each day of unused sick leave, or the option of converting up to fifty percent (50%) of unused sick leave to paid medical, dental, and/or vision insurance premiums for coverage offered by SJRRC to current employees through the Consolidated Omnibus Budget Reconciliation Act (COBRA), for up to 18-months, as amended, or to equivalent premiums for coverage offered by other insurance companies of the employee's choice. Proof of coverage and proof of payment for this option must be provided to the HR Department prior to disbursement.

Employees who transferred from San Joaquin County were grandfathered in with their County accruals. This provision (Section 5.3.2) is not meant to apply to those employees.

5.3.3 Post Retirement. SJRRC provides no post-retirement benefits.

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SECTION 5.4: VEHICLE ALLOWANCE

There is no vehicle allowance. Employees using personal vehicles for work-related purposes shall receive compensation for work-related mileage at the annual Internal Revenue Service mileage reimbursement rate, subject to submittal of a reimbursement request through Laserfiche.

ARTICLE 6: RULES OF CONDUCT

SECTION 6.1: OPEN DOOR

SJRRC has an Open Door Policy that encourages employees to participate in decisions affecting them and their daily professional responsibilities. SJRRC has a work environment where issues are promptly raised and resolved, and communication flows across all levels of the Agency. The essence of SJRRC's Open-Door Policy is open communication in an environment of trust and mutual respect that creates a solid foundation for collaboration, growth, high performance, and success across SJRRC. Employees who have job-related concerns or complaints are encouraged to talk them over with their Supervisor, the HR Department, or any other management representative with whom they feel comfortable. SJRRC believes that employee concerns are best addressed through this type of informal and open communication.

Employees are encouraged to raise their work-related concerns with their immediate Supervisor, the HR Department, and/or the Director of Administration, EEO as soon as possible after the events that cause the concern. Employees are further encouraged to pursue discussion of their work-related concerns until the matter is fully resolved. Although SJRRC cannot guarantee that in each instance the employee will be satisfied with the result, SJRRC will attempt in each instance to explain the result to the employee if the employee is not satisfied. SJRRC will also attempt to keep all such expressions of concern, the results of any investigation, and the terms of the resolution confidential. However, in the course of investigating and resolving the matter, some dissemination of information to others may be necessary or appropriate. No employee will be disciplined or otherwise penalized for raising good-faith concerns.

Employees who conclude that their work-related concerns should be brought to the attention of SJRRC by written complaint and formal investigation may avail themselves of the "Internal Complaint Review" procedure set forth in Section 6.2 of this Manual.

SECTION 6.2: INTERNAL COMPLAINT REVIEW

6.2.1. Purpose and Scope. The purpose of the "Internal Complaint Review Policy" is to afford all employees of SJRRC the opportunity to seek internal resolution of their work-related concerns. This policy is intended to supplement the "Open Door Policy" set forth in this Manual, which states the philosophy of SJRRC that all employees have free access to their immediate supervisors, the HR Department, or to other SJRRC supervisors of their choice to informally express their work-related concerns.

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6.2.2. Procedure.

6.2.2.1. Filing of Complaint. Employees should file written complaints with their supervisor, or the HR Department, as soon as possible after the events that give rise to the employee's work-related concerns. The written complaint should set forth in detail the basis for the employee's complaint.

6.2.2.2. Investigation. The supervisor and HR Department representative in receipt of the complaint shall maintain record of each complaint by dating and logging all written complaints and will send the employee an acknowledgment that the complaint is under review.

Director of Administration, HR Department representative, or designee will investigate the complaint, meeting separately with the employee and with others who are named in the complaint or who may have knowledge of the facts set forth in the complaint.

SJRRC will attempt to treat all internal complaints and their investigation as confidential, recognizing, however, that in the course of investigating and resolving internal complaints, some dissemination of information to others may be necessary or appropriate.

On completion of the investigation, the findings and conclusions will be orally reported to the employee. If the complaint is resolved to the employee's satisfaction, the terms of the resolution will be recorded and signed by both the employee and an HR Department representative.

6.2.2.3. Appeal. If the complaint is not resolved to the employee's satisfaction, the employee may submit a written request for review of the complaint to the CEO. On completion of the appeal review, the employee will receive an oral explanation of the conclusion reached and the reasons for that conclusion. Decisions resulting from appeal reviews by the CEO will be final.

SECTION 6.3: TERMINATION, DISCIPLINE, AND RULES OF CONDUCT

6.3.1. Termination.

6.3.1.1. Voluntary Termination. SJRRC will consider an employee to have voluntarily terminated their employment if an employee does any of the following:

6.3.1.1.1. Elects to resign from SJRRC; or

6.3.1.1.2. Fails to return from an approved leave of absence on the date specified by the employee and approved by the SJRRC; or

6.3.1.1.3. Fails to report for work without notice to SJRRC for three (3) consecutive scheduled workdays.

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6.3.1.2. Involuntary Termination. An employee may be separated involuntarily for reasons that may include, but are not limited to, poor performance, misconduct, or other violations of SJRRC's rules of conduct as set forth below. Notwithstanding this list of rules, SJRRC reserves the right to discharge or demote any employee with or without cause and with or without prior notice. All SJRRC employees are at-will.

6.3.2. Discipline and Rules of Conduct.

6.3.2.1. Policy. Employees are expected to observe certain standards of job performance and good conduct. When performance or conduct does not meet SJRRC standards, the employee may be subject to discipline up to and including termination of employment.

The rules set forth below are intended to provide employees with notice of what is expected of them. Necessarily, however, such rules cannot identify every type of unacceptable conduct and performance. Therefore, employees should be aware that conduct not specifically listed below, but which adversely affects or is otherwise detrimental to the interests of SJRRC, other employees, or customers, may also result in disciplinary action up to and including termination of employment. The listing of these rules does not in any way abrogate or modify the at-will employment policy set forth this Manual.

6.3.2.2. Job Performance. Employees may be disciplined, up to and including termination, for poor job performance, including, but not limited to, the following:

6.3.2.2.1. Unsatisfactory work quality or quantity;

6.3.2.2.2. Poor attitude (for example, rudeness or lack of cooperation);

6.3.2.2.3. Excessive absenteeism, tardiness, or abuse of rest break and meal period policies;

6.3.2.2.4. Failure to follow instructions or SJRRC procedures; or

6.3.2.2.5. Failure to follow established safety regulations.

6.3.2.3. Misconduct. Employees may be disciplined, up to and including termination, for misconduct, including, but not limited to, the following:

6.3.2.3.1. Insubordination;

6.3.2.3.2. Dishonesty;

6.3.2.3.3. Theft;

6.3.2.3.4. Discourtesy, including discourteous treatment of the public, contractors of SJRRC, or other employees;

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6.3.2.3.5. Sabotaging other employees or the work of other employees;

6.3.2.3.6. Misusing or destroying SJRRC property or the property of another on SJRRC property;

6.3.2.3.7. Violating conflict of interest rules;

6.3.2.3.10. Falsifying or altering SJRRC records, including the application for employment;

6.3.2.3.11. Interfering with the work performance of others;

6.3.2.3.12. Altercations;

6.3.2.3.13. Harassing, including sexually harassing, employees, customers, or clients;

6.3.2.3.14. Being under the influence of, manufacturing, dispensing, distributing, using, or possessing alcohol or illegal or controlled substances on SJRRC property or while conducting SJRRC business;

6.3.2.3.15. Gambling on SJRRC premises or while conducting SJRRC business;

6.3.2.3.16. Sleeping on the job or leaving your work location/work site without authorization;

6.3.2.3.17. Possessing a firearm or other dangerous weapon on SJRRC property or while conducting SJRRC business;

6.3.2.3.18. Being convicted of a crime that indicates unfitness for the job or raises a threat to the safety or well-being of SJRRC, its employees, customers, or property;

6.3.2.3.19. Failing to report to SJRRC, within five (5) days, any conviction under any criminal drug statute for a violation occurring in the workplace;

6.3.2.3.20. Using foul or abusive language;

6.3.2.3.21. Smoking or vaping in non-designated areas;

6.3.2.3.22. Visiting too often and/or for long periods of time during work hours with other employees or with outside visitors;

6.3.2.3.23. Bringing visitors and other non-employees, including your children, to work while working. Allowing and inviting non-employees access into authorized personnel areas, including but not limited to, areas such as the Operations Monitoring Center, ticketing vault, cash counting room, warehouse, RMF shop area, safes, and vaults. Visitors and other non-employees should never be left unaccompanied by an employee of SJRRC; or

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6.3.2.3.24. Being unprepared to do your job in its entirety, i.e., to include, but not limited to, repetitively forgetting your agency-issued cell phone, repetitively forgetting your laptop, and/or in a passenger services position or related assignment, not having readily available everything needed to fill a vacancy onboard the train.

6.3.2.3.25. It is the policy of SJRRC that an employee's promotion or display of religious symbols, beliefs, concepts, organizations, practices, or the dissemination of religious material or information to the public while the employee is acting as an SJRRC representative or using SJRRC resources is prohibited. This policy is not intended to abridge an employee's right to practice or maintain their religious beliefs.

6.3.2.4. Attendance and Tardiness Policy. This Attendance and Tardiness Policy establishes parameters for attendance for employees who work in and/or outside of the office. This policy establishes the requirements for reporting absences, provides guidelines for the handling of tardiness, early departures, and unscheduled absences, and outlines employees' need to adhere to established work schedules to maintain an efficient, effective operation of SJRRC.

6.3.2.4.1 Applicability This Attendance and Tardiness Policy applies to all SJRRC employees.

6.3.2.4.2 Work Rules and Conditions SJRRC employees are expected to observe certain standards of attendance and be at their reporting location, dressed accordingly, and prepared to start work at their scheduled start time to conduct the agency's business.

Regular attendance is a requirement for all employees. Punctuality and reliability among our staff are not only essential in maintaining a positive work environment but also for the safety and satisfaction of our passengers.

This Attendance and Tardiness Policy is written in accordance with this Manual and all other applicable SJRRC rules and policies.

6.3.2.4.3 Definitions

a. Public Facing Positions

Most of the position's activities involve direct interaction with members of the public.

- Customer Service Representative
- Passenger Services Representative – only when working in Customer Service, ACE Station Ticket Sales, or onboard ACE train.
- Passenger Services Lead – only when working in Customer Service, ACE Station Ticket Sales, or onboard.
- Passenger Services Supervisor – only when working in Customer Service, ACE Station Ticket Sales, or onboard.

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b. Non-Public Facing Positions

All positions not identified above.

Designation of public-facing positions is subject to change in the discretion of the CEO, or designee.

6.3.2.4.4 Notification of Tardiness and Absence. SJRRC employees are responsible for notifying their supervisor of absences, late arrivals, or early departures each day of absence, tardiness, and unscheduled early departures. Unscheduled absences, tardiness, and unscheduled early departures (whether excused or unexcused), failures to provide appropriate notification, or abuse of sick leave or other paid time off may result in disciplinary action up to and including termination of employment. Absences, tardiness, and early departures due to approved FMLA leave, Short-Term Disability leave, military leave, jury duty, workers' compensation, other approved leave, or reasonable accommodation as required by law will not be counted as occurrences. These rules apply to all employees except as otherwise noted for customer-facing employees.

a. Employees unable to report to work as scheduled, who will be tardy, or who plan to leave early must contact their supervisor as far in advance as possible and at the latest, prior to the start of the shift or the early departure. Notification and acknowledgment by a supervisor of tardiness, unscheduled early departure, or unscheduled absence will not excuse it. Asking another employee, friend, or relative to give this notification is unacceptable and considered improper notice, except in emergency situations. Leaving only a voicemail message is not acceptable notification, except in emergency situations.
b. All employees must send an email to their supervisor and the HR Department at hr@sjrrc.com explaining the reason for the absence and when they expect to return to work. Leaving only a voicemail message is not acceptable notification, except in emergency situations. To ensure the safe and efficient operation of SJRRC rail transit service, SJRRC employees in public-facing roles must provide notification, at minimum, of two (2) hours before their scheduled shift start time if they are going to be late for their scheduled work shift, out sick, or for any other reason. Employees in public-facing roles must call their supervisor's mobile phone and leave a voicemail if there is no answer. Rail Services Department employees must also then send a follow-up email to their supervisor and the HR Department at hr@sjrrc.com explaining the reason for the absence and when they expect to return to work. Leaving only a voicemail message is not acceptable notification, except in emergency situations.
c. If an employee is absent for three (3) consecutive days without notifying their supervisor or HR Department, they are considered to have abandoned their job and voluntarily separated from employment with SJRRC.
d. To be considered on time, the employee must be dressed in the required attire, at their assigned reporting location, or if they are an approved remote or teleworker, logged in from their remote location at their scheduled work time.
e. If an employee must delay their scheduled arrival on a specific date in the future, they must seek written approval as far in advance as possible from their

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immediate supervisor.

f. Supervisors should be observant, identify pattern absences, and address the same with their employees. SJRRC staff will be subject to immediate corrective action for a pattern of excessive tardiness or unscheduled absences.

6.3.2.4.5 No Call No Show Absences. In the event an employee does not show up for work and does not call in, after one (1) hour, the HR Department may attempt to contact the employee via telephone, text, or e-mail. After two (2) hours, if there has been no contact with the employee, the HR Department may contact the employee's designated emergency contact. If, after two (2) additional hours, there has been no contact with the employee, the HR Department may contact the local police department to request a welfare check at the employee's last known address.

6.3.2.4.6 Excessive Tardiness and Absence. Excessive tardiness and absenteeism create unnecessary hardship for those responsible for getting a job done. It is necessary for the effective operation of SJRRC that employees be prepared to commence work at their scheduled start time to conduct the business of the agency.

Unnecessary, unexcused absenteeism and tardiness are disruptive and place an unfair burden on co-workers, supervisors, managers, and directors. SJRRC will endeavor, when it deems appropriate, to provide an employee a reasonable opportunity to correct the deficiency. Unsatisfactory attendance will have an adverse effect on promotional consideration, and SJRRC reserves the right to terminate an employee at any time, with or without notice, and with or without cause for excessive tardiness or absences.

6.3.2.4.7 Disciplinary Action.

a. Employees are subject to immediate corrective action for no-call/no-show absence.
b. Each unexcused tardy incident will be recorded and documented by the employee's immediate supervisor.
c. Failure to adhere to this attendance policy may result in disciplinary measures, including verbal warnings, written warnings, suspension, or termination, depending on the severity and frequency of the attendance issues.

6.3.2.4.8 Scheduled and Unscheduled Absences.

a. Requests for scheduled absences, including jury duty, emergency time off (vacation or personal holiday), bereavement, military leave, medical leave, and personal leave, must be requested as far in advance as possible consistent with SJRRC policy and applicable law. It is staff's responsibility to request leave or excused time off and to submit appropriate documentation. Staff who will be unable to report to work as scheduled (except for preapproved leave time) or using intermittent FMLA leave or other leave are required to contact their supervisor each day unless otherwise instructed by their supervisor. Denied leave or other requested time off, failure to return to work after an approved leave, or failure to comply with these guidelines or other applicable SJRRC policy may result in the

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treatment of time away from work as an unscheduled absence, tardiness, or unscheduled early departure under this Attendance and Tardiness Policy.

b. An unscheduled absence typically is unpaid unless an employee's supervisor approves the use of accrued vacation, administrative leave, comp time, or sick time in accordance with SJRRC policy. Acceptable means of verifying the reason for unscheduled absence may be required. Staff will not be compensated for unscheduled absences that extend beyond their accrual balances.

6.3.2.4.9 Requests for Verification.

a. Employees absent three (3) consecutive days due to illness or who are suspected of abuse of sick leave may be required to submit a proof of illness certificate, issued by a health care provider, identifying when the employee was seen and treated. Failure to submit such proof upon request may result in disciplinary action.
b. The CEO or designee may also request verification from a licensed health care provider for absences of less than three (3) days if inappropriate use of sick leave benefits is suspected.

6.3.2.4.10 Accommodations. SJRRC is committed to providing reasonable accommodation for employees with disabilities or medical conditions that may affect attendance. Employees should communicate their need for reasonable accommodation to Human Resources.

6.3.2.4.11 Policy Adherence. Managers and supervisors are responsible for monitoring adherence to this Attendance and Tardiness Policy. Disregarding and/or failing to comply with this Policy may lead to disciplinary action, up to and including termination of employment.

6.3.2.5. Discipline Procedure. Except as set forth below, discharge or demotion for poor performance ordinarily will be preceded by a verbal warning and a written warning.

SJRRC reserves the right to proceed directly to a written warning, demotion, or termination for misconduct or performance deficiency, without resort to prior disciplinary steps, when SJRRC deems such action appropriate.

6.3.3. Return of SJRRC Property Upon Termination. Upon voluntary or involuntary termination of employment, employees shall return all SJRRC-furnished property, including but not limited to uniforms, agency-issued cell phone, agency-issued laptops, tools, equipment, I.D. cards, parking plaque, keys, credit cards, documents, and Manuals to the HR Department. All passwords and codes for phones, electronic files, and other devices shall be provided to the HR Department in writing.

6.3.4. Employment at Will. Nothing in this Manual is intended to alter the at-will status of employment with SJRRC. The employee or SJRRC may terminate the employment relationship at any time with or without cause and with or without prior notice. SJRRC reserves the right to terminate any employment relationship, to demote, or to otherwise discipline an employee without resort to the disciplinary procedures set forth in this Manual.

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ARTICLE 7: WORK REGULATIONS

SECTION 7.1: PERSONNEL RECORDS

7.1.1. Personnel Files. The information in an employee's personnel file is permanent, confidential, and must be kept up to date. Employees should inform the HR Department immediately when there are changes in personal data such as name, address, telephone number, marital status, number of dependents, and person(s) to notify in the event of an emergency.

Employees have the right to inspect their personnel files at reasonable times and upon reasonable notice. In addition, employees have the right to request copies of employment-related documents that they have signed as well as personnel records that SJRRC maintains relating to the employee's performance. An employee may inspect only their own personnel file and only in the presence of the HR Department representative or other designated employee.

Personnel files are the property of SJRRC and may not be removed from SJRRC's premises without written authorization from the CEO after consulting with General Counsel.

7.1.2. Payroll Records. Employees have the right to inspect or request a copy of their own payroll records regarding their compensation and deductions from their compensation, upon reasonable request to SJRRC. Employees wishing to review or copy payroll records should notify the HR Department.

7.1.3. References. All reference requests received regarding current and former SJRRC employees should be directed to the HR Department. No other manager or employee is authorized to release references for a current or former employee. Unless otherwise authorized in writing, SJRRC will verify an employee's position, dates of employment, and salary, and provide any additional information that may be required in accordance with applicable law.

SECTION 7.2: PERSONAL TELEPHONE CALLS AND VISITORS

Access to SJRRC telephone system, agency-issued cell phones, and access to SJRRC facilities are given principally for work-related activities. Incidental personal use of phones is permitted. This privilege should not be abused and must not affect the employee's performance of employment-related activities. Personal telephone calls, text messaging, and visiting are to be limited to essential matters and kept as brief as possible. To the extent possible, employees should make personal calls, texts, and schedule visitors during their breaks or meal periods. Continued excessive use of phones during work hours for personal matters is subject to disciplinary action. Nothing in this policy is intended to prevent or discourage employees from using their phones or other devices in "emergency conditions" as allowed by law.

SECTION 7.3: SMOKING/VAPING/MARIJUANA (CANNABIS)

In order to provide a safe and comfortable working environment for all employees, SJRRC prohibits the use of tobacco products, marijuana (cannabis), and the use of vape pens/e-

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cigarettes in the workplace. Use of tobacco products, vape pens/e-cigarettes is prohibited within the confines of any SJRRC office or vehicle, building area, passenger platform, or station. If an employee smokes, they must do so twenty-five (25) feet or more away from a building. SJRCC employees are prohibited from ingesting any marijuana (cannabis) products in the workplace. Employees violating this policy will be subject to disciplinary action.

SECTION 7.4: DRESS AND GROOMING POLICY

7.4.1 Purpose. The Dress and Grooming Policy establishes guidelines and parameters for dress and grooming standards for employees who work in and/or outside of the office.

7.4.2 Applicability. This Policy applies to all SJRRC employees.

7.4.3 Work Rules and Conditions. SJRRC considers the presentation of the SJRRC image to its customers, partners, contractors, suppliers, and the public at large to be extremely important. Each employee is expected to maintain a neat, clean, and professional appearance, with clean clothing or a clean and neatly pressed uniform, if applicable, and good personal hygiene. Clothing should be appropriate for the particular work area and type of work performed. For employees working in the office, this generally ranges from business casual to business professional. The CEO or designee may establish casual dress days as conditions allow, at their discretion. Employees who may require a medical or religious accommodation related to SJRRC dress and grooming standards should contact the HR Department or their supervisor.

Appropriate attire depends upon the department in which the employee works. Regardless of the attire, employees must avoid wearing anything to the office that is excessively worn, frayed, wrinkled, or is more suited for the gym, beach, or nightclub. Employees may consult with their supervisor or HR Department if they have questions or concerns regarding acceptable work attire.

7.4.4 Grooming and General Appearance. Employees must maintain an acceptable level of hygiene to ensure interactions with other employees and stakeholders are pleasant. Oral and bodily hygiene must be maintained. Hair must be kept neatly groomed. Facial hair must be clean and neatly groomed. Fingernails should be neat, clean, and of a length that does not preclude performing the essential functions of the job.

Use of a lightly scented perfume, cologne, or after-shave lotion is permitted.

Jewelry may be worn as long as it does not create a potential safety hazard under all job-related conditions. Large, loose, hanging-loop bracelets, necklaces, and earrings are considered hazards and are not authorized on board the trains or while performing maintenance duties.

Clothing, jewelry, or exposure of tattoos conveying an inappropriate image, statement, or slogan regarding race, gender, sexual orientation, age, religion, disability, or is otherwise considered harassing or offensive (i.e., drugs, sex, language) is not permitted in the workplace.

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Employees who believe that they may need a medical or religious accommodation to the Dress and Grooming standards should contact the HR Department.

7.4.5 Dress and Grooming Policy Adherence. Managers and supervisors are responsible for monitoring adherence to this Policy. Should a manager or supervisor determine an employee's personal appearance is inappropriate, the employee may be asked to leave the workplace and return properly dressed. An employee will be required to use their accrued time off, vacation, administrative leave, floating holiday, regular holiday, and comp time to leave the workplace and return in proper attire. Sick time cannot be used.

Disregarding and/or failing to comply with this standard of dress policy may lead to disciplinary action, up to and including termination of employment. Employees should consult their direct supervisor or the HR Department with questions regarding appropriate dress for work.

SECTION 7.5: UNIFORM POLICY

7.5.1. Introduction. San Joaquin Regional Rail Commission (SJRRC) considers the presentation of SJRRC image to its passengers and the public at large to be extremely important. Each employee is expected to be neat in appearance, with clean clothing and/or uniform.

7.5.2. Purpose. This policy is intended as a guide for SJRRC employees and defines the requirements of wearing a uniform.

7.5.3. Policy. Uniforms are provided to employees by SJRRC, depending on assignment, whether purchased or leased. Employees required to wear a uniform shall wear the uniform at all times while on duty and are expected to maintain their uniforms in a neat and clean condition.

Uniform replacement will be evaluated by the Director of Rail Services or their designee and Human Resources every 12 to 18 months for the purchased portion of the Facilities and Maintenance Department, except for winter coats, which will be replaced every two years, and as garment is torn or faded for the leased portion for the Facilities and Maintenance Department. Passenger Services Department uniforms will be replaced every 18 to 24 months. If a uniform needs repair or replacement, employees must return the uniform to the Human Resources Department in exchange for a replacement. While normal wear and tear is expected, excessive damage to or loss of company uniforms may result in disciplinary action.

Advance written authorization from the Director of Rail Services or their designee must be obtained for uniform purchase. Failure to follow this procedure will result in denial of reimbursement. Unauthorized uniform purchases will not be reimbursed.

Uniforms must be returned to the HR Department upon termination of employment.

Employees who believe that they may need a medical or religious accommodation concerning their uniform should contact the HR Department.

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7.5.4. Adherence. Managers and supervisors are responsible for monitoring adherence to this Policy. Should a manager or supervisor determine that an employee's personal appearance is inappropriate, the employee may be asked to leave the workplace and return properly dressed. An employee will be required to use their accrued time off, vacation, administrative leave, floating holiday, regular holiday, or compensatory time to leave the workplace and return in proper attire. Sick time cannot be used.

Uniforms that are lost, stolen, damaged, or destroyed as a result of employee negligence or carelessness shall be replaced or repaired at the employee's own expense, and within a reasonable timeframe. Replacement or repair must be acceptable to supervisor. Failure to follow proper manufactured label care and cleaning instructions will constitute negligence.

Disregarding and/or failing to comply with this standard of dress policy may lead to disciplinary action, up to and including termination of employment. Employees should consult their direct supervisor or the HR Department with questions regarding appropriate dress for work.

SECTION 7.6: IMMEDIATE FAMILY OF EMPLOYEE

Immediate Family Members of present employees may be hired by SJRRC only if (1) the individuals concerned will not work in a direct supervisory relationship with one another, and (2) the employment will not pose difficulties for supervision, security, safety, or morale. “Immediate Family Members” are defined in section 3.4.4 of this Manual. Present employees who marry or become legally registered domestic partners or who become related by marriage will be permitted to continue employment with SJRRC only if they do not work in a direct supervisory relationship with one another, or otherwise pose difficulties for supervision, security, safety, or morale. If employees who marry or who become related by marriage work in a direct supervisory relationship with one another, SJRRC will attempt to reassign one of the employees to another position for which they are qualified, if such a position is available. If no such position is available, then one of the employees will be required to separate from their employment with SJRRC. The decision as to which employee leaves will be left solely to the employees. In the event that no alternative position is available and neither employee voluntarily separates from their employment with SJRRC, the employee with lesser seniority will be separated.

SECTION 7.7: CONFLICTS OF INTEREST

7.7.1. General Policy. Employees are expected to devote their best efforts and attention to the full-time performance of their jobs. Moreover, employees are expected to use good judgment, to adhere to high ethical standards, and to avoid situations that create an actual or potential conflict between the employee’s personal interests and the interests of SJRRC. A conflict of interest exists when the employee’s loyalties or actions are divided between SJRRC’s interests and those of another, such as a competitor, supplier, or customer. Both the fact and the appearance of a conflict of interest should be avoided. Employees unsure as to whether a certain transaction, activity, or relationship constitutes a conflict of interest should discuss it with General Counsel, their immediate supervisor, or the CEO for clarification. Any exceptions to this policy must be approved in writing by the CEO.

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Employees may have other employment as long as the outside employment does not involve an activity or business that competes with SJRRC or otherwise creates a conflict of interest described herein. Any outside employment and activities of employees must not adversely affect an employee's performance of their duties for SJRRC.

While it is not feasible to describe all possible conflicts of interest that could develop, some of the more common conflicts that employees should avoid include the following:

i. Accepting personal gifts or entertainment from competitors, customers, suppliers, or potential suppliers;

ii. Working for a competitor, supplier, or customer;

iii. Engaging in self-employment in competition with SJRRC;

iv. Using proprietary, confidential, or privileged SJRRC information for personal gain or to SJRRC's detriment;

v. Having a direct or indirect financial interest in or relationship with a competitor, customer, or supplier;

vi. Using SJRRC property or labor for personal use;

vii. Acquiring any interest in property or assets of any kind for the purpose of selling or leasing it to SJRRC;

viii. Committing SJRRC to give its financial or other support to any outside activity or organization; or

ix. Developing a personal relationship with a subordinate employee of SJRRC or with an employee of a competitor, supplier, or customer that might interfere with the exercise of impartial judgment in decisions affecting SJRRC or any employees of SJRRC.

Part-time employees may engage in outside employment, provided that they disclose such employment, obtain written approval from the CEO, and notify the HR Department.

7.7.2. Outside Employment. Unless otherwise stated in an employment contract, it is the policy of the SJRRC that employees should not, because of their position, be unduly restricted in their private lives. The use of time outside of SJRRC working hours shall be unrestricted so long as the activities of employees do not interfere, prove detrimental, or present a conflict of the employees' duties or to the SJRRC.

7.7.2.1 Employees shall not engage in any employment, activity, or enterprise for compensation that is inconsistent with, incompatible, in conflict with, or adverse to their duties as an SJRRC employee or with the duties, functions, or responsibilities of the employee's position.

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7.7.2.2 Each instance of work by an employee shall be judged on its own merits, particularly applied to the employee's position and function within SJRRC. Outside employment must be approved in writing by an employee's Division Director and the CEO.

7.7.3. SJRRC Conflict of Interest Code. The SJRRC Governing Board is required to adopt a Conflict of Interest Code, which names all Board members and key staff officials as subject to the Fair Political Practices Act required disclosures. Employees identified in the Conflict of Interest Code will be notified by the Clerk of the Board and shall be required to file an annual Conflict of Interest Statement (Form 700).

7.7.4. Failure to adhere to this policy, including failure to disclose any conflicts or to seek an exception, may result in discipline, up to and including termination of employment.

SECTION 7.8: PUBLICITY/STATEMENTS TO THE MEDIA

All media inquiries regarding SJRRC and its operations must be referred to the appropriate SJRRC representative as designated by the CEO. Only the CEO or their designee is authorized to make or approve public statements pertaining to SJRRC or its operations. No employee, unless specifically designated by the CEO, is authorized to make any public comments on behalf of SJRRC. Any employee wishing to write and/or publish an article, paper, or other publication on behalf of SJRRC must first obtain written approval from the CEO or designee before publication.

Furthermore, employees are not to release photographs, videos, images, or other related SJRRC assets to be shared, released to, or published by a third party without first obtaining written approval to do so from the CEO or designee.

SECTION 7.9: DRIVING POLICY

7.9.1. Purpose of the Policy. The purpose of the Driving Policy is to encourage safe driving and to prevent injuries and property damage when vehicles are driven for SJRRC business.

7.9.2. Applicability. This policy applies to all SJRRC employees who are required to drive.

7.9.3. Rules and Conditions. Drivers will operate vehicles in a safe manner and in accordance with all vehicle regulations to prevent injuries and property damage. Employees driving on behalf of the agency must hold a valid California driver's license, whether operating an agency vehicle or a personal vehicle.

All employees requesting to use their personal vehicles for work-related purposes shall complete an Authorization to Use Privately Owned Vehicles on Agency Business Form and submit for approval to the HR Department, certifying annually that they will maintain a valid driver's license and will carry evidence of insurance meeting the California minimum limit. Original forms will be kept in the Driver Qualification File, located in the HR Department.

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All employees required to drive will be required to consent to an annual Motor Vehicle Report (MVR), and possibly other Consumer Reports, as an ongoing condition of employment. MVRs will be obtained annually and kept in the personnel file, located in the HR Department. Manager of Human Resources, or HR designee, will compare MVRs to established criteria on an annual basis to confirm that drivers meet the minimum criteria outlined in SJRRC's Fleet Safety Program.

7.9.4. Definitions.

"Agency vehicle" means any agency-owned, leased, rented, or borrowed automobile.

"Consumer Report" means a communication from a consumer reporting agency (CRA) containing information about an individual's character, reputation, or lifestyle, used for purposes like employment or insurance. A Motor Vehicle Record (MVR) is a type of consumer report under the Fair Credit Reporting Act (FCRA).

"Personal Vehicle" is defined as any motor vehicle that is owned, borrowed, or leased by the employee.

7.9.5. Traffic Violations and Citations. Employees are responsible for paying citations received for traffic violations while working, whether using an agency vehicle or personal vehicle, including bridge toll evasions.

7.9.6. Policy Adherence. Failure to comply with this policy may result in disciplinary action up to and including termination of employment.

SECTION 7.10 AGENCY VEHICLE USE POLICY

7.10.1. Policy. San Joaquin Regional Rail Commission provides vehicles for official business use. The appearance and maintenance of agency vehicles is a reflection of the agency. Employees are expected to ensure agency vehicles are treated and used appropriately.

7.10.2 Applicability. This policy applies to all employees who operate and/or are passengers in an agency vehicle.

7.10.3 Definitions.

a. "Agency vehicle" means any agency-owned, leased, rented, or borrowed automobile.

7.10.4 Rules and Conditions.

a. Agency vehicles must be checked out in the vehicle log located outside of the Operations Monitoring Center (OMC) for vehicles parked at Cabral Station, and the office area on the second floor for vehicles parked at the Rail Maintenance Facility.
b. Drivers must have a valid California driver's license to operate an agency vehicle.

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c. Agency vehicles should be used for conducting agency business and shall not be used for personal matters.
d. Employees shall be responsible for inspecting the interior and exterior of an agency vehicle before operating the vehicle.
e. Any damage, mechanical problems, unauthorized contents, or other problems with the vehicle shall be promptly reported to Maintenance through the CMMS system at the following url: Limble CMMS - Maintenance Management Software.
f. Drivers are responsible for fueling agency vehicles at a designated fueling station prior to return, if fuel level is below ¾ tank.
g. Drivers and passengers are responsible for the cleanliness (interior) and shall inspect the vehicle to ensure that all personal items and trash have been removed from the vehicle after use.
h. If personal items and/or trash are found in an agency vehicle, the driver is to notify the HR Department at hr@sjrrc.com, dispose of the trash, and deliver the personal items to the HR Department.
i. Unattended vehicles should be locked and secured at all times.
j. Agency vehicles may not be taken home overnight.
k. Unauthorized drivers are not to operate an agency vehicle.
l. In the event of a collision, the driver must report it to their supervisor and the HR Department as soon as possible.
m. In the event of a collision, report the collision in writing to law enforcement immediately if anyone is killed or injured and law enforcement was not present at the scene.
n. In the event of a collision, report it to DMV using an SR-1 report. The driver or driver's insurance agent, broker, or legal representative must complete an SR-1 report and send it to DMV within 10 days if someone is injured (no matter how minor the injury) or killed, or property damage is over $1000.
o. Agency FasTrak account transponders are not to be removed from assigned agency vehicles, and are not to be used in personal vehicles.

7.10.5 Improper Use and Driving Record.

a. An unfavorable driving record will result in the loss of access to agency vehicles.
b. Improper use or treatment of agency vehicles may result in disciplinary action. Severe offenses regarding the use of an agency vehicle may result in termination of employment.

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ARTICLE 8: INSPECTIONS ON SJRRC PREMISES

SECTION 8.1: INSPECTIONS, SEARCHES AND MONITORING ON SJRRC PREMISES

8.1.1. Purpose of the Policy. SJRRC believes that maintaining a workplace that is free of drugs, alcohol, and other harmful materials is vital to the health and safety of its employees and to the success of SJRRC's operations. SJRRC also intends to protect against the unauthorized

use and removal of SJRRC property. In addition, SJRRC intends to assure its access at all times to SJRRC premises and SJRRC property, equipment, information, records, documents, and files. Accordingly, SJRRC has established this policy concerning inspections, searches, and monitoring on SJRRC premises. This policy applies to all employees.

8.1.2. Definitions For Purposes of This Policy.

"Prohibited material" means firearms or other weapons; explosives and/or hazardous materials or articles; illegal drugs or other controlled substances (as defined in Article 9 of this Manual); drug-related paraphernalia; the unauthorized use or consumption of alcoholic beverages on SJRRC property; or SJRRC property and/or proprietary, confidential, and privileged information belonging to a third party that an employee is not authorized to have in their possession.

"SJRRC property" includes all documents, records, software, electronic code, data, and files, in both hard copy and electronic form, relating to SJRRC; and all equipment, hardware, devices, and other property of any kind, whether owned, leased, rented, or used by SJRRC.

"SJRRC premises" includes all premises, vehicles, and locations owned or leased by SJRRC or under the control of SJRRC, including parking lots, lockers, and storage areas.

"Reasonable suspicion" includes a suspicion that is based on specific personal observation such as an employee's manner, disposition, muscular movement, appearance, behavior, speech or breath odor; information provided to Directors, Managers, Supervisors, or HR Department representative, by an employee, by law enforcement officials, by a security service, or by other persons believed to be reliable; or a suspicion that is based on other surrounding circumstances. Other surrounding circumstances include any accident that causes injury or damage to any property.

"Possession" means that an employee has the prohibited material or SJRRC property on their person or otherwise under their control.

8.1.3. Inspections, Searches, and Monitoring.

8.1.3.1. Access to SJRRC Property. In order to assure access at all times to SJRRC property, and because employees properly in possession of SJRRC property or information related to SJRRC may not always be available to produce the property or information when needed in the ordinary course of SJRRC business, SJRRC reserves the right to conduct a routine inspection or search at any time for SJRRC property on SJRRC premises. In addition, SJRRC reserves the right to access at all times information and communications stored in SJRRC computer files, memory sticks, employee voicemail boxes, and email systems owned or controlled by SJRRC.

8.1.3.2. Routine searches or inspections for SJRRC property may include an employee's office, desk, file cabinet, closet, computer files, voicemail, email, or similar places where

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employees may store SJRRC property or SJRRC-related information, whether or not the places are locked or protected by access codes and/or passwords.

8.1.3.3. Because even a routine search for SJRRC property might result in the discovery of an employee's personal possessions, all employees are encouraged to refrain from bringing into the workplace any item of personal property that they do not wish to reveal to SJRRC.

8.1.4. Inspections and Searches for Prohibited Materials.

8.1.4.1. Inspections or searches for prohibited materials in or on SJRRC premises also will be conducted whenever SJRRC has reasonable suspicion to believe that a particular employee or group of employees may be in possession of such materials in violation of Article 8 of this Manual.

8.1.4.2. Inspections or searches for prohibited materials may be conducted by an independent security service or by SJRRC with its own personnel. In all cases, a Director and/or HR Department representative should be present.

8.1.4.3. Inspections or searches for prohibited materials may be conducted on a regular or random basis at locations where employees enter or exit SJRRC premises, without regard to whether there is reasonable suspicion that an employee may be in possession of prohibited materials in violation of Article 8 of this Manual.

8.1.4.4. Inspections or searches for prohibited materials may be conducted from time to time, even when there is no immediate reason to suspect the presence of the materials. In such cases, SJRRC may announce the inspection in advance, except for inspections or searches conducted at locations where employees enter or exit SJRRC premises.

8.1.4.5. Inspections or searches for prohibited materials may include an employee's office desk, file cabinet, closet, computer, or similar places where employees may place personal possessions or information, whether or not the places are locked or password-protected. Inspections or searches for prohibited materials also may include an employee's locker, an employee's vehicle when on SJRRC premises, or an employee's pockets, purse, briefcase, backpack, lunch bag, or other item of personal property that is being worn or carried while on SJRRC premises.

8.1.4.6. In cases involving an inspection or search of an employee's pockets, purse, briefcase, or other item of personal property that is being worn or carried by the employee, the employee will be requested to conduct a self-search (e.g., by turning out or emptying pockets, purses, etc.) in the presence of an HR Department representative.

8.1.4.7. Employees who refuse to cooperate during an inspection or search will not be forcibly detained or searched. They will be informed, however, that SJRRC will base any disciplinary decision, up to and including termination of employment, on the information that is available, including their refusal to consent to the search as well as the information that gave rise to a reasonable suspicion that the employee was in possession of prohibited materials, if

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applicable, and that their failure or refusal to cooperate could deprive SJRRC of information that may clear them of suspicion. In addition, SJRRC reserves the right to take appropriate action to prevent the unauthorized removal from SJRRC premises of SJRRC property.

8.1.5. Monitoring. SJRRC reserves the right to monitor the use by employees of SJRRC telephones, computer networks, devices, and email systems. Monitoring may be performed by observation or through aural, mechanical, electronic, or other means. Monitoring may take place on a regular or random basis and will be used to monitor an employee's job performance, for training or quality control purposes, or, in instances in which SJRRC has a reasonable suspicion that an employee is using SJRRC property in an unauthorized manner.

8.1.6. Approvals for Inspections or Monitoring.

8.1.6.1. In instances in which the inspection, search, or monitoring is conducted because there is reasonable suspicion that a particular employee or group of employees may be in possession of prohibited materials in violation of Article 8 of this Manual, or may be using SJRRC property in an unauthorized manner, and in instances in which an item of an employee's personal property will be searched, the inspection, search, or monitoring will be approved in advance by the CEO or designee.

8.1.6.2. All inspections or searches that are conducted as part of SJRRC's program of periodic and unannounced inspections will be approved in advance by the CEO or designee.

8.1.7. Disciplinary Action.

8.1.7.1. Employees who are found to be in possession of prohibited materials in violation of this Manual, or employees who are found to have SJRRC property in an unauthorized manner, will be subject to discipline, up to and including termination, regardless of SJRRC's reasons for conducting the search, inspection, or monitoring.

8.1.7.2. If an employee refuses to cooperate with a search or inspection that is based on reasonable suspicion that the employee is in possession of prohibited material, SJRRC may take that refusal into consideration in determining appropriate disciplinary action. Discipline will be based on all available information, including the information giving rise to the reasonable suspicion.

8.1.8. Solicitation and Distribution of Literature.

Employees may engage in solicitation on SJRRC premises only during their nonworking time. Nonworking time means time during meals or breaks and before or after work.

Employees may distribute or circulate non-SJRRC written materials only during nonworking time and only in nonwork areas. If an employee is not certain whether an area is a work or non-work area, they should consult their immediate supervisor for clarification.

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Solicitation or distribution in any way connected with the sale of any goods or services for profit is strictly prohibited anywhere on SJRRC property at any time. Similarly, solicitation or distribution of literature for any purpose by non-employees is strictly prohibited on SJRRC property at any time.

SJRRC utilizes bulletin boards located throughout the facilities for the purpose of communicating with employees. Postings on these bulletin boards are limited to items posted by SJRRC, including statutory and legal notices, safety and disciplinary rules, SJRRC policies, memos of general interest relating to SJRRC, local operating rules, and other SJRRC items. All postings require the prior approval of the HR Department. Postings will not be permitted for any other purpose.

ARTICLE 9: DRUG-FREE WORKPLACE

SECTION 9.1: PUPOSE OF THE POLICY

SJRRC takes the problem of drug and alcohol abuse seriously and is committed to providing a substance-free workplace for its employees, and to discourage drug and alcohol abuse by its employees. Substance abuse of any kind is inconsistent with the behavior expected of our employees, subjects all employees and visitors to our facilities to unacceptable safety risks, and undermines our ability to operate effectively and efficiently. Substance abuse in the workplace can also cause a number of other work-related problems, including absenteeism and tardiness, substandard job performance, increased workloads for co-workers, behavior that disrupts other employees, and inferior quality in products and/or services.

To further its interest in avoiding accidents, to promote and maintain safe and efficient working conditions for its employees, and to protect its business, property, equipment, and operations, SJRRC has established this Policy concerning the use of alcohol and drugs. Compliance with this Drug-Free Workplace Policy is made a condition of employment, and violations of the policy may lead to discipline, up to and including termination of employment.

SECTION 9.2: DEFINITIONS

For purposes of this Policy:

(1) “Illegal drugs or other controlled substances” means *any* drug or substance that (a) is not legally obtainable; or (b) is legally obtainable, but has not been legally obtained; or (c) has been legally obtained, but is being sold or distributed unlawfully.

(2) “Legal drug” means any drug, including any prescription drug or over-the-counter drug, that has been legally obtained and that is not unlawfully sold or distributed.

(3) “Abuse of any legal drug” means the use of any legal drug (a) for any purpose other than the purpose for which it was prescribed or manufactured; or (b) in a quantity, frequency, or

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manner that is contrary to the instructions or recommendations of the prescribing physician or manufacturer.

(4) “Reasonable suspicion” includes a suspicion that is based on specific personal observations such as an employee’s manner, disposition, muscular movement, appearance, behavior, speech or breath odor; information provided to management by an employee, by law enforcement officials, by a security service, or by other persons believed to be reliable; or a suspicion that is based on other surrounding circumstances.

(5) “Possession” means that an employee has the substance on their person or otherwise under their control.

SECTION 9.3: PROHIBITED CONDUCT

9.3.1. Scope. The prohibitions of this section apply whenever the interests of SJRRC may be adversely affected, including any time an employee is: (i) on SJRRC premises; (ii) conducting or performing SJRRC business, regardless of location; (iii) operating or responsible for the operation, custody, or care of SJRRC equipment or other property; or (iv) Responsible for the safety of others in connection with, or while performing, SJRRC-related business.

9.3.2. Alcohol. The following acts are prohibited and will subject an employee to termination of employment: (i) the unauthorized use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of alcohol; or (ii) being under the influence of alcohol from unauthorized consumption.

9.3.3. Illegal Drugs. The following acts are prohibited and will subject an employee to termination of employment: (i) the use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of any illegal drug or other controlled substance; or (ii) being under the influence of any illegal drug or other controlled substance.

9.3.4. Legal Drugs. The following acts are prohibited and will subject an employee to termination of employment: (i) the abuse of any legal drug; (ii) the purchase, sale, manufacture, distribution, transportation, dispensation, or possession of any legal prescription drug in a manner inconsistent with law; or (iii) working while *impaired* by the use of a legal drug whenever such impairment might: (a) endanger the safety of the employee or some other person; (b) pose a risk of significant damage to SJRRC property or equipment; or (c) substantially interfere with the employee’s job performance or the efficient operation of SJRRC’s business or equipment.

9.3.5. Cannabis/Marijuana. Employees will not be subject to discipline or otherwise penalized for the use of cannabis off the job and away from the workplace. However, the following acts related to cannabis (including marijuana) are prohibited and will subject an employee to disciplinary action: (i) the use, possession, sale, manufacture, distribution, transportation, or dispensation of cannabis in the workplace; (ii) being under the influence of, or impaired by, the use of cannabis in the workplace.

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SECTION 9.4: DISCIPLINARY ACTION

9.4.1. Discharge for Violation of Policy. A first violation of this Drug-Free Workplace Policy will result in *immediate termination of employment* whenever the prohibited conduct: (i) caused injury to the employee or any other person, or, in the sole opinion of management, endangered the safety of the employee or any other person; (ii) resulted in significant damage to SJRRC property or equipment, or, in the sole opinion of management, posed a risk of significant damage; (iii) involved the sale or manufacture of illegal drugs or other controlled substances; (iv) involved the possession, distribution, or dispensation of illegal drugs or other controlled substances or alcohol; (v) involved an employee who was a casual, seasonal, or temporary employee; or (vi) involved the failure of an employee to report a criminal conviction as required in this Manual.

9.4.2. Discretion Not to Discharge. In circumstances other than those described in Paragraph 9.4.1, above, SJRRC, in the sole discretion of the CEO, may choose not to discharge an employee for a first violation of this Policy if the employee satisfactorily participates in and completes an approved drug or alcohol abuse "assistance" or rehabilitation program when recommended by SJRRC.

9.4.3. Effect of Criminal Conviction. An employee who is convicted under a criminal drug statute for a violation occurring in the workplace or during any SJRRC-related activity or event will be deemed to have violated this Policy.

9.4.4. Written Warning. An employee who is not discharged for a first violation of this Policy will receive a final written warning and such other discipline as may be required.

9.4.5. Effect of Second Violation. A second violation of this Policy at any time will result in immediate termination of employment.

9.4.6. Effect of Discharge on Eligibility for Rehire. Employees who are separated from employment for a violation of this Policy will not be eligible for rehire by SJRRC.

SECTION 9.5: DRUG-FREE AWARENESS PROGRAM

9.5.1. Management Awareness. Managers and supervisors should be attentive to the performance and conduct of those who work with them and should not permit an employee to work in an impaired condition or to otherwise engage in conduct that violates this Drug-Free Awareness Policy. When management has reasonable suspicion to believe that an employee or employees are working in violation of this Policy, prompt action will be taken.

9.5.2. Criminal Convictions. Employees must notify SJRRC of any conviction under a criminal drug statute for a violation occurring in the workplace or during any SJRRC-related activity or event. Employees must notify SJRRC within five (5) days after any such conviction. When required by federal law, SJRRC will notify any federal agency with which it has a contract of any employee who has been convicted under a criminal drug statute for a violation occurring in the workplace.

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SECTION 9.6: USE OF LEGAL DRUGS

SJRRC recognizes that employees may, from time to time, be prescribed legal drugs that, when taken as prescribed or according to the manufacturer's instructions, may result in impairment. Employees may not work while impaired by the use of legal drugs if the impairment might endanger the employee or someone else, pose a risk of significant damage to SJRRC property, or substantially interfere with the employee's job performance. If an employee is so impaired by the appropriate use of legal drugs, they may not report to work. To accommodate the absence, the employee may use accrued sick leave or vacation time. The employee may also contact the HR Department to determine whether or not they qualify for an unpaid leave of absence, such as family care or medical leave. Nothing in this Policy is intended to sanction the use of accrued sick leave or vacation time to accommodate absences due to the *abuse* of legal drugs. Further, nothing in this Use of Legal Drugs Policy is intended to diminish SJRRC's commitment to employ and reasonably accommodate qualified disabled individuals. SJRRC will reasonably accommodate qualified disabled employees who must take legal drugs because of their disability.

SECTION 9.7: UNREGULATED OR AUTHORIZED CONDUCT

9.7.1. Customary Use of Over-the-Counter Drugs. Nothing in this Unregulated or Authorized Conduct Policy is intended to prohibit the customary and ordinary purchase, sale, use, possession, or dispensation of over-the-counter drugs, so long as that activity does not violate any law or result in an employee being impaired by the use of such drugs in violation of this Policy.

9.7.2. Off-the-Job Conduct. This Policy is not intended to regulate off-the-job conduct, so long as the employee's off-the-job use of alcohol or drugs does not result in the employee being under the influence of or impaired by the use of alcohol or drugs in violation of this Policy. If an employee is found to be in violation of this guideline, they will be subject to drug testing as described below.

9.7.3. Authorized Use of Alcohol. SJRRC may provide alcohol for consumption at certain events, such as social or business-related functions. The consumption of alcohol at these events does not violate this Policy. However, if employees choose to consume alcohol at such events, they must do so responsibly and maintain their obligation to conduct themselves properly and professionally at all times, which includes obeying all applicable laws and employee conduct policies as set forth in this Manual.

SECTION 9.8: CONFIDENTIALITY

Disclosures made by employees to the HR Department concerning their use of legal drugs will be treated confidentially and will not be revealed to managers or supervisors unless there is an important work-related reason to do so in order to determine whether it is advisable for the employee to continue working. Disclosures made by employees to the HR Department concerning their participation in any drug or alcohol rehabilitation program will be treated confidentially.

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SECTION 9.9: DRUG TESTING

9.9.1. Testing of Applicants. As part of SJRRC's employment screening process, any applicant to whom an offer of employment is made must pass a test for controlled substances, under the procedures described below in sections 9.9.3 and 9.9.4. All offers of employment are conditional and may be rescinded upon receipt of the results of a drug and alcohol test. Applicants will be informed of SJRRC's drug testing policy on the job description.

9.9.2. Testing of Employees

9.9.2.1. Reasonable Suspicion Testing. If an employee's supervisor or manager has a reasonable suspicion that the employee is working in an impaired condition or otherwise engaging in conduct that violates this Policy, the employee will be asked about any observed behavior and offered an opportunity to give a reasonable explanation. If the employee is unable to explain the behavior, they will be asked to take a drug test in accordance with the procedures outlined below. If the employee refuses to cooperate and consent to the administration of the drug test, the refusal will be handled in the same manner as a positive test result.

9.9.3. Procedures for Drug Testing. SJRRC will refer the applicant or employee to an independent, certified medical clinic or laboratory, which will administer the test. SJRRC will pay the cost of the test and reasonable transportation costs to the testing facility. The employee will have the opportunity to alert the clinic or laboratory personnel to any prescription or non-prescription drugs that they have taken that may affect the outcome of the test. All drug testing will be performed by urinalysis. Initial screening will be done by a National Institute on Drug Abuse (NIDA)-certified medical clinic or laboratory. The clinic or laboratory will inform SJRRC as to whether the applicant passed or failed the drug test. If an employee fails the test, they will be considered to be in violation of this Policy and will be subject to discipline, up to and including termination of employment.

9.9.4. Acknowledgment and Consent. Any employee subject to testing under this Policy will be asked to sign a form acknowledging the procedures governing testing and consenting to (1) the collection of a urine and/or breath sample for the purpose of determining the presence of alcohol or drugs, and (2) the release to SJRRC of medical information regarding the test results. Refusal to sign the agreement and consent form, or to submit to the drug test, will result in the revocation of an applicant's job offer, or will subject an employee to discipline up to and including termination.

9.9.5. Confidentiality. All drug testing records will be treated as confidential.

ARTICLE 10: TECHNOLOGY USE AND SECURITY

Access to SJRRC's technology and systems, except for those devoted to public use, shall be authorized only for SJRRC employees and authorized contractors, department-approved partners and software programs having a need for specific information in order to accomplish

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legitimate agency business-related tasks. SJRRC technology and systems are not to be used for personal business. All such access to SJRRC's technology and systems shall be documented by the responsible department.

SJRRC provides technical resources to employees to assist them in performing their job duties. Each employee has a responsibility to use SJRRC's technology in a manner that increases productivity, enhances SJRRC's public image, and is respectful of other employees, contractors, stakeholders, customers, passengers, and the general public. Failure to follow SJRRC's policies regarding the use of technology may lead to disciplinary measures, up to and including termination of employment. SJRRC reserves the right to advise appropriate legal authorities of any violation of law by an employee regarding the use of technology resources.

SECTION 10.1. TECHNICAL RESOURCES DEFINITION

Technical Resources consist of all electronic media and storage devices, software, and means of electronic communication including any of the following: personal computers and workstations; laptop computers; tablets; computer hardware such as disk drives, tape drives, external hard drives and flash/thumb drives; peripheral equipment such as printers, modems, fax machines, and copiers; computer software applications and associated files and data, including software that grants access to external services, such as the Internet or cloud storage accounts; electronic mail; telephones; cellular devices; and other handheld devices; voicemail systems; and instant messaging systems.

SECTION 10.2: AUTHORIZATION

Permissions for SJRRC's network are within the sole discretion of SJRRC. Employees are granted the level of permission to the network and software systems based on their job function and responsibilities. Employees and Contract staff must agree to and sign SJRRC's network agreement and confidentiality policy before access will be granted.

SECTION 10.3: USE

SJRRC's Technical Resources are to be used by employees only for the purpose of conducting SJRRC business. Employees may, however, use SJRRC's Technical Resources for the following incidental personal uses as long as such use does not interfere with the employee's duties, is not done for pecuniary gain, does not conflict with SJRRC's business, and does not violate any SJRRC policy:

1. To use the telephone system for brief and necessary personal calls;
2. To send and receive necessary and occasional personal communications;
3. To prepare and store incidental personal data (such as personal calendars, personal address lists, and similar incidental personal data) in a reasonable manner; and
4. To access the Internet and personal social media sites for brief personal searches and inquiries during mealtimes or other breaks, or outside of work hours, provided that employees adhere to all other usage policies.

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SJRRC assumes no liability for loss, damage, destruction, alteration, receipt, transmission, disclosure, or misuse of any personal data or communications transmitted over or stored on SJRRC's Technical Resources. SJRRC accepts no responsibility or liability for the loss or non-delivery of any personal electronic mail or voicemail communications or any personal data stored on any SJRRC property. SJRRC strongly discourages employees from storing any personal data on any of SJRRC's Technical Resources.

SECTION 10.4. IMPROPER USE

10.4.1. Prohibition Against Harassing, Discriminatory, and Defamatory Use. SJRRC is aware that employees use electronic mail for correspondence that is less formal than written memoranda. Employees must take care, however, not to let informality degenerate into improper use. As set forth more fully in SJRRC's Policy Against Discrimination, Harassment, and Retaliation, (see Section 1.4 of this Manual) SJRRC does not tolerate discrimination or harassment based on gender, pregnancy, childbirth (or related medical conditions), race, color, religion, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, family care or medical leave status, military status, veteran status, or any other status protected by state and federal laws. Under no circumstances shall employees use SJRRC's Technology Resources to transmit, receive, or store any information that is discriminatory, harassing, defamatory, obscene, indecent, threatening, or that otherwise could adversely affect any individual, group, or entity (*e.g.,* sexually explicit or racial messages, slurs, jokes, or cartoons).

10.4.2. Prohibition Against Violating Copyright Laws. Employees shall not use SJRRC's Technology Resources to copy, retrieve, forward, or send copyrighted materials unless the employee has the author's permission or is accessing a single copy only for the employee's reference.

10.4.3. Other Prohibited Uses. Employees shall not use SJRRC's Technology Resources for any illegal purpose, violation of any SJRRC policy, in a manner contrary to the best interests of SJRRC, in any way that discloses confidential or proprietary information of SJRRC or third parties, or for personal or pecuniary gain.

SECTION 10.5: SJRRC ACCESS TO TECHNICAL RESOURCES

All messages sent and received, including personal messages, and all data and information stored on SJRRC's Technical Resources (including on its electronic mail system, voicemail system, or computer systems) are SJRRC property regardless of the content. As such, SJRRC reserves the right to access all of its Technical Resources, including its computers, voicemail, and electronic mail systems, at any time, in its sole discretion.

10.5.1. No Reasonable Expectation of Privacy. On occasion, SJRRC may need to access its Technical Resources including computer files, electronic mail messages, and voicemail messages. Employees should understand, therefore, that they have no right of privacy with respect to any messages or information created, collected, or maintained on SJRRC's Technical Resources, including personal information or messages. SJRRC may, at its discretion, inspect

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all files or messages on its Technical Resources at any time for any reason. SJRRC may also monitor its Technology Resources at any time in order to confirm compliance with its policies, for purposes of legal proceedings, to investigate misconduct, to locate information, or for any other business purpose.

10.5.2. Passwords. Passwords and login credentials are intended to prevent unauthorized access to information. Passwords and login credentials do not confer any right of privacy upon any employee of SJRRC. Thus, even though employees may maintain passwords or be provided with login credentials for accessing Technical Resources, employees must not expect that any information maintained on Technology Resources, including electronic mail and voicemail messages, is private. Employees are expected to maintain the confidentiality of their passwords and login credentials. Employees must not share passwords, or forward login credentials.

10.5.3. Data Collection. The best way for employees to ensure the privacy of personal information is not to store or transmit it on SJRRC's Technical Resources. So that employees understand the extent to which information is collected and stored, examples of information currently maintained by SJRRC are provided below. SJRRC may, however, in its sole discretion, and at any time, alter the amount and type of information that it retains.

1. Telephone Use and Voicemail: Records are kept of all calls made from and to a given telephone extension. Although voicemail is password-protected, an authorized administrator can listen to voicemail messages and also reset the password.

2. Electronic Mail: Electronic mail is backed up and archived. Although electronic mail is password-protected, an authorized administrator can read electronic mail and also reset the password.

3. Document Use: Each document stored on SJRRC computers has a history that shows which users have accessed the document for any purpose.

4. Internet Use: Internet sites visited, the number of times visited, and the total time connected to each site are recorded and periodically monitored.

10.5.4. Deleted Information. Deleting or erasing information, documents, or messages maintained on SJRRC's Technical Resources is, in most cases, ineffective. All employees should understand that any information kept on SJRRC's Technology Resources may be electronically recalled or recreated regardless of whether it may have been "deleted" or "erased" by an employee. Because SJRRC periodically backs up all files and messages, and because of the way in which computers reuse file storage space, files and messages may exist that are thought to have been deleted or erased. Therefore, employees who delete or erase information or messages should not assume that such information or messages are confidential or ever were confidential. If a legal dispute arises, or may arise in the future, it may be unlawful to attempt to delete or erase certain information. Employees shall fully comply with SJRRC policy regarding retention or destruction of agency information.

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SECTION 10.6: THE INTERNET AND ONLINE SERVICES

SJRRC provides employees access to online services such as the Internet. SJRRC expects that employees will use these services in a responsible way and for business-related purposes only. Under no circumstances are employees permitted to use SJRRC's Technical Resources to access, download, or contribute to Internet sites that contain inappropriate content such as that which is discriminatory, harassing, defamatory, obscene, indecent, threatening, or that otherwise could reasonably adversely affect any individual, group, or entity.

Additionally, employees should not use SJRRC's Technical Resources for non-work-related matters to post, comment, send, or otherwise upload any information to any websites or other online groups, including web logs (*i.e.*, "blogs"), social networking websites, newsgroups, discussion groups, or non-SJRRC email groups, unless the employee is authorized by the CEO to access social media sites on behalf of SJRRC and post online on behalf of SJRRC.

SECTION 10.7: ONLINE MONITORING

SJRRC monitors both the amount of time spent using online services and the sites visited by individual employees. SJRRC reserves the right to limit such access by any means available to it, including revoking access altogether. SJRRC can prohibit or limit access to certain websites considered inappropriate by SJRRC or its technology provider.

SECTION 10.8: CONFIDENTIAL INFORMATION

SJRRC is very sensitive to the issue of protection of trade secrets and other confidential and proprietary information of both SJRRC and third parties ("Confidential Information"). Therefore, employees are expected to use good judgment and to adhere to the highest ethical standards when using or transmitting Confidential Information on SJRRC's Technology Resources.

Confidential Information should not be accessed through SJRRC's Technical Resources in the presence of unauthorized individuals. Similarly, Confidential Information should not be left visible or unattended. Moreover, any Confidential Information transmitted via Technology Resources should be marked with the following confidentiality legend: "This message contains confidential information. Unless you are the addressee (or authorized to receive for the addressee), you may not copy, use, or distribute this information. If you have received this message in error, please advise [employee's name] immediately at [employee's telephone number] or return it promptly by mail."

Employees should adhere to SJRRC's security policy with regard to Confidential Information and take all appropriate measures to safeguard the confidentiality and security of such information. Employees shall not email Confidential Information via the Internet. The sharing of Confidential Information should be managed through discreet methods approved in writing by the IT Business Solutions Manager and Director of Administration. Employees should also verify electronic mail addresses before transmitting any messages containing Confidential Information.

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SECTION 10.9: SOFTWARE USE

10.9.1. License Restrictions. All software in use on SJRRC's Technical Resources is officially licensed software. No software is to be installed or used that has not been duly paid for and licensed appropriately for the use to which it is being put. No employee may load any software on SJRRC's computers, by any means of transmission, unless authorized in writing in advance by the IT Business Solutions Manager and thoroughly scanned for viruses or other malware prior to installation.

SECTION 10.10: SECURITY

SJRRC has installed a variety of programs and devices to ensure the safety and security of SJRRC's Technical Resources. Any employee found tampering with or disabling any of SJRRC's security devices will be subject to discipline up to and including termination. Moreover, SJRRC reserves the right to advise appropriate legal authorities of any violation of law by an employee.

To maintain the effectiveness of SJRRC's security measures, employees should use only secure networks established by SJRRC to access or use Confidential Information. Such information may not be downloaded, stored, or copied onto any non-SJRRC equipment or media (including personally owned computers, handheld devices, external memory devices, or disks). If an exception is requested, prior written approval from the IT Business Solutions Manager and Director of Administration must be obtained. If Confidential Information is downloaded, stored, or copied onto non-SJRRC equipment or media and an employee resigns, is terminated, or is requested to do so by management, employees must delete all Confidential Information they received, including any and all copies thereof. Similarly, employees may not send Confidential Information to their personal e-mail accounts, even for work-related purposes.

Any loss or suspected loss of Confidential Information, or any suspicious activity such as external hacking attempts or unusual internal activity, should be reported immediately to SJRRC management.

SECTION 10.11: REMOTE ACCESS TO TECHNICAL RESOURCES

SJRRC may, at its sole discretion, provide certain employees with remote access systems such as a laptop, smartphone, tablet, or other personal organizer to allow such employees to handle the tasks associated with their jobs while working away from the office. Employees must take care to ensure the security of all SJRRC-provided equipment. Employees must not share network passwords or other PINs with anyone. As soon as an employee believes SJRRC-provided equipment is lost or that the security and confidentiality of the data on that equipment has been compromised they must notify IT Services or designee. If SJRRC-provided equipment is lost, or if it is damaged as a result of carelessness, employees may be responsible for replacement fees. SJRRC-provided remote access system should only be used for SJRRC-related business. SJRRC may decide that it is no longer necessary for certain employees to possess a remote access system and their ability to use such systems may be discontinued, in

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which case such employees are expected to return any SJRRC-issued remote access systems in accordance with SJRRC's "SJRRC Property" policy.

SJRRC does not expect or require employees to work on tasks (including e-mail, work product, etc.) during meal periods or after scheduled working times. Any and all use of remote access systems shall be made in compliance with SJRRC's Hours of Work, Overtime, and Paydays Policy (see Article 4 of this Manual).

Use of public or home networks, such as unencrypted Wi-Fi networks, can be a threat to the security and reliability of SJRRC's Technical Resources. Accordingly, employees must only access SJRRC Technical Resources via means that are specifically approved by the IT Business Solutions Manager and the Director of Administration.

10.11.1 Agency-Issued Cell Phone Policy

10.11.1.1 Purpose

The Agency-Issued Cell Phone Policy establishes guidelines and parameters for employees who are issued an agency cell phone.

10.11.1.2 Applicability

This Policy applies to employees who are issued an agency cell phone.

10.11.1.3 Work Rules and Conditions

SJRRC issues cellular telephones (cell phones) to designated employees and contractors as deemed necessary for conducting Agency business. SJRRC-issued cell phones are to be used only for work-related purposes, whether inside or outside of the office, and are not a personal benefit.

10.11.1.4 General Use

Agency-issued cell phones shall be used for conducting agency business and shall not be used for personal matters. Employees who are issued an agency cell phone should keep their phone charged, have their phone turned on at all times, and accessible during work hours.

Caution should be taken when storing personal information on agency-issued electronic devices.

Unless agency-issued cell phones are used to communicate during virtual and/or hybrid meetings, they should be silenced or powered off until the meeting is over.

Employees must adhere to all federal, state, or local rules and regulations regarding the use of agency-issued cell phones while driving and/or operating machinery and heavy equipment. Employees and contractors charged with traffic violations resulting from the use of an agency-issued cell phone while driving will be solely responsible for all criminal and civil liabilities that result from such actions.

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Personal phone calls and text messages are limited to essential matters and should be kept as brief as possible.

Employees and contractors must not factory reset their agency-issued cell phones.

10.11.1.5 Applications

. Employees should not download applications to agency-issued cell phones without consulting the IT Business Solutions Manager and the Director of Administration. Recommendations and requests for app downloads may be sent to the IT Business Solutions Manager or designee via e-mail along with a detailed justification for the application.

An Agency-assigned e-mail address must be used for the Apple ID. Personal e-mail addresses may not be used on agency-issued cell phones.

10.11.1.6 Camera and Stored Media

Camera and stored media space shall be used only for work-related purposes.

10.11.1.7 Hot Spot

Agency-issued cell phones that have a Hot Spot feature are not to be turned on for general use. This feature is to be used for urgent and emergency agency business use only. Department Director may approve the use of a Hot Spot feature as needed.

10.11.1.8 Monitoring

Unauthorized charges and/or charges for excessive personal use may be required to be reimbursed to SJRRC from the employee in possession of the agency-issued cell phone.

10.11.1.9 Phone Accessories

Devices will be issued with one charging cable. Devices will be issued with a case for lasting protection against physical and water damage. Cases should not be removed or modified.

10.11.1.10 Text Messaging

All text messages are to be kept in a business and professional manner.

10.11.1.11 Troubleshooting

Training needs and device errors should be directed to IT Services or designee.

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10.11.1.12 Damage, Loss, and Theft

Agency-issued cell phones are expected to be protected from damage, loss, and theft. In the event that damage, loss, or theft occurs, the employee or contractor shall immediately contact the designated cell phone administrator. Should negligence be the cause of loss or damage, the employee or contractor shall be expected to bear the cost of a replacement cell phone.

10.11.1.13 Misuse

Disciplinary action will result in cases of misuse of agency-issued cell phones including, but not limited to, inappropriate content download (i.e., sexual, violent), excessive personal use, continuous abuse of minutes and/or text messages, attempts to download applications without consent, and any violation of this policy.

10.11.1.14 Unsolicited Text Messages

Unsolicited and inappropriate text messages from outside sources should be blocked and reported to the employee's supervisor and IT Services at itservices@sjrrc.com.

10.11.1.15 Termination of Employment

In the event of termination of employment, designated employees and contractors who have been issued an agency cell phone are required to return it and all accessories at the time of termination. An employee or contractor unable to present the SJRRC-issued cell phone in good working condition within the time period requested, and all accessories, may be expected to bear the cost of a replacement. SJRRC employees or employees of a contractor who separate from employment with outstanding debts for equipment loss or unauthorized charges will be considered to have left employment on unsatisfactory terms and may be subject to legal action for recovery of the loss to the agency.

SECTION 10.12: ELECTRONIC MAIL GUIDELINES

Employees are expected to use sound judgment with respect to use of SJRRC's electronic mail ("e-mail"). All employees should adhere to the following with respect to use of e-mail:

1. *Always ask before sending an e-mail if it is the appropriate medium of communication.* When communicating about a sensitive subject, consider whether e-mail is the appropriate medium or whether using the phone rather than e-mail might be more appropriate (but keep in mind that voicemail is similar to e-mail; voicemail may be stored on a computer server and may be forwarded to third parties).

2. *Use the "front page" test*. Assuming that e-mail is the appropriate medium of communication, each e-mail should be treated as a formal written document. Do not write anything in an e-mail that could not be printed on the front page of the newspaper. Off-the-cuff, sarcastic, or angry comments can come back to haunt the author.

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3. *E-mail is part of the workplace environment*. An email containing rude and insensitive comments may serve as the basis for legal liability. Employees should exercise the same care and sensitivity in communicating via e-mail as they would when communicating in person or in letters. Offensive e-mail received from others should not be forwarded, and the recipient should ask the sender to refrain from sending inappropriate e-mail. In addition, employees should notify their supervisor as soon as possible. If the inappropriate e-mail was sent by an employee's supervisor, the employee should report the e-mail to the HR Department.

4. *Provide context*. As with other forms of communication, there is a risk that an e-mail message may be taken out of context. To reduce the risk that the message will be taken out of context, consider including the original message to which the reply e-mail relates.

5. *Know your audience*. When sending an e-mail, always double-check to whom the e-mail is addressed, especially when using the "reply to all" button. Ask whether it is appropriate for each addressee to receive the e-mail and whether sending the e-mail to a particular addressee will result in the unauthorized disclosure of Confidential Information. If in doubt, remove the doubted addressee.

6. The use of a personal computer for SJRRC business is prohibited unless granted special permission from the I.T. Business Solutions Manager.

SECTION 10.13: AUDITS

SJRRC may perform auditing activity or monitoring to determine compliance with these policies. Audits of software and data stored on SJRRC's Technology Resources may be conducted without warning at any time.

SECTION 10.14: ATTORNEY-CLIENT COMMUNICATIONS

E-mail sent from or to in-house counsel or an attorney representing SJRRC should include this warning header on each page: "ATTORNEY-CLIENT PRIVILEGED; DO NOT FORWARD WITHOUT PERMISSION." Communications from attorneys may not be forwarded without the sender's express permission.

SECTION 10.15: EXPORT RESTRICTIONS

Notwithstanding any other policy set forth herein, the federal government has imposed restrictions on export of programs or files containing encryption technology (such as e-mail programs that permit encryption of messages and electronic commerce software that encodes transactions). Software containing encryption technology is not to be placed on the Internet or transmitted in any way outside the United States.

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SECTION 10.16: CYBERSECURITY

SJRRC is committed to protecting its cyber infrastructure and customers' and staff's personally identifiable information to the highest extent. SJRRC has established mechanisms for preparation, detection, and analysis of cybersecurity-related threats and vulnerabilities and utilizes best practices as they relate to cybersecurity and the continuance of operations and service.

SECTION 10.17: STRONG PASSWORD POLICY

a. All system-level passwords (to include, but not limited to, Microsoft Outlook, SharePoint, Teams etc.) must be changed on at least every 90 days. Users will be notified of the timing of the expiration of their passwords.
b. Each successive password must be unique. Re-use of the same password will not be allowed.
c. Passwords must be a minimum of eight (8) characters long.
d. Passwords must include a special character, at least one number, and one capital letter.
e. Passwords should not be inserted or shared in e-mail messages or other forms of electronic communication.

ARTICLE 11: REMOTE WORK AND TELEWORK POLICY

11.1 Purpose. To establish guidelines and parameters for employees who are requesting to work in a designated area outside of the office. i.e., home, on a full-time or part-time basis, respectively referred to as remote work or telework.

11.2 Applicability. This Remote Work and Telework Policy applies to employees who perform work that can be completed remotely full-time and therefore are not required to be on-site to perform the full scope of their job (referred to as “remote work”) and those employees who work both remotely and on-site (referred to as “telework”).

11.3 Work Rules and Conditions. Agreements to remote work or telework may be made when the arrangements are feasible, secure, reliable, effective, and meet SJRRC’s goals and operational needs, all as determined at the sole discretion of the CEO. At all times, teleworking staff will have access to a fully equipped workspace at their Reporting Location.

All products, documents, and other records used and/or developed under a remote work agreement will remain the property of, and be available to, SJRRC. Employees are not allowed to take original or other privileged physical documents home.

Employees who perform remote work or telework are entitled to a remote work stipend for hours actually worked remotely. If there is an internet interruption, the remote worker is to notify their supervisor immediately. Employees may elect to use available accruals, excluding sick leave, for shorter periods of disruption time in lieu of reporting to the office.

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All eligible telework must be done in accordance with this Remote and Telework Work Policy, guidelines, and all other applicable SJRRC rules and policies.

The terms and conditions of employment with SJRRC remain unchanged for employees who either remote work or telework. Employee compensation, benefits, work status, hours, performance expectations, and work responsibilities will not change due to participation in remote work or telework.

11.4 Performance. Employees authorized to remote work or telework must meet the same standards of performance and professionalism expected of onsite employees in terms of job responsibilities, work produced, timeliness of assignments, and communications.

Workspaces used for remote work and telework should remain appropriate for work. Workspaces and backgrounds containing and/or displaying anything conveying a negative statement toward a race, color, religion, religious creed, ancestry, national origin, sex, gender (including gender identify, gender expression, sexual orientation, pregnancy, childbirth, breastfeeding or related conditions), age (40 or over), legally protected medical condition, genetic information, mental and physical disability, marital status, military status, veteran status, any other legally protected class by federal, state, or local laws, or is otherwise considered harassing or offensive is forbidden.

Remote working and teleworking employees must adhere to the same standards of dress and grooming when participating in videoconferencing and be free of distractions.

Employees who work remotely or telework are expected to follow all rules and regulations of SJRRC regarding security and confidentiality of information. The employee is responsible for applying safeguards to protect records from unauthorized disclosure or damage.

11.5. Eligibility. The workplace culture at San Joaquin Regional Rail Commission (SJRRC) is one that is rooted in collaboration, continuous communication about planned work and projects underway, and providing excellent service to our customers. With appropriate use of technology and managerial oversight, employees whose roles allow for some or all work hours to be performed away from their regular reporting work location may be eligible for remote work or telework.

Though remote work or telework might be a viable option for many eligible employees, it is a privilege that can be modified or revoked at any time. Employees whose work cannot be performed at a location away from the location that staff reports to on a regular basis for work, (Reporting Location) are not eligible for remote work or telework. Furthermore, for operational reasons, remote working may not be extended to all eligible employees. Decisions about the suitability of remote work within each department are discretionary and made by the CEO, in consultation with the employee's direct supervisor, Department Director, and Human Resources Department. Each Department has established guidelines for remote work based on department needs, subject to change as necessary to meet operational needs.

11.6. Equipment and Office Supplies. Staff eligible for remote work will be issued a laptop, monitor(s), and docking station. The use of personal home computers for SJRRC business is prohibited. SJRRC-owned technology equipment must be signed out and issued to the employee by the Information Technology (IT) Department, or designee. SJRRC

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equipment must be protected against damage and may be used by SJRRC employees only. SJRRC technology equipment will be serviced and maintained by the IT Department. SJRRC will not furnish home offices. SJRRC is not responsible for home office maintenance.

Remote workers are not authorized to use the hot spot that is available on their agency-issued cell phones.

The use of SJRRC-provided laptop, MAC Book, i-Pad, SurfacePro, or similar devices, software, and data supplies is limited to use by the authorized employee and for purposes related to SJRRC business only. SJRRC is not liable for damage to personal property resulting from remote work.

11.7 Alternate Work Location. Employees are expected and required to maintain a professional, designated workspace that is free of hazards and meeting ergonomic standards (see attached ergonomic guidelines).

Employees are responsible for ensuring that their workspace complies with health and safety standards set forth in this policy.

11.8 Workers' Compensation. Workers' compensation benefits will apply only to injuries arising out of and in the course of employment as defined by Workers' Compensation law. Employees who suffer a work-related injury or illness while remote working or teleworking must immediately notify their supervisor and the Human Resources (HR) Department and complete any reporting requirements.

11.9 Communication. Employees are expected and required to remain available to SJRRC during scheduled work hours and will respond to all communications within an acceptable timeframe by phone, e-mail, or other specified methods of communication as if they were at their Reporting Location, as determined by their department.

11.10 Request for Time Off. Employees shall follow current workplace practices for requesting the use of sick leave, vacation, and other leaves of absence.

11.11 Denial of Request to Remote Work or Telework. The CEO or designee has the sole discretion to approve or deny any remote working or teleworking request.

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ACKNOWLEDGMENT

PLEASE READ THE PERSONNEL MANUAL AND ALL APPENDICES IN THEIR ENTIRETY. THEN, COMPLETE AND RETURN THIS ACKNOWLEDGMENT TO THE HUMAN RESOURCES DEPARTMENT.

I acknowledge that I have received a copy of SJRRC's Personnel Manual and incorporated Appendices (collectively the "Manual"). I understand that I am responsible for reading the Manual and for complying with the policies set forth in the Manual during my employment with SJRRC.

I further understand that the policies contained in the Manual are policies only and are not intended to create any contractual rights or obligations, express or implied, and shall not be construed to create any type of right to a "fair procedure" prior to termination or other disciplinary action. I also understand that, except for SJRRC's at-will employment policy, SJRRC may amend, interpret, modify, or withdraw any of the provisions of the Manual at any time in its sole discretion, with or without notice. Furthermore, I understand that, because SJRRC cannot anticipate every issue that may arise during my employment, if I have any questions regarding any of SJRRC's policies or procedures, I should consult SJRRC's HR Department.

I understand and agree that my relationship with SJRRC is "at-will," which means that my employment is for no definite period and may be terminated by me or by SJRRC at any time and for any reason, with or without cause or advance notice. I also understand that SJRRC may demote or discipline me or otherwise alter the terms of my employment at any time at its sole discretion, with or without cause or advance notice.

I understand and agree that the terms of this Acknowledgment may not be modified or superseded except by a written agreement signed by the CEO and that no other employee or representative of SJRRC has the authority to enter into any such agreement, and that any agreement to employ me for any specified period of time or that is otherwise inconsistent with the terms of this Acknowledgment will be unenforceable unless in writing and signed by the CEO. I further understand and agree that if the terms of this Acknowledgment are inconsistent with any policy or practice of SJRRC now or in the future, the terms of this Acknowledgment shall control.

Finally, I understand and agree that this Acknowledgment contains a full and complete statement of the agreements and understandings that it recites, that no one has made any promises or commitments to me contrary to the foregoing, and that this Acknowledgment supersedes all previous agreements, whether written or oral, express or implied, relating to the subjects covered in this Acknowledgment.

I have carefully read and understand this Acknowledgment.

Date: _____

Signed:_____

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San Joaquin Regional Rail Commission
ACE
Rail Support Services
TRACC
Operating Expense Report
DECEMBER 2025
50% of Budget Year Elapsed

SJRRC OPERATING EXPENSES	FY 25-26 BUDGET	EXPENSE THRU DEC 2025	% SPENT TO DATE
Project Management, Services & Supplies Subtotal	$ 6,501,526	$ 3,232,881	50%
Contracted Services Subtotal	$ 633,474	$ 180,015	28%
TOTAL OPERATING EXPENSES	$ 7,135,000	$ 3,412,896	48%

ACE OPERATING EXPENSES	FY 25-26 BUDGET	EXPENSE THRU DEC 2025	% SPENT TO DATE
Project Management, Services & Supplies Subtotal	$ 6,089,953	$ 2,658,338	44%
Contracted Services Subtotal	$ 33,261,358	$ 13,966,259	42%
Shuttle Services	$ 3,219,900	$ 1,609,950	50%
Capital Access	$ 3,242,516	$ 1,621,258	50%
Capital Maintenance	$ 4,500,000	$ 2,250,000	50%
TOTAL OPERATING EXPENSES	$ 50,313,727	$ 22,105,805	44%

RAIL SUPPORT SERVICES OPERATING EXPENSES	FY 25-26 BUDGET	EXPENSE THRU DEC 2025	% SPENT TO DATE
Project Management, Services & Supplies Subtotal	$ 838,483	10,149	1%
Contracted Services Subtotal	$ 53,172,133	$ 15,811,723	30%
TOTAL RSS EXPENSES	$ 54,010,616	$ 15,821,872	29%

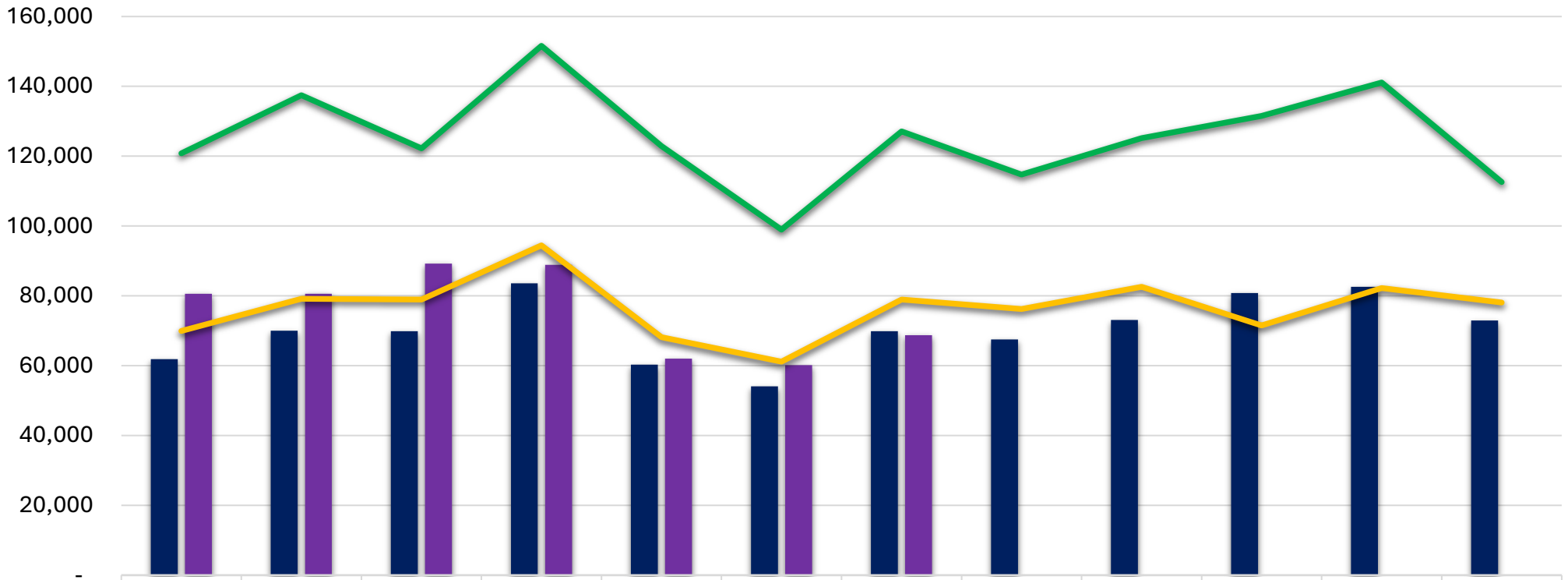
*RSS - Work Contracted with Caltrans; State-owned Venture car Pre Revenue "acceptance" and Post Revenue "ongoing" maintenance.

TRACC OPERATING EXPENSES	FY 25-26 BUDGET	EXPENSE THRU DEC 2025	% SPENT TO DATE
Project Management, Services & Supplies Subtotal	$ 164,256	1,690	0%
Contracted Services Subtotal	$ 475,344	$ 13,103	3%
TOTAL CONTRACTED SERVICES EXPENSES	$ 639,600	$ 14,793	2%

Capital Expense Report
December 2025

		PROJECT PHASE					25/26 CAPITAL BUDGET	YTD EXPENSE THROUGH DECEMBER 2025	% OF PLANNED EXPENDITURES
		PA&ED	PS&E	ROW	CON	OTHER			
SAN JOAQUIN RAIL COMMISSION MINOR PROGRAM (WORK PROGRAM TABLE 4)									
1	BNY Debt Service					X	1,770,150	286,717	16%
2	Robert J. Cabral Building Improvements					X	2,000,000	8,703	0%
3	SJ COG Debt Service					X	1,118,012	1,118,012	100%
TOTAL MINOR PROGRAM SJRRC							**$ 4,888,162**	**$ 1,413,432**	**29%**
SAN JOAQUIN RAIL COMMISSION MAJOR PROGRAM (WORK PROGRAM TABLE 2)									
1	Cabral Annex Building Expansion		X	X	X		7,888,022	-	0%
2	East Channel Street Improvements				X		8,340,362	1,650,793	20%
3	Del Paso Area Action Plan					X	400,000		0%
4	Stockton Dr. MLK Underpass Reconstruction	X					654,000	-	0%
5	Stockton Yard South Crossover			X	X		9,600,000	21,592	0%
TOTAL MAJOR PROGRAM SJRRC							**$ 26,882,384**	**$ 1,672,385**	**6%**
ACE MINOR PROGRAM (WORK PROGRAM TABLE 1)									
1	ACE Stations and Facility Program					X	250,000	101,857	41%
2	ACE Station Signage Project (Phase 2 Production & Installation of Signage)		X		X		350,000	-	0%
3	ACE Wi-Fi Phase 2					X	245,083	56,490	23%
4	Locomotive Simulator					X	484,440	-	0%
5	Positive Train Control Capital Components		X		X		250,000	12,350	5%
6	TRACC Facility					X	500,000	-	0%
TOTAL MINOR PROGRAM ACE							**$ 2,079,523**	**$ 170,697**	**8%**
ACE MAJOR PROGRAM (WORK PROGRAM TABLE 1)									
1	ACE Locomotive (Options)					X	4,958,510	1,619,607	33%
2	ACE Midlife Overhaul					X	807,480	32,129	4%
3	ACE Passenger Information System					X	2,673,920	-	0%
4	ACE Platform Extensions		X	X	X		3,234,104	117,701	4%
5	ACE Ticketing Platform Project - Phase 1					X	276,713	22,244	8%
6	ACE Zero Emission Engine Conversion Study					X	730,170	-	0%
7	ACE Zero Emission F40 Zebra					X	1,500,000	-	0%
8	ACE Public Information Display System (PIDS)					X	2,139,347	-	0%
9	Stockton Track Extension		X				72,000	15,428	21%
TOTAL CAPITAL PROJECTS ACE							**$ 16,392,244**	**$ 1,807,109**	**11%**
VALLEY RAIL PROJECTS (WORK PROGRAM TABLE 5)									
1	Ceres Station & Trackwork		X	X	X		2,575,404	625,548	24%
2	Ceres to Turlock Double Track		X				4,263,300	634,272	15%
3	Del Paso Siding Extension		X				699,720	384,735	55%
4	Elk Grove Double Track	X					454,582	116,174	26%
5	Elk Grove Station & Trackwork		X	X			1,656,116	641,549	39%
6	Lathrop Wye & Track Extension		X	X			1,229,167	368,009	30%
7	Lodi Station & Trackwork		X	X			4,159,464	405,445	10%
8	Manteca Station & Parking Lot Extension		X	X			649,800	30,151	5%
9	Midtown Station		X	X	X		2,506,241	1,163,613	46%
10	Modesto Station and Trackwork		X	X			7,449,142	1,501,985	20%
11	Natomas Airport Station and Layover Facility		X	X			3,371,304	650,210	19%
12	Newark - Albrae Siding Connection		X				574,856	423,663	74%
13	North Lathrop Transfer Station		X				600,000	1,244,678	207%
14	Phillips Siding Rehabilitation		X	X	X		91,950	-	0%
15	Pollock Siding Upgrade		X				120,000	51,831	43%
16	Pollock to South Sacramento Yard Extension	X	X				500,000	224,303	45%
17	Rail Engineering Support		X				529,152	-	0%
18	Ripon Station Multimodal Station project		X				420,000	22,317	5%
19	Sacramento City College		X				1,575,288	94,494	0%
20	Stanislaus River Bridge		X				755,928	108,123	0%
21	Stockton Diamond			X	X		37,471,185	788,825	2%
22	Tuolumne River Bridge & Track Extension		X				312,000	362,150	116%
23	Turlock Station & Track Extension		X				1,220,886	845,872	69%
24	Valley Rail Support		X	X	X		200,000	22,983	11%
TOTAL VALLEY RAIL PROJECTS							**$ 73,385,485**	**$ 10,710,930**	**15%**
TOTAL CAPITAL PROJECTS SJRRC & ACE							**$ 123,627,798**	**$ 15,774,553**	**13%**
SAN JOAQUIN JOINT POWERS AUTHORITY MINOR PROGRAM (WORK PROGRAM TABLE 5)									
1	ASJ Station Signage Project (Phase 2 Production & Installation of Signage)		X		X		375,000	-	0%
2	Public Information Display System (PIDS)				X	X	2,595,793	-	0%
3	Mini-High Platform Improvements Project					X	1,311,816	-	0%
4	Facility & Station Improvements					X	200,000	2,095	1%
5	San Joaquin Valley Network Integration Study					X	225,000	-	0%
6	San Joaquins Minor Capital Program					X	500,000	2,504	1%
TOTAL SJJPA MINOR CAPITAL PROJECTS							**$ 5,207,609**	**$ 4,599**	**0%**
SAN JOAQUIN JOINT POWERS AUTHORITY MAJOR PROGRAM (WORK PROGRAM TABLE 7)									
1	BNSF CP Lake to CP Escalon				X		9,936,662	4,464,893	45%
2	Cabral Annex Building Expansion		X	X	X		3,380,580	197,898	6%
3	High-Speed Rail/Early Train Operator Coordination Support					X	750,000	215,716	29%
4	Madera Station Relocation		X	X	X		980,479	34,352	4%
5	Madera High Speed Rail Station Early Operating Segment Build	X	X				352,000	-	0%
6	Madera High Speed Rail Station Full Build	X					1,300,000	129,151	10%
7	Merced Integrated Track Connector (MITC) Environmental and Preliminary Engineering	X					3,115,000	464,620	15%
8	Oakley Station & Track Improvements			X	X		7,396,962	46,099	1%
9	San Joaquin St Layover & Access Improvements	X	X				405,000	-	0%
10	Stockton Wye			X	X		16,802,114	2,483,029	15%
11	Zero Emission Multiple Unit & Transition Project						1,240,000	-	0%
12	CalTrans Truck Overhaul Project						14,515,913	674,822	5%
13	Rail Maintenance Facility Expansion						5,036	154,227	3063%
14	Oakland Facility						3,851,773	125,200	3%
TOTAL SJJPA MAJOR CAPITAL PROGRAM							**$ 64,031,519**	**$ 8,990,007**	**14%**
TOTAL CAPITAL PROJECTS SJJPA							**$ 69,239,128**	**$ 8,994,606**	**13%**
TOTAL COMISSION/ACE/SJJPA CAPITAL PROGRAMS							**$ 192,866,926**	**$ 24,769,159**	**13%**

ACE Monthly Ridership

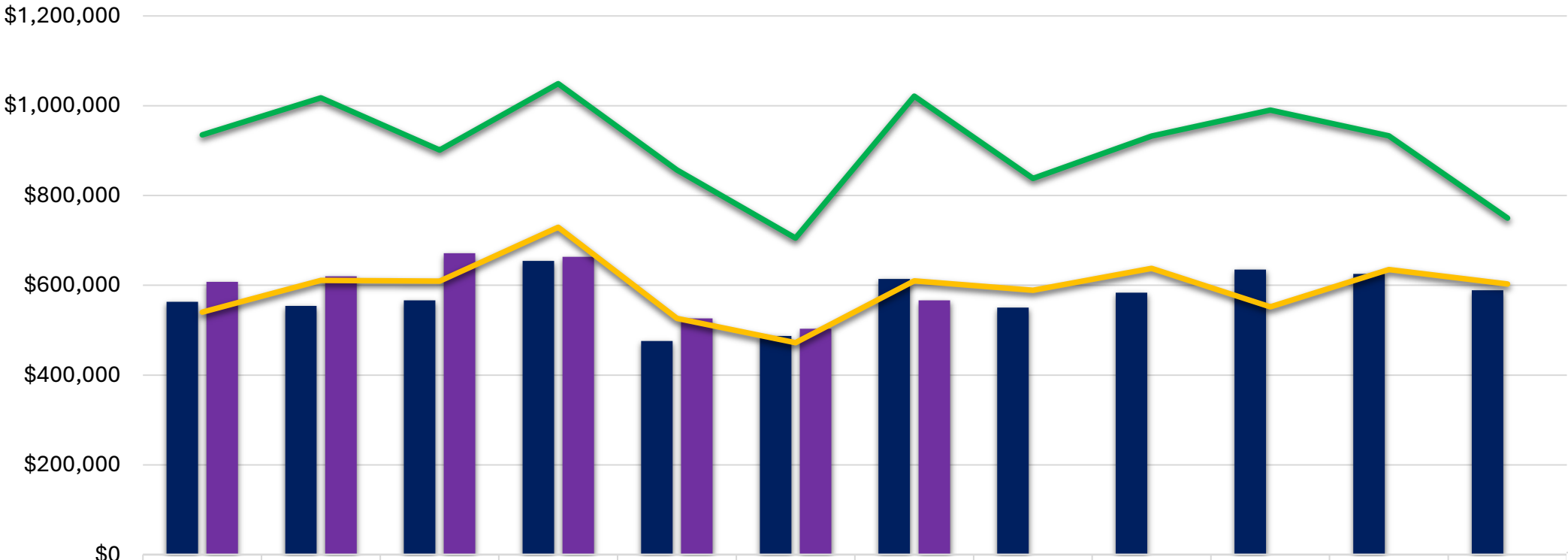


	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Total
FY 24/25	61,892	70,039	69,845	83,594	60,312	54,120	69,879	67,496	73,119	80,829	82,570	72,967	846,662
FY 25/26	80,599	80,626	89,231	88,850	62,038	60,155	68,757						530,256
FY 25/26 Forecast	69,938	79,144	78,925	94,461	68,153	61,156	78,963	76,270	82,624	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

San Joaquin Regional Rail Commission

ACE

ACE Monthly Revenue

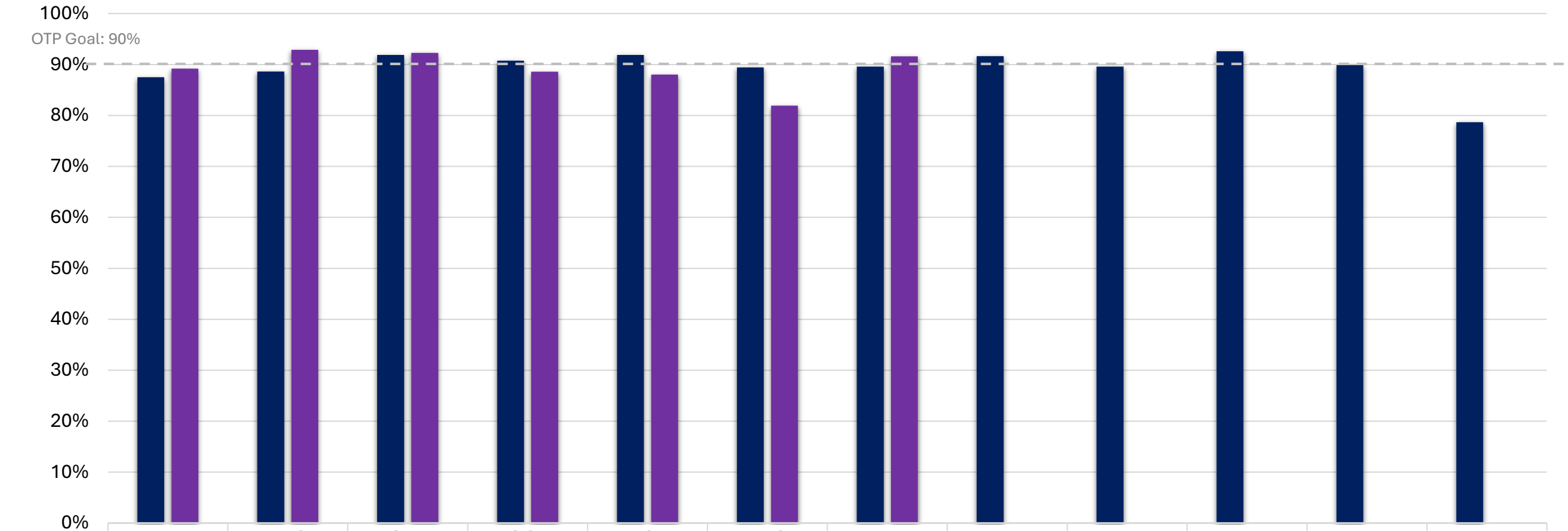


	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Total
FY 24/25	$563,073	$554,275	$566,474	$654,322	$475,942	$486,864	$613,911	$550,131	$583,629	$634,729	$625,418	$588,682	$6,897,450
FY 25/26	$607,691	$620,244	$671,306	$663,603	$526,181	$503,360	$566,223						$4,158,608
FY 25/26 Forecast	$539,921	$610,992	$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	$10,929,849

San Joaquin Regional Rail Commission

ACE

ACE On-Time Performance



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY 24-25	88%	89%	92%	91%	92%	89%	90%	92%	90%	93%	90%	79%
FY 25-26	89%	93%	92%	89%	88%	82%	92%					

San Joaquin Regional Rail Commission

ACE

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San Joaquin Regional Rail Commission



PREPARED BY TAI GINSBERG & ASSOCIATES, LLC

MONTHLY REPORT

LATEST LEGISLATIVE & REGULATORY UPDATES

FEB 2026

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EXECUTIVE SUMMARY

FEBRUARY PRIORITIES

On Tuesday, February 3, President Donald Trump signed a **$1.2 trillion Fiscal Year 2026 (FY26) funding package** into law, just hours after the House approved the "minibus" appropriations bill by a **217-215** vote, with support from 21 Democrats, following Senate approval. The measure ended a brief, partial government shutdown that began early Saturday, January 31.

However, the package did not include funding for the Department of Homeland Security (DHS), as Senate Democrats have tied their support for FY26 DHS appropriations to reforms of Immigration and Customs Enforcement (ICE) following multiple fatal federal immigration enforcement shootings in Minneapolis earlier this year, which have prompted calls for greater use-of-force safeguards and accountability.

After negotiations with the White House did not yield an agreement on those reforms, a partial government shutdown began on February 13, affecting only DHS operations. Lawmakers from both parties continue to negotiate funding and policy terms.

Meanwhile, the Department of Transportation (USDOT) advanced several significant initiatives this month, including the rollout of the new Commercial Driver's License (CDL) compliance audits, the announced departure of Federal Transit Administration (FTA) Administrator Marc Molinaro, and efforts to modernize the nation's air traffic control system.

LOOKING FORWARD

Reaching an agreement on reforms to ICE to facilitate full government reopening remains a top congressional priority. Negotiations between Senate Democrats and the White House remain underway.

At the same time, policymakers are advancing several "must-pass" legislation, including the farm bill, the surface transportation reauthorization, and the Water Resources Development Act. The House Transportation & Infrastructure (T&I) Committee is planning a highway bill markup this spring, while the Senate Environment & Public Works (EPW) Committee is expected to release its surface transportation reauthorization text in April.

Members have also begun opening portals for FY27 appropriations requests. The TG&A team will continue to monitor key deadlines and provide timely updates.



Politico, 2/3/26

APPROPRIATIONS UPDATE

OVERVIEW

On February 3, President Trump signed into law a $1.2 trillion FY26 appropriations package, ending the four-day partial government shutdown that began on January 31. The measure passed the House by a 217-215 vote following Senate approval. In the House, 21 Democrats voted in favor of the legislation, while 21 Republicans opposed it.

Read more on the following pages.

View the full legislative text here

View the THUD joint explanatory statement here

APPROPRIATIONS UPDATE

DEPARTMENT OF HOMELAND SECURITY FUNDING - PARTIAL GOVERNMENT SHUTDOWN

While the FY26 appropriations package funds most federal agencies through the end of the fiscal year, it provided DHS funding only through **February 13**. DHS oversees agencies such as the Transportation Security Administration (TSA) and the Federal Emergency Management Agency (FEMA).

Recent shootings involving federal immigration enforcement personnel in Minneapolis were cited by some senators as a factor in their decision to withhold immediate support for DHS funding. In the days before the February 13 funding deadline, negotiations between the Senate and the White House did not yield an agreement on a standalone DHS appropriations bill.



Punchbowl News, 2/16/26

On February 12, the Senate voted 52-47 on a motion to advance the House-passed DHS funding bill, falling short of the 60 votes required for debate. Senator John Fetterman (D-PA), who generally opposes government shutdowns, was the only Democrat to support the motion. Senate Majority Leader John Thune (R-SD) voted "no" for procedural reasons to allow for future reconsideration.

Senate Democrats subsequently blocked further action on the bill after rejecting a White House proposal they said did not address their concerns regarding immigration enforcement operations. Senate Democratic Leader Chuck Schumer (D-NY) stated that Senate Democrats would oppose another short-term DHS funding resolution beyond February 13.

Negotiations between the White House and Senate Democrats are ongoing. As of **February 16**, Senate Democrats submitted a counteroffer to the White House, which the administration is reviewing.

APPROPRIATIONS UPDATE

IMPACT OF PARTIAL GOVERNMENT SHUTDOWN

As a result, funding for key agencies such as TSA, FEMA, and the U.S. Coast Guard have lapsed. However, ICE and Customs and Border Protection continue operations without disruption due to previously enacted funding provided in the One Big Beautiful Bill Act.

According to DHS's shutdown contingency plan, published in September 2025, approximately 95 percent of TSA employees are classified as exempt and will remain on duty during the shutdown. The remaining workforce, an estimated 2,933 employees, has been furloughed.

Air traffic controllers are not directly impacted during this period, as they are employees of the Federal Aviation Administration (FAA), which is funded through the USDOT. However, the DHS shutdown may still affect air travel across the nation.

On February 13, a coalition of industry groups - U.S. Travel, Airlines for America, and the American Hotel Association - warned that the DHS shutdown could affect air travel. In a joint statement, the organizations noted that last fall's funding lapse resulted in an estimated $6 billion in economic impact and disrupted travel for more than six million passengers.

Read the joint industry statement here



The New York Times, 2/22/26



Chip Somodevilla, 3/15/22

FY27 APPROPRIATIONS

With the FY26 funding package largely finalized, congressional attention is shifting toward the FY27 appropriations process.The House and Senate Appropriations Committees are expected to initiate the process in the coming weeks, including the opening of portals for Member requests and community project (earmark) submissions.

The President's budget request for FY27 is not expected to be released until later this spring. The TGA team is monitoring developments and preparing for another active appropriations season as timelines and priorities take shape.

NOTABLE FEBRUARY HEARINGS & MARKUPS

FEBRUARY 3 - SENATE COMMERCE COMMITTEE EXECUTIVE SESSION

The Committee voted on the following nominations:

- John DeLeeuw (TX) to be a Member of the National Transportation Safety Board (15-3);
- Daniel Edwards 9NC) to be an Assistant Secretary of Transportation (21-7);
- Steven Haines (VA) to be an Assistant Secretary of Commerce (15-13);
- Robert Harvey (FL) to be a Federal Maritime Commissioner (15-13); and
- Ryan McCormack (VA) to be Under Secretary of Transportation for Policy (20-8).

Among those advanced, John DeLeeuw's nomination to the National Transportation Safety Board (NTSB) has drawn attention. This past fall, ten Democrats on the Committee, including Ranking Member Maria Cantwell (D-WA), urged Chair Ted Cruz (R-TX) to reconsider DeLeeuw's nomination following the removal of former NTSB Vice Chair Alvin Brown, a Biden appointee. DeLeeuw is slated to fill the seat formerly held by Brown, who continues to challenge his removal in federal court after serving only one of his five-year term.

FEBRUARY 4 - SENATE COMMERCE COMMITTEE HEARING // HIT THE ROAD, MAC: THE FUTURE OF SELF-DRIVING CARS

Witnesses:

- Mr. Lars Moravy, Vice President of Vehicle Engineering, Tesla
- Dr. Mauricio Peña, Chief Safety Officer, Waymo
- Mr. Jeff Farrah, Chief Executive Officer, Autonomous Vehicle Industry Association
- Mr. Bryant Walker Smith, Associate Professor of Law, University of South Carolina

In early February, the Senate Commerce Committee held a hearing on the future of autonomous vehicles (AVs). Senators highlighted the technology's potential to reduce crashes caused by distracted or impaired driving, while also expressing concerns about recent AV safety incidents.

Top executives from Waymo and Tesla testified, urging Congress to advance legislation aimed at accelerating deployment of self-driving vehicles on public roads. During the two-hour hearing, senators and witnesses addressed several topics, including robotaxi safety, legal liability, remote operation, and Chinese industry competition. While the hearing reflected bipartisan interest, senators did not indicate progress toward passing legislation related to AVs.

NOTABLE FEBRUARY HEARINGS & MARKUPS

FEBRUARY 10 - HOUSE ENERGY & COMMERCE COMMITTEE COMMERCE, MANUFACTURING, AND TRADE SUBCOMMITTEE EXECUTIVE SESSION

The Subcommittee advanced 12 motor vehicle safety bills to full committee consideration.

Among these was H.R. 7390, the SELF DRIVE Act, introduced by Representative Bob Latta (R-OH). The bill would establish a federal National Highway Traffic Safety Administration (NHTSA)-led federal framework for the safety and regulation of autonomous vehicle (AV) technology.

During committee debate, House Democrats raised concerns about changes from earlier bipartisan drafts, including gaps in data reporting, absence of first-responder guidance, proposed NHTSA budget cuts, and the timeline relative to the upcoming surface transportation reauthorization.

Representative Debbie Dingell (D-MI), who worked on the initial draft of the legislation with Chair Latta, withdrew her support for the bill. Republican members emphasized the importance of timely action and expressed willingness to collaborate on developing a national AV framework. The bill was advanced to the full committee via a 12-11 party line vote.

FEBRUARY 10 - HOUSE TRANSPORTATION & INFRASTRUCTURE COMMITTEE EXECUTIVE SESSION

The Committee voted and approved the following legislation via voice vote:

- Amendment in the Nature of a Substitute (ANS) to H.R. 7342, *Made in America Jobs Act of 2026*
- ANS to H.R. 7388, *Smart Space Act of 2026*
- H.R. 7376, *Local Water Protection Act*
- H. Con. Res. 73, Authorizing the use of the Capitol Grounds for the National Peace Officers' Memorial Service and the National Honor Guard and Pipe Band Exhibition

NOTABLE FEBRUARY HEARINGS & MARKUPS

FEBRUARY 11 - HOUSE SCIENCE COMMITTEE RESEARCH AND TECHNOLOGY SUBCOMMITTEE HEARING // ACCELERATING PROGRESS: U.S. SURFACE TRANSPORTATION RESEARCH

Witnesses:

- Ms. Diana Furchtgott-Roth, former Deputy Assistant Secretary for Research and Technology at USDOT
- Hon. Greg Winfree, Agency Director, Texas A&M Transportation Institute
- Dr. Henry Liu, Professor of Civil and Environmental Engineering, University of Michigan

The House Science Technology Subcommittee held a hearing on surface transportation reauthorization research. Key themes centered on potential foreign interference in the transportation sector, establishing a federal framework for AV safety testing and evaluation, and funding for the University Transportation Centers program.

FEBRUARY 12 - SENATE COMMERCE COMMITTEE HEARING // THE NTSB FINAL REPORT ON THE DCA MIDAIR COLLISION

The Senate Commerce Committee held a hearing with NTSB Chair Jennifer Homendy to review the NTSB's final report on the 2025 midair collision near Washington, D.C. Lawmakers focused heavily on Automatic Dependent Surveillance-Broadcast (ADS-B), a safety technology that enhances situational awareness for pilots and air traffic controllers.

The FAA currently mandates ADS-B Out in certain airspace, but does not require ADS-B In, which allows pilots to receive traffic and weather data in real time. Following the D.C. midair collision, the NTSB investigation recommended that the FAA require ADS-B In for aircraft already required to carry ADS-B Out.

In opening remarks, Chair Ted Cruz (R-TX) urged the House to pass his bipartisan S. 2503, the Rotorcraft Operations Transparency and Oversight Reform (ROTOR) Act. NTSB Chair Homendy countered the cost argument, noting that portable ADS-B In receivers can cost as little as $400. She also highlighted that ADS-B In technology is already present in commercial aviation.

Furthermore, Chair Homendy raised concerns about persistent communication gaps between the FAA and the Pentagon, citing the sudden closure and reopening of airspace around El Paso, Texas, as a recent example.

NOTABLE FEBRUARY HEARINGS & MARKUPS

FEBRUARY 12 - SENATE COMMERCE COMMITTEE EXECUTIVE SESSION

The Committee approved Ranking Member Maria Cantwell's (D-WA) S. 3700, the *FAA SMS Compliance Review Act*, via voice vote.

The legislation would require external experts to review the FAA's Safety Management System (SMS) practices. It would also direct the FAA to establish an independent expert review panel to provide recommendations for a comprehensive, integrated, and effective FAA SMS to better predict, manage, and mitigate safety risks across the agency.

FEBRUARY 24 - HOUSE TRANSPORTATION & INFRASTRUCTURE COMMITTEE HEARING // PROPOSALS FOR A WATER RESOURCES DEVELOPMENT ACT OF 2026 – ADMINISTRATION PRIORITIES

Witness List:

- The Honorable Adam R. Telle, Assistant Secretary, United States Army (Civil Works)
- Lt. Gen. William H. "Butch" Graham, Jr., Chief of Engineers and Commanding General, United States Army Corps of Engineers

Hearing is forthcoming. TGA is monitoring for updates.

FEBRUARY 25 - SENATE ENVIRONMENT & PUBLIC WORKS COMMITTEE // HEARING TO EXAMINE THE WATER RESOURCES DEVELOPMENT ACT OF 2026 AND U.S. ARMY CORPS OF ENGINEERS PROJECTS, PROGRAMS, AND PRIORITIES

Witness List:

- The Honorable Adam R. Telle, Assistant Secretary, United States Army (Civil Works)
- Lt. Gen. William H. "Butch" Graham, Jr., Chief of Engineers and Commanding General, United States Army Corps of Engineers

Hearing is forthcoming. TGA is monitoring for updates.

SURFACE TRANSPORTATION REAUTHORIZATION

OVERVIEW

Republican leadership on the House and Senate committees of jurisdiction is expected to release a preliminary draft of the surface transportation reauthorization in the coming weeks. The draft is slated to omit several of the climate and clean energy provisions included in the previous $1.2 trillion infrastructure legislation, instead prioritizing traditional transportation infrastructure. The House T&I Committee is planning a highway bill markup this spring, while the Senate EPW Committee is also aiming to release its text for surface transportation reauthorization in April.

Lawmakers are aiming to pass a bipartisan highway bill before the September expiration of the *Infrastructure Investment and Jobs Act (IIJA)*. Key policy challenges for committee leadership include permitting processes, EV programs, and biofuels.



USDOT Secretary Duffy; NYT, 1/28/26



Senate Commerce Committee Chair Ted Cruz and Ranking Member Maria Cantwell Roll Call 9/10/24

At the same time, Senate Commerce Committee Ranking Member Maria Cantwell (D-WA) indicated that a federal framework governing AVs is unlikely to be included in this year's surface transportation reauthorization.

In addition, USDOT has drafted a legislative proposal that would prohibit state and local governments from using federal transit funds to provide free transportation to individuals not authorized to be in the United States. The proposal is intended to apply comprehensively to all programs administered by the FTA, including local bus networks, subways, light rail, and ferry systems.

LEGISLATIVE UPDATES

RAIL UPDATES

On February 3, lawmakers, mayors, and union members held a press event marking the third anniversary of the East Palestine, Ohio, train derailment and hazardous-materials release. The event pushed for the passage of rail safety legislation introduced exactly one year earlier. U.S. Representatives Chris Deluzio (D-PA), Mike Rulli (R-OH), and John Garamendi (D-CA), three of the original sponsors of the *Rail Safety Act of 2025,* were in attendance.

A previous version of the bill introduced in 2023, did not advance out of committee. The current version, H.R. 928, has not advanced since it was assigned to the House T&I Subcommittee on Railroads, Pipelines, and Hazardous Materials. Speakers at the anniversary event urged congressional consideration of the legislation, either as a standalone bill or as part of the upcoming surface transportation reauthorization process.



Office of Rep. Chris Deluzio, 2/3/26

AVIATION UPDATE

On February 4, Senate Commerce Committee Chair Cruz (R-TX) and Representative Bob Onder (R-MO) published an op-ed in RealClearPolicy calling for the swift House passage of the *Rotorcraft Operations Transparency and Oversight Reform (ROTOR) Act*, a bipartisan airspace safety reform bill prompted by last year's fatal midair collision at Reagan National Airport.

A floor vote on the ROTOR Act has yet to materialize, despite previous commitments from House Speaker Mike Johnson (R-LA) to Chair Ted Cruz (R-TX). The hold-up appears to stem from substantive objections raised by House T&I Chair Sam Graves (R-MO), prompting continued negotiations between the Speaker and Chair Cruz to chart a viable path forward.

"The ROTOR Act rises above party lines and turns tragedy into action."

– Senate Commerce Committee Chair Cruz (R-TX) and Representative Onder (R-MO)

Read the op-ed here

USDOT UPDATES

HIGHWAY

FEDERAL TRANSPORTATION ADMINISTRATION (FTA) ADMINISTRATOR DEPARTURE

Earlier this month, FTA Administrator Marc Molinaro announced that he would depart the Trump Administration on February 20, after serving six months in the role. Molinaro plans to run for an upstate New York Assembly district, citing a desire to refocus his public service efforts on local matters.

Additional details about his departure have not been released, and a successor at FTA has not yet been announced.



FTA Administrator Molinaro; NYT, 2/13/26

BUY AMERICA PROVISION FOR EV CHARGERS

On February 11, Secretary Duffy announced a proposed USDOT rule requiring all federally funded EV chargers be fully U.S. made. The proposed change would raise the domestic manufacturing threshold from 55 percent to 100 percent. Secretary Duffy said the rule would advance U.S. manufacturing and improve national security.

However, a range of EV supporters and industry experts cautioned that the new rule may not be feasible under current supply chain conditions. Experts say that EV chargers rely on hundreds of components, many of which are sourced internationally. It is not yet clear how rigorous the 100-percent rule will be.

View proposed change here

Submit public comments here

USDOT UPDATES

ILLEGALLY ISSUED COMMERCIAL DRIVER'S LICENSES (CDL)

As part of USDOT's nationwide audit of state practices for issuing non-domiciled CDLs, USDOT found that the Illinois Department of Transportation issued nearly 20 percent of its CDLs inconsistently with federal standards. In response, USDOT has indicated it may withhold up to $128 million in federal funding, if the state does not return to compliance, and warned that continued noncompliance could affect the state's CDL program certification.

On February 6, USDOT Secretary Sean Duffy announced that nearly 2,000 commercial drivers and vehicles were removed from service by the USDOT as part of Operation SafeDRIVE. The initiative was coordinated by the Federal Motor Carrier Safety Administration, alongside more than two dozen state departments of transportation. Under the operation, in mid-January, safety officials in 26 states and the nation's capital conducted 8,215 inspections. They placed 704 drivers and 1,231 vehicles out of service, and issued 56 arrests for various charges.

On February 11, Secretary Duffy issued a final rule that tightens the criteria for immigrants who seek to obtain non-domiciled commercial driving privileges. States will no longer be permitted to accept Employment Authorization Documents (EADs) as sufficient proof of eligibility. Applicants must now hold H-2A, H-2B and E-2 nonimmigrant status, provide an unexpired foreign passport, and submit specific Form I-94 documentation.

On February 18, Secretary Duffy announced that USDOT will require more than 550 commercial driving schools in the U.S. that train truckers and bus drivers to close after investigators found they employed unqualified instructors, failed to adequately test students and had other safety issues.

Unlike the previous USDOT action last fall to decertify up to 7,500 schools that included many defunct operations, this latest action is focused on active schools with significant shortcomings that inspectors identified as having significant shortcomings in 1,426 site visits completed in December.





USDOT UPDATES

AVIATION

GAO REPORT ON DRONES

On February 4, the Government Accountability Office released a critical report regarding FAA planning for drone integration into the National Airspace System (NAS).

The report urges the FAA to develop and begin implementing specific actions, including establishing clear federal and nonfederal roles and technical milestones, to ensure that drones can communicate with and detect and avoid other aircraft within an information-centric NAS. The USDOT concurred with this recommendation.

View and read the full report here

AIR TRAFFIC CONTROL OVERHAUL

On February 11, FAA Administrator Bryan Bedford briefed senators on the Trump Administration's air traffic control overhaul. Democratic Senators Ben Ray Luján (D-NM) and Tammy Duckworth (D-IL) said that Bedford acknowledged the need for better communication. House T&I Committee Republicans confirmed that Bedford held a similar briefing for Members of T&I and the House Appropriations Committee's transportation panel.

Following the briefing, senators demanded more information and a classified briefing on what led to the FAA airspace closure in El Paso, TX. Axios reported that the closure stemmed from a dispute between the FAA and the Pentagon on the safety of testing anti-drone technology. However, Secretary Duffy has stated that the shutdown happened to address a "cartel drone incursion."

NASA INVESTMENT IN ADVANCED AIR MOBILITY

NASA announced that it is investing $750,000 in University of Texas at Arlington research aimed at one of the biggest hurdles facing advanced air mobility: improving the safety of next-generation aircraft during frequent landings and unexpected impacts.

The three-year grant from NASA's Minority University Research and Education Project program will support UTA researchers developing reusable, impact-resistant materials designed for emerging aircraft such as eVOTL vehicles and urban air taxis.

USDOT UPDATES

USDOT OFFICE OF INSPECTOR GENERAL INVESTIGATION IN AIR TRAFFIC CONTROLLER RETENTION

The USDOT's Office of Inspector General (OIG) will audit why the FAA continues to face challenges recruiting and retaining air traffic controllers. A recent OIG memo notes that, "While FAA plans to hire at least 8,900 new air traffic controllers by 2028, factors such as attrition, retirements, and program washouts are severely impacting the overall success of increasing the number of certified controllers."

Secretary Duffy has claimed a surge in recruitment efforts is addressing a longtime shortage of air traffic controllers. But the agency is struggling to meet its goals so the inspector general will launch an audit in upcoming weeks, according to the memo.

MERIT BASED PILOT HIRING

On February 13, Secretary Duffy announced that the FAA is issuing a new mandatory "Operations Specification" OpSpec requiring all commercial airlines to formally commit to merit-based hiring for pilots.

USDOT said that allegations persist of airlines hiring pilots based on race and sex. Under this new mandate, all U.S. carriers will be required to certify that this practice is terminated. Failure to do so will subject airlines to federal investigation.

RAIL

CONSOLIDATED RAIL INFRASTRUCTURE AND SAFETY IMPROVEMENTS (CRISI)

USDOT is planning to release the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program Notice of Funding Opportunity (NOFO) shortly. It will be a streamlined NOFO with a little over $1 billion in funding available.

UNION PACIFIC AND NORFOLK SOUTHERN MERGER

OVERVIEW

Union Pacific (UP) and Norfolk Southern (NS) informed the Surface Transportation Board (STB) that they intend to file a revised merger application on April 30.

> *"[There is a] lack of serious and meaningful commitments to enhance competition and protect against service meltdowns."*
>
> – Representative Dusty Johnson (R-SD)

CONGRESS

On February 6, House Republicans urged the STB to conduct a thorough review of the proposed merger of UP and NS - and to reject the deal if it does not meet the high standards set by the board's merger rules set in 2001.

Representative Dusty Johnson (R-SD), in a letter to STB Chairman Patrick Fuchs and STB members Michelle Schultz and Karen Hedlund, encouraged the regulator to "conduct a rigorous and comprehensive review of the proposed merger…to ensure it enhances competition and is clearly in the public interest." The letter was co-signed by 46 other House Republicans.

The letter comes as shippers and other stakeholders voice their opposition to the merger, which would create the first coast-to-coast freight railroad operating more than 50,000 miles of track in 43 states.

LETTER BY STATE ATTORNEY GENERALS

Seven state attorneys general in Republican states are asking DOJ to scrutinize the proposed UP-NS merger. The group of state attorneys general led by Montana's AG Austin Knudsen claim that the east-west consolidation will stifle competition and increase costs for Americans.

The coalition's letter asks DOJ Acting Assistant Attorney General Omeed Assefi to review the proposed merger and provide additional analysis as the STB evaluates the transaction. The STB has the sole authority to approve or reject the $85 billion deal, but the DOJ Antitrust Division weighs in on rail mergers in filings with the railroad regulator.

A preliminary review by the attorneys general found the companies have failed to adequately address the clear loss of horizontal competition, raising antitrust concerns. Along with Knudsen, the letter was signed by attorney generals from Iowa, Kansas, Mississippi, North Dakota, South Dakota, and Tennessee.

View the State AG's letter here

View the Congressional letter here



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SAN JOAQUIN REGIONAL RAIL COMMISSION
Special Meeting of March 5, 2026

STAFF REPORT

Item 6 **ACTION**

Adopt a Resolution Authorizing Staff to Move Forward with Valley Rail North for Initial Implementation, Continuing Project Development and Pursuing Additional Grant Opportunities for Valley Rail South, Based on Recommendation of the Station/Facilities Development Committee

Valley Rail Background:
The Valley Rail Program (Valley Rail) is a joint effort between the San Joaquin Regional Rail Commission (Rail Commission) and the San Joaquin Joint Powers Authority (Authority). Valley Rail consists of projects that are meant to improve and expand both ACE and Gold Runner services. It encompasses a variety of infrastructure upgrades and development projects, such as trackwork and new stations; and capital asset components, including rolling stock for ACE. The Valley Rail infrastructure projects and planned service levels require the approval and concurrence of the host railroads, Union Pacific Railroad (Union Pacific) and BNSF Railway (BNSF). Funding for Valley Rail is largely provided by the 2018 Transit and Intercity Rail Capital Program (TIRCP) award, which was added to the ACE expansion funding from SB 132 (2017).

Since the initial funding awards, Valley Rail has received a variety of grant awards and financial assistance from local, regional, state, and federal sources. Over the life of Valley Rail, the progress has varied across its components, due to changes in host railroad requirements, the COVID-19 pandemic, construction cost increases, and unforeseen conditions at several project sites, including but not limited to utility relocations.

Valley Rail Progress:
Despite challenges, the Rail Commission and Authority have made significant progress to date to advance key Valley Rail Program elements summarized below:

- ***ACE Rolling Stock:*** To accommodate longer trains to increase seating capacity for existing ACE service and to provide rolling stock for expanded ACE service, the Rail Commission purchased 21 bi-level cars from Alstom, bringing the ACE fleet to 51 vehicles. The cars were received and accepted over the course of Fiscal Year (FY) 23/24 FY23/24 and FY25/26 and are now in revenue service.
- ***Two (2) New Gold Runner Stations:*** To improve existing service for communities currently in the Gold Runner corridor, the Rail Commission and Authority have made significant progress on a new Oakley Station that will provide improved connectivity to eastern Contra Costa County. The Oakley Station is expected to be open for service by late summer 2027. Additionally, design is nearly completed for the relocation of the current Gold Runner Madera Station.
- ***Trackwork to Support Gold Runner Service Expansion***: In partnership with BSNF, the CP Lake to CP West Escalon Track Improvement Project, which is required for the 8th Gold Runner round-trip, is currently in construction and set to be completed August 2026.

Valley Rail Expansion Focus and Progress: Next Steps

Achieving the service expansion goals for ACE and Gold Runner as envisioned in the Valley Rail Program requires an ambitious program of projects including 14 new stations, two (2) new rail facilities, significant track and signal improvements, and 119 miles of new track and rail sidings. Collectively, this infrastructure will provide inter-regional connectivity and a more expansive service plan over a much larger geography for ACE and Gold Runner. Many of the projects in the expansion have been progressing through final design.

At its most recent meetings, the Station/Facilities Development Committee (Committee) received updates from staff regarding the status of the program, a range of challenges associated with implementing the Valley Rail Program, and a recommended path forward. Based on this input, the Committee has recommended focusing implementation efforts on an initial expansion segment. This focus is intended to maximize the available funding and more expeditiously advance expanded rail service and the regional connectivity envisioned through the Program.

At the October 3, 2025, Committee meeting, staff presented the following challenges associated with the Valley Rail Program that necessitates an updated program delivery strategy:

- Longer and Difficult Approvals Required in Cities for Additional Track
- Continuing Construction Environment Cost Increases
- Return on Investment Considerations
- Overall Program Funding Source Availability
- Impacts of Simultaneous Project Delivery
- Cash Flow Challenges

The Committee directed staff to develop strategies to address these challenges, including engaging Union Pacific and exploring alternative approaches to program delivery.

At the January 8, 2026, Committee meeting, staff presented a revised recommendation based on negotiations with Union Pacific. Considering the current capital improvement requirements of the host railroad, current funding levels, and project cost estimates; staff recommended focusing implementation efforts on an initial phase of the Valley Rail Program in one segment – either Valley Rail North or Valley Rail South.

Continuing to pursue simultaneous construction delivery in both segments would dilute available funding, delay the implementation of planned service expansions, expose the Valley Rail Program to cost increases due to longer construction timelines, and, potentially, leave the Commission and the Authority with non-revenue-producing assets that would require significant operational funding to support.

The recommended approach focused available resources on initial construction delivery projects within one segment of the corridor with the objective of completing the construction of those projects required to initiate new rail service. Projects in the other segment would continue to be advanced and be prioritized within the Rail Commission’s grant funding strategy.

Benefits of a Phased Approach:

Focus

- Capital delivery will be focused on a defined set of near-term construction projects.
- Ability to shift certain resources will allow projects in the first phase to be fully funded.

- Upcoming grant opportunities will have clear direction for the segment in the secondary phase.
- Union Pacific will be able to focus its reviews on moving one segment to final design completion.

Progress

- The ability to show progress by moving the Program from initial project construction to the start of new revenue train service will provide confidence in current and future investments from stakeholders, community members, and funders.
- Moving into construction in a defined segment will help mitigate continued cost increases, which pose a significant risk to overall Program implementation.
- Minimizing the financial and project delivery risk of achieving revenue service on a segment of Valley Rail within the earliest possible timeframe.

The following summarizes the initial project delivery options considered by the Committee. The options match available funding with projects within Valley Rail North and Valley Rail South segments, respectively, as well as the associated service delivery objectives.

Valley Rail North:
Implementing Valley Rail North as the initial phase would focus on early revenue service expansion in the Sacramento–San Joaquin Valley corridor, where multiple capital projects are already advancing through design and environmental review. This option would add a new service with benefits for both Gold Runner and ACE riders, serving a greater number of stations and new transportation markets. Valley Rail North is expected to generate the highest ridership potential of the two options, with a significant share of trips coming from new riders, which would benefit from improved connectivity to future regional and statewide rail investments, including high-speed rail.

While this option requires a larger overall capital investment and includes several infrastructure elements—such as siding construction, station development (Natomas, Midtown, and Elk Grove), track and signal improvements, and a layover facility—staff has determined that these projects are generally further along and better positioned for near-term delivery within current funding constraints.

Valley Rail South:
Implementing Valley Rail South as the initial phase would prioritize extending commuter rail service southward from Lathrop into Stanislaus County. This option would introduce a new ACE round-trip between Modesto and San Jose and respond to local interest in expanding commuter rail access in Stanislaus County. Valley Rail South would require fewer service expansions and a smaller overall capital investment than the northern option. However, the Valley Rail South capital infrastructure projects are more complex than the Valley Rail North projects, and the design for Valley Rail South projects has been progressing slowly, which creates greater risks for construction delays. Several of the Valley Rail South infrastructure elements remain in earlier stages of development.

Valley Rail South would generate lower overall ridership, with a greater portion of demand coming from markets already served by existing ACE service and would not directly advance the Sacramento–San Joaquin Valley travel market that was central to the original Valley Rail funding award. In addition, Valley Rail South would add one ACE commuter round-trip, but would not

improve Gold Runner intercity service.

Committee Recommendation:
The Committee unanimously directed staff to recommend moving forward with Valley Rail North for initial implementation, while continuing project development and pursuing additional grant opportunities for Valley Rail South. The recommendation was based upon the gathered and analyzed information and data regarding ridership projections, service connectivity, required capital improvements, project delivery progress and complexity, project costs, current grant funding, and future funding opportunities.

Staff concurs with the Committee's recommendation based on the following principles:

- ***Return on Investment**:* Valley Rail North service plan is forecasted to generate significantly higher ridership.
- ***Readiness for Construction**:* Valley Rail North is more advanced in final design to break ground in construction quickly. Midtown and Del Paso Siding will be ready to break ground in Summer 2026.
- ***Better Utility**:* The investments in the North will yield three (3) stations (Natomas, Midtown, and Elk Grove) that will initially serve both ACE and Gold Runner service. The corridor capacity can be coordinated with current Gold Runner service to increase utilization and develop a stronger market opportunity. Valley Rail North has a defined layover, which will provide better stability for the operating plan.
- ***Funder Support**:* At this time, the State, which is the primary Valley Rail funder, prefers Valley Rail North, due to its utility for California High Speed Rail connections for the Gold Runner.

Next Steps:
Following the Commission's approval of the Committee's recommendation, staff will work with the State, the host railroads, and the Valley Rail Program's many stakeholders to continue to deliver the foundational infrastructure and service components of the Program, while actively working to advance the Program's long-term vision.

Fiscal Impact:
There is no fiscal impact at this time. Subsequent items will address fiscal impacts to specific grant agreements and the Rail Commission Work Program and Budget adjustment.

Recommendation:
Adopt a Resolution Authorizing Staff to Move Forward with Valley Rail North for Initial Implementation, Continuing Project Development and Pursuing Additional Grant Opportunities for Valley Rail South, Based on Recommendation of the Station/Facilities Development Committee.

SJRRC RESOLUTION 25/26 –

RESOLUTION AUTHORIZING STAFF TO MOVE FORWARD WITH VALLEY RAIL NORTH FOR INITIAL IMPLEMENTATION, CONTINUING PROJECT DEVELOPMENT AND PURSUING ADDITIONAL GRANT OPPORTUNITIES FOR VALLEY RAIL SOUTH, BASED ON RECOMMENDATION OF THE STATION/FACILITIES DEVELOPMENT COMMITTEE

WHEREAS, the Valley Rail Program (Valley Rail) is a joint effort between the San Joaquin Regional Rail Commission (Rail Commission) and the San Joaquin Joint Powers Authority (Authority); and

WHEREAS, achieving the service expansion goals for ACE and Gold Runner as envisioned in the Valley Rail Program requires an ambitious program of projects including 14 new stations, two (2) new rail facilities, significant track and signal improvements, and 119 miles of new track and rail sidings; and

WHEREAS, at the October 3, 2025, Station/Facilities Development Committee (Committee) meeting, staff presented the following challenges associated with the Valley Rail Program that necessitate an updated program delivery strategy; and

WHEREAS, the Committee directed staff to develop strategies to address these challenges, including engaging Union Pacific and exploring alternative approaches to program delivery; and

WHEREAS, at the January 8, 2026, Committee meeting, staff presented a revised recommendation based on negotiations with Union Pacific; and

WHEREAS, considering the current capital improvement requirements of the host railroad, current funding levels, and project cost estimates; staff recommended focusing implementation efforts on an initial phase of the Valley Rail Program in one segment – either Valley Rail North or Valley Rail South; and

WHEREAS, the Committee unanimously directed staff to recommend moving forward with Valley Rail North for initial implementation, while continuing project development and pursuing additional grant opportunities for Valley Rail South

WHEREAS, staff concurs with the Committee's recommendation based on the following principles:

- Return on Investment*:* Valley Rail North service plan is forecasted to generate significantly higher ridership; and
- Readiness for Construction: Valley Rail North is more advanced in final design to break ground in construction quickly. Midtown and Del Paso Siding will be ready to break ground in Summer 2026; and
- Better Utility: The investments in the North will yield three (3) stations (Natomas, Midtown, and Elk Grove) that will initially serve both ACE and Gold Runner service; and Funder Support: At this time, the State, which is the primary Valley Rail funder, prefers Valley Rail North, due to its utility for California High Speed Rail connections for the Gold Runner; and

WHEREAS, following the Commission's approval of the Committee's recommendation, staff will work with the State, the host railroads, and the Valley Rail Program's many stakeholders to continue to deliver the foundational infrastructure and service components of the Program, while actively working to advance the Program's long-term vision.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the San Joaquin Regional Rail Commission hereby Authorizes Staff to Move Forward with Valley Rail North for Initial Implementation, Continuing Project Development and Pursuing Additional Grant Opportunities for Valley Rail South, Based on Recommendation of the Station/Facilities Development Committee.

PASSED AND ADOPTED, by the San Joaquin Regional Rail Commission this 5th day of March 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

SAN JOAQUIN REGIONAL RAIL COMMISSION

_____
CHRIS ORLANDO, Secretary

_____
LISA CRAIG-HENSLEY, Chair

SAN JOAQUIN REGIONAL RAIL COMMISSION
Special Meeting of March 5, 2026

STAFF REPORT

Item 7 **ACTION**

Report and Public Hearing on the Status of San Joaquin Regional Rail Commission Vacancies, Recruitment, and Retention for Calendar Year 2025, Pursuant to Assembly Bill 2561

Background:
Assembly Bill (AB) 2561, effective January 1, 2025, was introduced to address the challenge of job vacancies in local government, which can adversely affect the delivery of public services and employee workload. Among other requirements, the bill mandates that public agencies present the status of vacancies, recruitment, and retention efforts during a public hearing before the agency's governing body at least once per fiscal year. The legislation is codified in Government Code section 3502.3.

To comply with AB 2561, public agencies, including the San Joaquin Regional Rail Commission (Rail Commission), must hold at least one (1) public hearing per fiscal year.

Discussion:
The Rail Commission currently employs 79 authorized budgeted regular full-time positions. All employees are unrepresented. The Chief Executive Officer and General Counsel are contracted under employment agreements. In addition, the Rail Commission employs two (2) employees under contract.

For vacancy tracking purposes, this report includes all full-time budgeted positions that became vacant and were either filled or left unfilled during the 2025 calendar year. The Rail Commission does not have any part-time or seasonal employees.

In calendar year 2025, the Rail Commission hired 11 new employees into full-time positions. All positions are unrepresented.

The Rail Commission's annual staffing turnover rate for 2025 was 10.13%, with reasons that included voluntary resignation and involuntary termination of employment.

As an agency with limited resources and staff, the timely filling of vacant positions is of critical importance. The following provides a detailed breakdown of vacancies and hires during the 2025 calendar year, positions noted as "On Hold" are being assessed as part of the 2026/2027 Work Plan:

2025 Vacancy Overview:

	Position:	Notes on Status:
1.	Accounting Assistant re-classified to Accounting Technician	Internal promotion
2.	Accounting Assistant	Hired 2025
3.	Accounting Assistant	Hired 2025
4.	Administrative Assistant I	Hired 2026 (backfilled vacancy from 2025)
5.	Assistant Counsel - Contract Employee	On hold
6.	Assistant Planner	Hired 2025 (backfilled Associate Planner vacancy from 2025)
7.	Assistant Planner re-classified to Analyst, then re-classified to Associate Planner	Internal promotion
8.	Capital Programs Contract Specialist (Engineering)	On hold
9.	Capital Programs Liaison/Analyst	On hold
10.	Capital Programs Procurement Manager (Engineer), re-classified to Capital Program Manager	Active recruitment in progress 2026
11.	Capital Programs Procurement Specialist (Engineer)	On hold
12.	Chief Executive Officer	Hired 2026 (backfill vacancy from 2025)
13.	Chief Financial Officer	On hold
14.	Chief of Construction re-classified to Chief Program and Construction Manager	Hired 2025
15.	Chief Operating Officer	On hold
16.	Chief Program Manager re-classified and merged to one position, Chief Program and Construction Manager	Cancelled
17.	Connecting Services Manager	Hired 2025 (backfilled Connecting Services Coordinator from 2024)
18.	Contracts Specialist	Hired 2026
19.	Contracts Specialist	Hired 2026 (backfilled vacancy from 2025)
20.	Deputy Director of Passenger Experience and Communications	On hold
21.	Deputy Executive Director	Hired 1/5/2026
22.	Interim Executive Director	Temporarily filled, closed 1/4/2026
23.	Design Manager	On hold
24.	Director of Capital Programs	Hired 2025
25.	Equipment Services Manager	Hired 2025
26.	Executive Administrative Assistant	On hold
27.	Facilities and Grounds Worker	Hired 2025 (backfilled vacancy from 2025)

28.	Facilities and Grounds Worker	Hired 2026 (backfilled vacancy from 2025)
29.	Facilities and Maintenance Specialist, re-classified to Administrative Assistant, re-classified to Facilities and Grounds Worker	Active recruitment in progress 2026
30.	Facilities Superintendent	Hired 2026 (backfill vacancy from 2025)
31.	Food and Beverage Manager re-classified to Onboard Experience Manager	Hired 2025
32.	Human Resources Coordinator	Active recruitment in progress 2026
33.	IT Coordinator/Specialist, re-classified to IT Coordinator	Hired 2025
34.	Network Administrator re-classified to System Administrator	Active recruitment in progress 2026
35.	Passenger Service Representative	Active recruitment in progress 2026 (backfill vacancy from 2025)
36.	Planning, Grants and Programming Analyst	On hold
37.	Procurement and Contracts Supervisor	On hold
38.	Procurement Specialist	Internal promotion
39.	Public Relations Manager	Hired 2025
40.	Real Property Manager	On hold

Recruitment and Retention:
While the Rail Commission has experienced turnover in certain roles, the retention rate was 89.6% in 2025.

Fiscal Impact:
There is no fiscal impact associated with receiving this report and conducting the public hearing required under Government Code section 3205.3. However, addressing recruitment and retention issues may involve future budgets, which will be presented to the Board, as necessary.

Recommendation:
Staff recommends that following public comment, the San Joaquin Regional Rail Commission Board make a motion to accept this report on the status of vacancies, recruitments and retention for calendar year 2025 in compliance with AB 2561.

SAN JOAQUIN REGIONAL RAIL COMMISSION
Special Meeting of March 5, 2026

STAFF REPORT

Item 8 **INFORMATION**

ACE Special Trains Update

Background:
The San Joaquin Regional Rail Commission (Rail Commission) continues to partner with Levi's® Stadium to provide Special Train service. During Fiscal Year 2025/2026, a total of nine (9) special trains were operated, with an average ridership per train of 527 passengers—the highest single train ridership carried 638 passengers. The top three (3) departure stations were Lathrop/Manteca, Pleasanton, and Stockton.

To promote the service, ribbon-cutting events for ACE Special Trains were held at the start of the football home season. These events took place at Stockton, Lathrop/Manteca, and Tracy stations in partnership with each station's respective City Chamber of Commerce, helping raise awareness and celebrate the special trains. This was also the first-year passengers purchased tickets through the new ACE Mobile App, allowing staff to track conversions of new and regular ACE riders.

ACE implemented a strategic digital campaign to promote its Special Train service for each home game. The campaign leveraged paid media across Facebook, Instagram, TikTok, and streaming radio to drive awareness and engagement. Across all platforms, ACE generated more than 5.5 million impressions and over 60,000 clicks to the dedicated ACE Special Trains landing page, demonstrating strong audience reach and interest.

Staff collaborated with Levi's® Stadium to distribute ACE-branded newsletters through their email channels. These newsletters targeted game ticket holders living along the ACE corridor and were sent ahead of each home game for which ACE provided Special Train service. This partnership helped directly reach a highly relevant audience and promoted ACE as a convenient transportation option for game-day travel.

The performance of the ACE Special Trains has been successful this fiscal year, as indicated by an increase of 77% ridership growth from last fiscal year, as well as the performance of the marketing strategy employed over the course of the football season.

Fiscal Impact:
There is no fiscal impact.

Recommendation:
This is an information item only. There is no action required.