



AGENDA

Meeting

of the

BOARD OF DIRECTORS

of the

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

A Public Agency

Tuesday, June 27, 2017

8:30 AM

John G. Britton Auditorium

550 Olive Street, Santa Barbara, CA 93101

1. CALL TO ORDER

2. ROLL CALL OF THE BOARD OF DIRECTORS

Dave Davis, Chair; Chuck McQuary, Vice Chair; Bill Shelor, Secretary; Olivia Rodriguez, Director; Dick Weinberg, Director; David Tabor, Director; Paula Perotte, Director

3. REPORT REGARDING POSTING OF AGENDA

CONSENT CALENDAR

4. APPROVAL OF PRIOR MINUTES-(ATTACHMENT-ACTION MAY BE TAKEN)

The Board will be asked to waive the reading of and approve the draft minutes for the meeting of June 14, 2017.

5. CASH REPORT-(ATTACHMENTS-ACTION MAY BE TAKEN)

The Board will be asked to review the cash report of June 6, 2017 through June 19, 2017.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

Members of the public may address the Board on items within jurisdiction of the Board that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Board Chair. If you wish to address the Board under this item number, please complete and deliver to the MTD Board Clerk, a "Request to Speak" form including a description of the subject you wish to address. Additional public comment will be allowed during each agenda item, including closed session items. Please fill out the Request to Speak form and indicate the agenda item number that you wish to comment on.

7. RENEWAL OF EXCESS WORKERS' COMPENSATION INSURANCE EFFECTIVE: JULY 1, 2017 THROUGH JUNE 30, 2018 - (ACTION MAY BE TAKEN)

Staff recommends that the MTD Board authorize renewal of Excess Workers' Compensation insurance with continuance of the current coverage through California State Association of Counties, Excess Insurance Authority (CSAC EIA).

8. PROPOSED REVISIONS TO MTD DRUG AND ALCOHOL TESTING POLICY - (ATTACHMENT - ACTION MAY BE TAKEN)

Staff recommends the Board of Directors adopt the revised Drug & Alcohol policy.

9. GENERAL MANAGER'S REPORT UPDATE - (ACTION MAY BE TAKEN)

1. Driver Recruitment
2. Summer Events
3. Audits
 - a. Completed – Annual CHP Inspection
 - b. In Progress - FTA Triennial Review & Annual Single Audit
 - c. Pending (Random draw) – State Office of Emergency Services & Internal Revenue Service 401(k) Plan Compliance
4. Castillo Undercrossing Project
5. Hollister Class 1 Bikeway

10. OTHER BUSINESS AND COMMITTEE REPORTS-(ACTION MAY BE TAKEN)

The Board will report on other related public transit issues and committee meetings

11. ADJOURNMENT

AMERICAN WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 963-3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.



MINUTES

Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Wednesday, June 14, 2017
8:30 AM
John G. Britton Auditorium
550 Olive Street, Santa Barbara, CA 93101

1. CALL TO ORDER

Chair Davis called the meeting to order at 8:34 a.m.

2. ROLL CALL OF THE BOARD OF DIRECTORS

Chair Davis reported that all members were present

3. REPORT REGARDING POSTING OF AGENDA

Lilly Gomez, Office Administrator, reported that the agenda was posted on Friday, June 9, 2017 at MTD's Administrative office, mailed and emailed to those on the agenda list, and posted on MTD's website.

CONSENT CALENDAR

4. APPROVAL OF PRIOR MINUTES-(ATTACHMENT-ACTION MAY BE TAKEN)

Director Tabor moved to approve the draft minutes for the meeting of May 16, 2017. Director Perotte seconded the motion. The motion passed unanimously with one abstention from Director Shelor as he did not attend the May 16 meeting.

5. CASH REPORT-(ATTACHMENTS-ACTION MAY BE TAKEN)

Director McQuary moved to approve the cash reports of May 9, 2017 through May 22, 2017 and May 23, 2017 through June 5, 2017. Director Tabor seconded the motion. The motion passed unanimously

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

Mr. Craig Wham encouraged MTD to support and participate in the 100% renewables resolution passed by the Santa Barbara City Council.

7. CITY OF SANTA BARBARA PUBLIC WORKS PRESENTATION ON INFRASTRUCTURE REPAIR AND COMMUNITY SERVICE NEEDS - (INFORMATIONAL)

Brian D'Amour, City Engineer, City of Santa Barbara Public Works presented the reasons for a possible sales tax measure for the City's unfunded infrastructure repair and community service needs. Mr. D'Amour identified the top priorities for the sales tax measures: maintaining police, fire, and 911 emergency medical response, repairing local streets and potholes, upgrading outdated emergency communication systems, and ensuring the police station & neighborhood fire stations are accessible and functional in a natural disaster. Mr. D'Amour noted that City staff will return to the Council in July 2017 with proposed ballot measure language and a resolution to prepare all necessary actions and documents to place a sales tax measure before the voters in the November 2017 election.

8. DRAFT FISCAL YEAR 2017-18 OPERATING & CAPITAL BUDGET - (ATTACHMENT - ACTION MAY BE TAKEN)

Brad Davis, Assistant Manager, presented the 2017-18 Draft Operating & Capitol Budget. Mr. Davis shared that the proposed operating budget for MTD is \$25.6 million. With total operating revenue anticipated at \$25.1 million, the use of \$455,000 in reserves would be required to fill the funding gap. MTD has sufficient operating reserves to cover the shortfall and still meet the targeted cash reserves levels. While the five-year budget projection indicates rising future deficits that can be met by reserves, it would bring reserve balances below policy goals. MTD is preparing contingency plans to alleviate these potential future fiscal imbalances. Mr. Davis stated that the more prominent events affecting MTD finances in FY 2017-18 and the future include growth in the level of transit service, continuance of the ridership and fare revenue decline, the new Teamsters collective bargaining agreement wages and benefits, continued fleet fuel costs below long-term averages, and the increase in marketing activities and customer service enhancements. The cumulative effect of these and other factors is an operating budget that is two percent more than the approved FY 2016-17 budget. However, costs are expected to come in under budget in FY 2016-17, resulting in a four percent increase relative to projected FY 2016-17 costs.

After a brief discussion, Mr. Brad Davis acknowledged Thais Sayat, Assistant Controller for the great work put into the budget. Chair Davis acknowledged the Finance Committee for a great report.

Director McQuary moved to approve the draft Operating & Capital Budget for Fiscal Year 2017-18. Director Rodriguez seconded the motion. The motion passed unanimously.

9. RENEWAL OF FLOOD INSURANCE - JULY 10, 2017 THROUGH JULY 10, 2018 - (ACTION MAY BE TAKEN)

Mary Gregg, Manager of Human Resources and Risk, recommended that the Board of Directors authorize renewal of the Flood Insurance coverage with Wright National Flood Insurance Company effective July 10, 2017. Director Tabor moved to approve the staff recommendation. Director Weinberg seconded the motion. The motion passed unanimously.

10. GENERAL MANAGER'S REPORT UPDATE - (ACTION MAY BE TAKEN)

Jerry Estrada, General Manager stated that Manny Castanon, Safety and Training Officer, attended the DOT/TSI workshop, "Fundamentals of Bus Collision Investigation." Mike Cardona, Interim Maintenance Manager, and Rob Lurie, Temporary Part-Time Maintenance Supervisor, visited the San Mateo County Transit District (SamTrans) to view Gillig buses that staff is considering for temporary Nova replacement buses. Additionally, MTD was extended an invite from SamTrans for a cost-effective mechanics training.

Mr. Estrada updated the Board in regards to the new electric buses. The Manufacturer; BYD, had a few delays but MTD is expecting to take delivery of the first two electric buses in August.

The Downtown-Waterfront Shuttle contract with the City of Santa Barbara was approved by City Council on June 13, 2017, with very positive feedback. Chair Davis expressed his satisfaction with the amount of support given. Additionally, Chair Davis extended recognition to Jerry Estrada for a fine job representing MTD to the City. Director Tabor also recognized all staff members involved.

Mr. Estrada acknowledged Ryan Gripp, Capital Projects Manager for managing the bus canopy project very well. Additionally, Frank Reynoso, Facilities Specialist, and the IT department were acknowledged for the extended hours and days provided for the electric infrastructure project.

Mr. Estrada briefly discussed the Clean Air Express operations feasibility analysis. MTD is working with SBCAG and other agencies on a possible hybrid approach for the service.

11. OTHER BUSINESS AND COMMITTEE REPORTS-(ACTION MAY BE TAKEN)

Chair Davis reported that the Calle Real Ad Hoc Committee will meet on Thursday, June 22, 2017, at 10:00 A.M., prior to the Planning & Marketing Committee scheduled at 11:00 A.M.

Director Shelor congratulated Director Tabor and Director Rodriguez for their reappointment by the City of Santa Barbara to the MTD Board of Directors, approved on June 6, 2017.

12. ADJOURNMENT

Director Rodriguez moved to adjourn the meeting at 10:13 A.M. Director Tabor seconded the motion. The motion passed unanimously.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of June 27, 2017
For the Period June 6, 2017 through June 19, 2017

MONEY MARKET

Beginning Balance June 6, 2017 **\$12,642,391.94**

Passenger Fares	175,919.48
Accounts Receivable	28,909.70
Miscellaneous/Asset Sales	13,341.37
Advertising/Prepaid Deposits	7,472.00
Interest Income	119.71
Total Deposits	225,762.26

ACH Garn/Escrow	(905.05)
Bank/CC Fees	(1,182.63)
ACH Pensions Transfer	(33,241.20)
WC Transfer	(54,924.77)
ACH Tax Deposit	(157,876.48)
Payroll Transfer	(329,759.94)
Operations Transfer	(2,206,935.95)
Total Disbursements	(2,784,826.02)

Ending Balance **\$10,083,328.18**

CASH INVESTMENTS

LAIF Account	\$3,371,820.53
Money Market Account	10,083,328.18

Total Cash Balance **\$13,455,148.71**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$3,540,999.96)
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Working Capital **\$9,914,148.75**

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
115444	6/9/2017	JOSE BAUTISTA	AD MOUNTING/DISMOUNTING	320.00	
115445	6/9/2017	COX COMMUNICATIONS, CORP.	INTERNET & CABLE TV	372.54	
115446	6/9/2017	ELECTRONIC DATA MAGNETICS, I	BUS PASSES	7,628.71	
115447	6/9/2017	STATE OF CALIFORNIA	PAYROLL RELATED	1,340.40	
115448	6/9/2017	FRONTIER CALIFORNIA INC.	TELEPHONES	96.98	
115449	6/9/2017	JOHN HERNANDEZ	TOOL ALLOWANCE	1,100.00	
115450	6/9/2017	H.G. MAKELIM CO., INC.	BUS PARTS	1,437.32	
115451	6/9/2017	MOUNTAIN SPRING WATER	SHOP & OFFICE SUPPLIES	1,424.95	
115452	6/9/2017	ANN BRADY OTTIERI	PAYROLL RELATED	277.00	
115453	6/9/2017	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	760.00	
115454	6/9/2017	SANTA BARBARA SHERIFF'S DEPT	PAYROLL RELATED	542.12	
115455	6/9/2017	SO. CAL. EDISON CO.	UTILITIES	5,865.07	
115456	6/9/2017	SB CITY OF-REFUSE/WATER	UTILITIES	1,350.07	
115457	6/9/2017	TEAMSTERS PENSION TRUST	UNION PENSION	94,001.87	
115458	6/9/2017	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	11,213.73	
115459	6/9/2017	SO. CAL. EDISON CO.	UTILITIES	1,494.33	
115460	6/9/2017	CASH - JUAN PEREZ	CASH FOR TVM104	324.00	
115461	6/15/2017	ABC BUS COMPANIES INC	BUS PARTS	63.83	
115462	6/15/2017	NANCY ALEXANDER	TRAVEL REIMBURSEMENT	20.79	
115463	6/15/2017	AMERICAN MOVING PARTS, LLC	BUS PARTS	471.69	
115464	6/15/2017	APPLEONE EMPLOYMENT SERVIC	CONTRACT EMPLOYMENT	889.60	
115465	6/15/2017	B2B PRINTING SERVICES INC.	OFFICE SUPPLIES	522.70	
115466	6/15/2017	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	84.76	
115467	6/15/2017	BNS ELECTRONICS, INC.	SANTA YNEZ SITE RENTAL	277.30	
115468	6/15/2017	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	138.65	
115469	6/15/2017	MIKE CARDONA	TRAVEL & PER DIEM	120.75	
115470	6/15/2017	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	13.25	
115471	6/15/2017	CENTRAL COAST CIRCULATION, L	BUS BOOK DISTRIBUTION	575.00	
115472	6/15/2017	COMPRESSED AIR OF CALIFORNIA	BUS PARTS	553.28	
115473	6/15/2017	COMMUNITY RADIO, INC.	GIB. SITE RENTAL	249.18	
115474	6/15/2017	CINTAS CORPORATION	FIRST AID SUPPLIES	421.93	
115475	6/15/2017	CIO SOLUTIONS, LP	IT SERVICES	1,300.00	
115476	6/15/2017	COAST TRUCK PARTS	BUS PARTS	705.50	
115477	6/15/2017	CUMMINS PACIFIC, LLC	BUS PARTS & REPAIRS	6,007.64	
115478	6/15/2017	DENMUN OFFICE SOLUTIONS DB	IT CONTRACT SERVICES	3,145.00	
115479	6/15/2017	DERRICK'S ROOFING, INC.	TC ROOF ASSESSMENT	500.00	
115480	6/15/2017	DOCUPRODUCTS CORPORATION	COPIER MAINTENANCE/SUPPLIES	168.07	
115481	6/15/2017	EASY LIFT TRANSPORTATION, INC	ADA SUBSIDY	70,925.00	

Check #	Date	Company	Description	Amount	Voids
115482	6/15/2017	ERGOMETRICS, INC.	DRIVER TEST SCORING	25.00	
115483	6/15/2017	FENCE FACTORY	B&G REPAIRS & SUPPLIES	41.68	
115484	6/15/2017	FTI SERVICES, INC.	DATA BACKUP SYSTEM	38,876.25	
115485	6/15/2017	GENFARE, A DIVISION OF SPX COR	FAREBOX REPAIRS & PARTS	1,287.18	
115486	6/15/2017	GIBBS INTERNATIONAL INC	BUS PARTS	1,603.71	
115487	6/15/2017	GILLIG LLC	BUS PARTS	0.00	V
115488	6/15/2017	GILLIG LLC	BUS PARTS	14,225.22	
115489	6/15/2017	GOODYEAR TIRE & RUBBER CO	LEASED TIRES	12,041.85	
115490	6/15/2017	GRAPHICINK	PROMO ITEM	188.66	
115491	6/15/2017	GUARDIAN-APPLETON (DENTAL I	DENTAL INSURANCE	4,306.77	
115492	6/15/2017	GUARDIAN-APPLETON (LIFE INS)	LIFE INSURANCE	602.38	
115493	6/15/2017	H.G. MAKELIM CO., INC.	BUS PARTS	4,038.94	
115494	6/15/2017	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	106.07	
115495	6/15/2017	INTELLICORP RECORD INC.	PRE-EMPLOYMENT CHECK	41.84	
115496	6/15/2017	JANICARE DBA	JANITORIAL SERVICES	47.00	
115497	6/15/2017	J n L GLASS INC.	REPLACE BUS WINDOWS	790.62	
115498	6/15/2017	KIMBALL MIDWEST	SHOP SUPPLIES	137.25	
115499	6/15/2017	LABOR ALLIANCE MANAGED TRU	DENTAL INSURANCE	9,528.00	
115500	6/15/2017	LENZ PEST CONTROL DBA	FUMIGATION SERVICES	40.00	
115501	6/15/2017	ROBERT H. LURIE	REIMBURSEMENT	120.75	
115502	6/15/2017	MANSFIELD OIL CO.- GAINESVILL	DIESEL FUEL	105,024.67	
115503	6/15/2017	MC CORMIX CORP. (OIL)	LUBRICANTS	3,767.61	
115504	6/15/2017	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	2,417.92	
115505	6/15/2017	MCMaster-CARR SUPPLY CO.	SHOP/B&G SUPPLIES	319.79	
115506	6/15/2017	MIKE CUEVAS GARDENING SERVI	LANDSCAPE MAINTENANCE SERVICE	695.00	
115507	6/15/2017	MISSION LINEN SUPPLY, INC	UNIFORM & LINEN SERVICE	5,112.16	
115508	6/15/2017	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	172.49	
115509	6/15/2017	MOTION INDUSTRIES, INC.	BUS PARTS	222.01	
115510	6/15/2017	NATIONAL INTERSTATE INS INC.	LIABILITY INSURANCE	1,084.82	
115511	6/15/2017	NU-COOL REDI GREEN, INC	COOLANTS & SHOP SUPPLIES	515.58	
115512	6/15/2017	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	978.64	
115513	6/15/2017	O'CONNOR PEST CONTROL DBA	FUMIGATION	77.00	
115514	6/15/2017	PERRY LINCOLN MERCURY MAZD	SERVICE VEHICLE PARTS / REPAIRS	122.88	
115515	6/15/2017	PACIFIC MATERIALS LABORATOR	WELDING INSPECTIONS	2,200.00	
115516	6/15/2017	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	158.58	
115517	6/15/2017	ROGERS, SHEFFIELD & CAMPBELL	LEGAL COUNSEL	5,853.60	
115518	6/15/2017	SANSUM CLINIC	MEDICAL EXAMS	160.00	
115519	6/15/2017	SANTA BARBARA NEWS PRESS	PUBLIC NOTICES/EMPLOYMENT ADS	70.40	
115520	6/15/2017	SILVAS OIL CO., INC.	LUBRICANTS	312.97	
115521	6/15/2017	SPECIAL DISTRICT RISK MGMT	MEDICAL HEALTH INSURANCE	40,054.00	
115522	6/15/2017	SHIELD HEATING & AIR DBA	B&G REPAIRS & SUPPLIES	526.64	

Check #	Date	Company	Description	Amount	Voids
115523	6/15/2017	SM TIRE, CORP.	BUS TIRE MOUNTING	451.50	
115524	6/15/2017	SO. CAL. EDISON CO.	UTILITIES	1,183.36	
115525	6/15/2017	TRAVELERS INS	PROPERTY INSURANCE	12,451.00	
115526	6/15/2017	THE LIGHTHOUSE	SHOP SUPPLIES	58.60	
115527	6/15/2017	THE MEDCENTER	MEDICAL EXAMS	205.00	
115528	6/15/2017	TEAMSTERS MISC SECURITY TRU	UNION MEDICAL INSURANCE	188,200.00	
115529	6/15/2017	UNITED PARCEL SERVICE, INC.	FREIGHT CHARGES	456.38	
115530	6/15/2017	J.C. M. AND ASSOCIATES INC.	UNIFORMS	108.75	
115531	6/15/2017	VALLEY POWER SYSTEMS, INC.	BUS PARTS	8,485.76	
115532	6/15/2017	VALLEY POWER SYSTEMS, INC.	BUS PARTS	1,750.46	
115533	6/15/2017	VENTURA COUNTY STAR DBA	PUBLIC NOTICE ADS	192.44	
115534	6/15/2017	VERIZON WIRELESS	WIRELESS PHONES & AIM CELLULAR	2,203.96	
115535	6/15/2017	VW CONSULTING DBA	MISC SERVICES	1,600.00	
115536	6/15/2017	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	718.57	
115537	6/15/2017	WRIGHT NATIONAL FLOOD INSUR	FLOOD INSURANCE	27,743.00	
115538	6/15/2017	GILLIG LLC	3 40' BUSES	1,486,528.23	
				2,206,935.95	
				Current Cash Report Voided Checks:	0.00
				Prior Cash Report Voided Checks:	0.00
				Grand Total:	\$2,206,935.95

**Santa Barbara Metropolitan Transit District
Cash Receipts of Accounts Receivable**

Date	Company	Description	Amount
6/6/2017	UCSB - Parking Services-7001	Passes/Passports Sales	6,940.00
6/9/2017	City of SB Creeks Division	Advertising on Buses	1,251.00
6/9/2017	Jim Haggerty	Retiree - Vision	12.20
6/12/2017	Montecito Bank & Trust	Advertising on Buses	2,272.00
6/12/2017	Santa Barbara Airport	Advertising on Buses	1,760.00
6/12/2017	UCSB - Parking Services-7001	Passes/Passports Sales	6,836.00
6/12/2017	UCSB - Parking Services-7001	Passes/Passports Sales	7,096.00
6/14/2017	Cottage Hospital	Passes/Token Sales	393.75
6/16/2017	County of Santa Barbara	Passes/Token Sales	2,348.75
Total Accounts Receivable Paid During Period			\$28,909.70



BOARD OF DIRECTORS REPORT

MEETING DATE: JUNE 27, 2017

AGENDA ITEM #: 7

PREPARED BY: MARY GREGG

Signature

REVIEWED BY: JERRY ESTRADA

GM Signature

**SUBJECT: Renewal of Excess Workers' Compensation Insurance
Effective: July 1, 2017 through June 30, 2018**

RECOMMENDATION:

Staff recommends that the MTD Board authorize renewal of Excess Workers' Compensation insurance (EWC) with continuance of the current coverage through California State Association of Counties, Excess Insurance Authority (CSAC EIA) with a Self-Insured Retention (SIR) of \$500,000, at the annual premium of \$67,510.

DISCUSSION:

The EWC premium projections reflect MTD's estimated 2017/18 payroll within the Low Safety category pool rating group City/other, and loss rate based on Fiscal Year End 2016 data.

ANALYSIS:

Pool Rating Group: In 2016/17, CSAC EIA's Board of Directions voted to change the rating methodology for the Public Entity (PE) rating group into two separate actuarially rated groups going forward, "High Safety" and "Low Safety", based on the percent of overall payroll that is safety payroll. The Low Safety group rates offer MTD better premium positioning than if in High Safety. The Underwriting Committee elected to phase in this change to assist with the transition and keep premiums as stable as possible. 2017/18 is the 2nd year in this three year phase.

Loss Rate: MTD's Experience Modification Factor (ex-mod) for 2017/18 has been calculated at 91%, as determined by 7 years of payroll and losses, and compared to the average loss rate for our rating group. An ex-mod of less than 100% indicates that a loss rate is better than the average. Prior years have also seen a favorable ex-mod, 91% for 2016/17, 90.00% for 2015/16 and 91.28% for 2014/15.

FINANCIAL INFORMATION:

Fiscal Year	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Renewal Premium	\$67,510	\$71,000	\$71,087	\$64,458	\$58,382

CLAIMS HISTORY:

In the five year period from FY 2012/13 through FY 2016/17, total claims filed annually on an average have been 24. Current fiscal year 2016/17 will end with 19 total claims filed, the fewest claims filed since 2009 and a 24% decrease over the previous fiscal year 2015/16. Additionally, 9 of the 19 claims filed this FY have been closed.



BOARD OF DIRECTORS REPORT

AGENDA DATE: June 27, 2017

AGENDA ITEM #: 8

TYPE: Action

PREPARED BY: Mary Gregg

Signature

REVIEWED BY: Jerry Estrada

GM Signature

SUBJECT: Proposed Revisions to MTD Drug and Alcohol Testing Policy

RECOMMENDATION:

This report summarizes proposed revisions to the MTD Drug and Alcohol Testing Policy with Staff recommendation to the Board of Directors to adopt the revised policy.

BACKGROUND:

The U.S. Department of Transportation (DOT) / Federal Transit Administration (FTA) requires grantees to have an established Drug and Alcohol program policy. Within the DOT, the Office of Drug and Alcohol Policy and Compliance (ODAPC) publishes rules on how to conduct tests and what procedures to use when testing. The MTD Drug and Alcohol Testing Policy was adopted by the MTD Board of Directors December 19, 2006. The policy was last revised May 21, 2014 to comply with changing regulations.

The policy applies to all safety-sensitive employees in compliance with the Drug-Free Workplace Act of 1988, and the DOT Omnibus Transportation Employee Testing Act of 1991. This policy also complies with all applicable Federal regulations governing workplace anti-drug and alcohol programs in the transit industry. Specifically, the FTA rule 49 Code of Federal Regulations (CFR) Part 655, Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations, and the DOT rule 49 CFR Part 40, Procedures for Transportation Workplace Drug and Alcohol Testing Programs. MTD employees that do not perform safety-sensitive functions are also covered under this policy under the sole authority of MTD.

The major elements of the policy include the identification of positions that require testing; categories of testing; consequences of positive drug or alcohol tests; testing procedures; prescription and over-the-counter drug reporting requirements; education and training; and time limits for reporting for testing.

DISCUSSION:

The revised policy preserves all language that meets DOT compliance, as recently reviewed by the FTA in its Triennial Review, and includes new language added emphasizing that all policies concerning marijuana remain in force in response to passage of California Proposition 64. It also retains MTD authority to conduct a non-DOT alcohol test any time a covered employee is on duty.

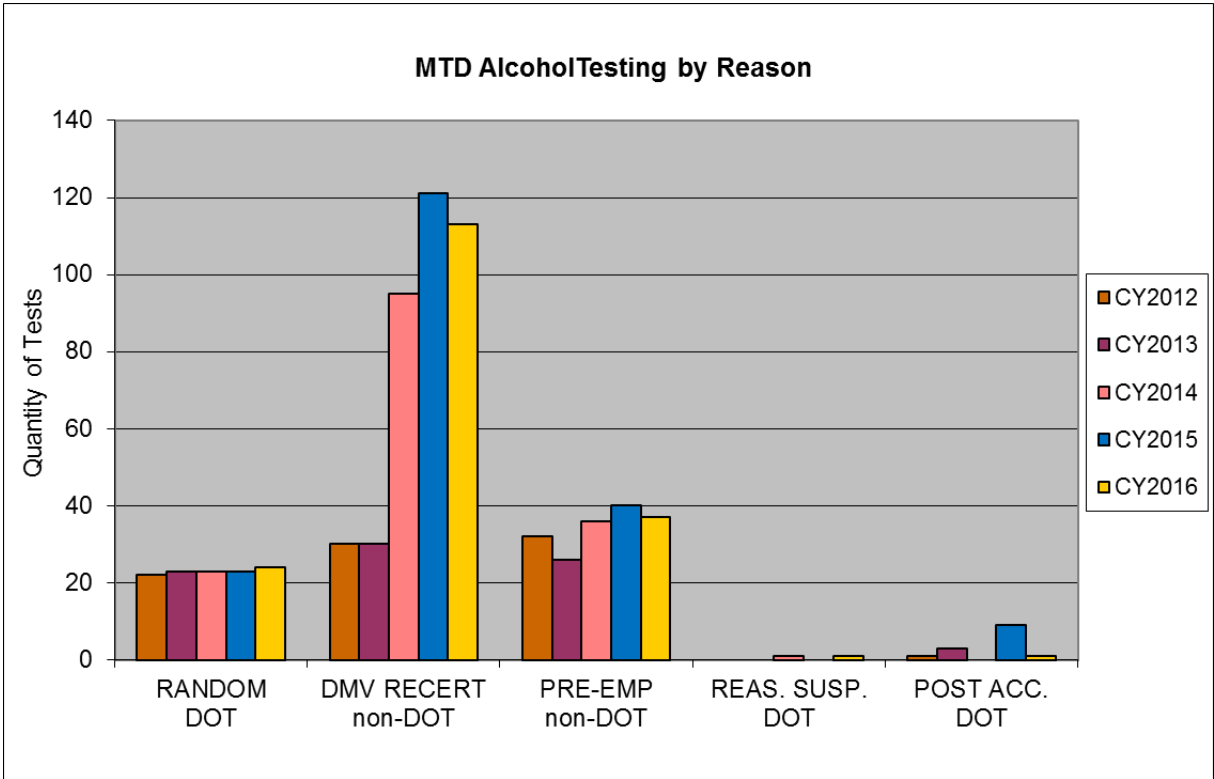
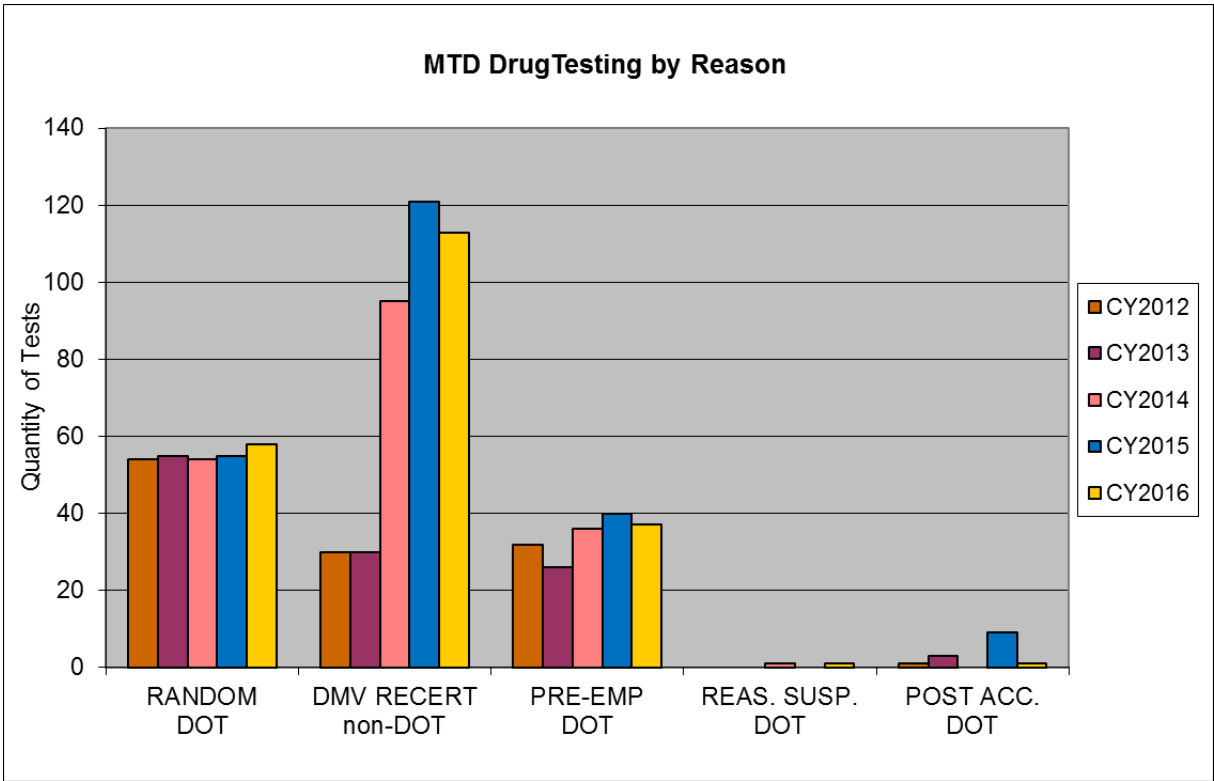
The revisions made to the policy are specific to non-DOT categories of testing that are not required by the DOT, referred to as testing "Under Own Authority", as follows:

- DMV Medical Certificate Renewal (Class A or Class B)
- Return from Leave of Absence of 60-89 days

Tests conducted under MTD's authority in these areas have resulted in an additional cost to the District and netted zero positive test results at a minimum over the past nine year period (test records since implementation of the policy in 2006 have been retained for the period 2009 to present). Additional considerations include:

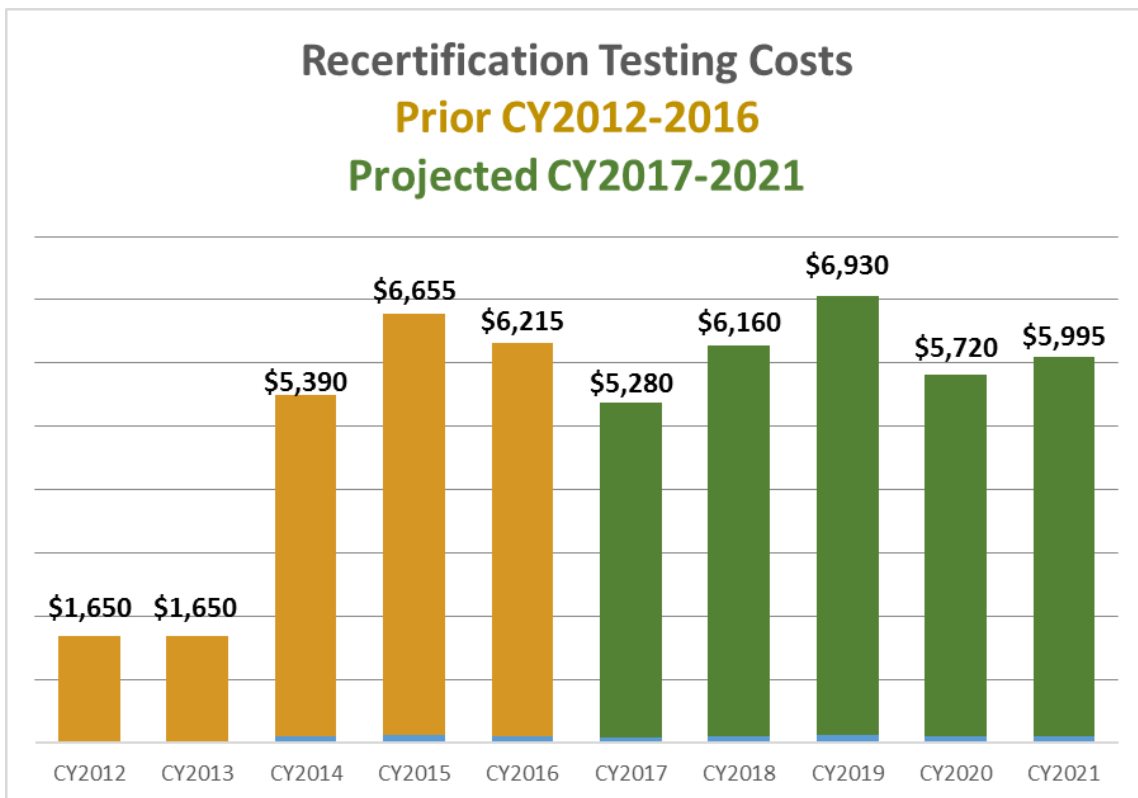
- Substantial annual cost savings of \$6,000
- DOT testing that will remain in our program is very robust and relied upon by transit agencies throughout the country
- Staff survey of several California transit agencies found that none test under their own authority for these types of non-DOT tests proposed for removal
- Staff survey of Drug and Alcohol Program Managers at the Annual FTA Drug and Alcohol Program National Conference found that none test under their own authority for these types of non-DOT tests proposed for removal
- The Department of Motor Vehicles does not require any drug and alcohol testing for license recertification as part of the medical examination
- The California Highway Patrol does not require non-DOT testing
- The FTA does not require any form of non-DOT testing, which would eliminate future audit of non-DOT results as part of the Triennial review
- Staff time would be made available for other district business with elimination of conducting on-site non-DOT breath alcohol tests, administration of testing forms and reports, audit preparation, and appointment scheduling at drug testing facilities
- Eases the burden on drivers, mechanics and utility workers when renewing their Commercial Driver License

The two graphs below illustrate the number of tests of different types that MTD has conducted in the past five years. A disproportionate number of those tests were recertification, which is one of the types of test proposed for elimination. Costs associated with recertification tests are on the rise due to several factors, including an increase in the number of licenses being issued to MTD drivers that are valid for one year or less.



FINANCIAL:

The graph below illustrates the total costs for non-DOT Recertification drug testing for the prior five year period (Calendar Years 2012 – 2016), and projected costs for the next five year period (Calendar Years 2017 – 2021) if MTD continues to require recertification testing. Testing costs are for laboratory and handling fees, and do not include the cost of MTD staff time. If the proposed removal of non-DOT Drug and Alcohol testing is approved, MTD will save on average an estimated \$6,000 annually.



DRUG AND ALCOHOL TESTING POLICY

**Santa Barbara
Metropolitan Transit District**

**SANTA BARBARA
MTD**

Proposed June 27, 2017

~~Adopted December 19, 2006~~

~~Revised May 21, 2014~~

DRUG AND ALCOHOL TESTING POLICY
Santa Barbara Metropolitan Transit District
Proposed June 27, 2017 ~~Adopted December 19, 2006~~

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DRUG AND ALCOHOL TESTING POLICY
Santa Barbara Metropolitan Transit District
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A. PURPOSE

- 1) The Santa Barbara Metropolitan Transit District (MTD) provides public transit service for the residents of the South Coast of Santa Barbara County. Part of MTD's mission is to ensure that this service is delivered safely, efficiently, and effectively by establishing a drug and alcohol-free work environment, and to ensure that the workplace remains free from the effects of drugs and alcohol in order to promote the health and safety of employees and the general public. In keeping with this mission, MTD declares that the unlawful manufacture, distribution, dispensing, possession, or use of controlled substances or misuse of alcohol is prohibited for all employees.
- 2) Additionally, the purpose of this policy is to establish guidelines to maintain a drug and alcohol-free workplace in compliance with the Drug-Free Workplace Act of 1988, and the Omnibus Transportation Employee Testing Act of 1991. This policy is intended to comply with all applicable Federal regulations governing workplace anti-drug and alcohol programs in the transit industry. Specifically, the Federal Transit Administration (FTA) of the U.S. Department of Transportation has published 49 CFR Part 655, as amended, that mandates urine drug testing and breath alcohol testing for safety-sensitive positions, and prohibits performance of safety-sensitive functions when there is a positive test result. The U. S. Department of Transportation (USDOT) has also published 49 CFR Part 40, as amended, that sets standards for the collection and testing of urine and breath specimens.
- 3) Any provisions set forth in this policy that are included under the sole authority of MTD and are not provided under the authority of the above named Federal regulations are underlined.

B. APPLICABILITY

- 1) This Drug and Alcohol Testing Policy applies to all safety-sensitive employees (full- or part-time) when performing safety sensitive duties. MTD employees that do not perform safety-sensitive functions are also covered under this policy under the sole authority of MTD. A safety-sensitive function is operation of mass transit service including the operation of a revenue service vehicle (whether or not the vehicle is in revenue service), maintenance of a revenue service vehicle or equipment used in revenue service, security personnel who carry firearms, dispatchers or person controlling the movement of revenue service vehicles and any other transit employee who is required to hold a Commercial Drivers License. Maintenance functions include the repair,

overhaul, and rebuild of engines, vehicles, and/or equipment used in revenue service. A list of safety-sensitive positions that perform one or more of the above-mentioned duties is provided in Attachment B. Supervisors and managers are only safety sensitive if they perform one of the above functions. Volunteers are considered safety sensitive and subject to testing if they are required to hold a CDL, or are in a safety-sensitive position.

C. DEFINITIONS

- 1) *Accident*: An occurrence associated with the operation of a vehicle even when not in revenue service, if as a result:
 - a) An individual dies;
 - b) An individual suffers a bodily injury and immediately receives medical treatment away from the scene of the accident; or,
 - c) One or more vehicles incur disabling damage as the result of the occurrence and is/are transported away from the scene by a tow truck or other vehicle. For purposes of this definition, disabling damage means damage that precludes departure of any vehicle from the scene of the occurrence in its usual manner in daylight after simple repairs. Disabling damage includes damage to vehicles that could have been operated but would have been further damaged if so operated, but does not include damage which can be remedied temporarily at the scene of the occurrence without special tools or parts, tire disablement without other damage even if no spare tire is available, or damage to headlights, taillights, turn signals, horn, mirrors or windshield wipers that makes them inoperative.
- 2) *Adulterated specimen*: A specimen that contains a substance that is not expected to be present in human urine, or contains a substance expected to be present but is at a concentration so high that it is not consistent with human urine.
- 3) *Alcohol*: The intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols contained in any beverage, mixture, mouthwash, candy, food, preparation or medication.
- 4) *Alcohol Concentration*: Expressed in terms of grams of alcohol per 210 liters of breath as measured by an evidential breath testing device.
- 5) *Canceled Test*: A drug test that has been declared invalid by a Medical Review Officer. A canceled test is neither positive nor negative.
- 6) *Covered Employee*: An employee or volunteer who performs a safety-sensitive function including an applicant or transferee who is being considered for hire into a safety-sensitive function (See Attachment B for a list of covered employees), and other employees, applicants, or transferees that will not perform a safety-sensitive function but fall under the policy of MTD's own authority.

- 7) *Designated Employer Representative (DER)*: An employee authorized by the employer to take immediate action to remove employees from safety-sensitive duties and to make required decisions in testing. The DER also receives test results and other communications for the employer, consistent with the requirements of 49 CFR Parts 40 and 655.
- 8) *Department of Transportation (DOT)*: Department of the federal government which includes the Federal Transit Administration, Federal Railroad Administration, Federal Highway Administration, Federal Motor Carriers' Safety Administration, Research and Special Programs, and the Office of the Secretary of Transportation.
- 9) *Dilute specimen*: A specimen with creatinine and specific gravity values that are lower than expected for human urine.
- 10) *Disabling damage*: Damage that precludes departure of any vehicle from the scene of the occurrence in its usual manner in daylight after simple repairs. Disabling damage includes damage to vehicles that could have been operated but would have been further damaged if so operated, but does not include damage which can be remedied temporarily at the scene of the occurrence without special tools or parts, tire disablement without other damage even if no spare tire is available, or damage to headlights, taillights, turn signals, horn, mirrors or windshield wipers that makes them inoperative.
- 11) *Evidentiary Breath Testing Device (EBT)*: A Device approved by the NHTSA for the evidential testing of breath at the 0.02 and the 0.04 alcohol concentrations. Approved devices are listed on the National Highway Traffic Safety Administration (NHTSA) conforming products list.
- 12) *Medical Review Officer (MRO)*: A licensed physician (medical doctor or doctor of osteopathy) responsible for receiving laboratory results generated by the drug testing program who has knowledge of substance abuse disorders, and has appropriate medical training to interpret and evaluate an individual's confirmed positive test result, together with his/her medical history, and any other relevant bio-medical information.
- 13) *Negative Dilute*: A drug test result that is negative for the five drugs/drug metabolites but has a specific gravity value lower than expected for human urine. Under MTD policy, a drug test with a dilute negative test result will require a retest.
- 14) *Negative test result*: The verified presence of the identified drug or its metabolite below the minimum levels specified in 49 CFR Part 40, as amended. An alcohol concentration of less than 0.02 BAC is a negative test result.
- 15) *Non-negative test result*: A test result found to be adulterated, substitute, invalid, or positive for drug/drug metabolites.
- 16) *Performing a safety-sensitive function*: A covered employee is considered to be performing a safety-sensitive function during any period that he or

she is actually performing, ready to perform, or immediately available to perform such functions.

- 17) *Positive test result*: A verified presence of the identified drug or its metabolite at or above the minimum levels specified in 49 CFR Part 40, as amended. A positive alcohol test result means a confirmed alcohol concentration of 0.04 BAC or greater.
- 18) *Prohibited drug*: Identified as marijuana, cocaine, opiates, amphetamines, or phencyclidine at levels above the minimum thresholds specified in 49 CFR Part 40, as amended.
- 19) *Revenue Service Vehicles*: All transit vehicles that are used for passenger transportation service or that require a CDL to operate.
- 20) *Safety-sensitive functions*: Employee duties identified as:
 - a) The operation of a transit revenue service vehicle even when the vehicle is not in revenue service.
 - b) The operation of a non-revenue service vehicle by an employee when the operation of such a vehicle requires the driver to hold a Commercial Drivers License (CDL).
 - c) Maintaining a revenue service vehicle or equipment used in revenue service.
 - d) Controlling the movement of a revenue service vehicle.
 - e) Carrying a firearm for security purposes.
- 21) *Substance Abuse Professional (SAP)*: A licensed physician (medical doctor or doctor of osteopathy) or licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission or by the International Certification Reciprocity Consortium/Alcohol and other Drug Abuse) with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol related disorders.
- 22) *Substituted specimen*: A specimen with creatinine and specific gravity values that are so diminished that they are not consistent with normal human urine.
- 23) *Test Refusal*: Refusals to test are listed in 49 CFR Part 40 as amended. The relevant excerpt from 49 CFR Part 40 is included in Attachment E.
- 24) *Verified negative test*: A drug test result reviewed by a medical review officer and determined to have no evidence of prohibited drug use above the minimum cutoff levels established by the Department of Health and Human Services (HHS).

- 25) *Verified positive test*: A drug test result reviewed by a medical review officer and determined to have evidence of prohibited drug use above the minimum cutoff levels specified in 49 CFR Part 40 as revised.
- 26) *Validity testing*: The evaluation of the specimen to determine if it is consistent with normal human urine. The purpose of validity testing is to determine whether certain adulterants or foreign substances were added to the urine, if the urine was diluted, or if the specimen was substituted.

D. EDUCATION AND TRAINING

- 1) Every covered employee will receive a copy of this policy and will have ready access to the corresponding federal regulations including 49 CFR Parts 655 and 40, as amended. In addition, all covered employees will undergo a minimum of 60 minutes of training on the signs and symptoms of drug use including the effects and consequences of drug use on personal health, safety, and the work environment. The training also includes manifestations and behavioral cues that may indicate prohibited drug use.
- 2) All supervisory personnel or company officials who are in a position to determine employee fitness for duty will receive 60 minutes of reasonable suspicion training on the physical, behavioral, and performance indicators of probable drug use and 60 minutes of additional reasonable suspicion training on the physical, behavioral, speech, and performance indicators of probable alcohol misuse. Under MTD's own authority, supervisory personnel will also be trained on how to intervene constructively, and how to effectively integrate an employee back into his/her work group following intervention and/or treatment.
- 3) Information on the signs, symptoms, health effects, and consequences of alcohol misuse is presented in Attachment C of this policy.

E. PROHIBITED SUBSTANCES

- 1) Prohibited substances addressed by this policy include the following.
 - a) Illegally Used Controlled Substance or Drugs Under the Drug-Free Workplace Act of 1988. Any drug or any substance identified in Schedule I through V of Section 202 of the Controlled Substance Act (21 U.S.C. 812), and as further defined by 21 CFR 1300.11 through 1300.15 is prohibited at all times in the workplace unless a legal prescription has been written for the substance. This includes, but is not limited to: marijuana, amphetamines, opiates, phencyclidine (PCP), and cocaine, as well as any drug not approved for medical use by the U.S. Drug Enforcement Administration or the U.S. Food and Drug Administration. Illegal use includes use of any illegal drug, misuse of legally prescribed drugs, and use of illegally obtained prescription drugs. Also, the medical use of marijuana, or the use of hemp-related

products that cause drug or drug metabolites to be present in the body above the minimum thresholds is a violation of this policy.

Federal Transit Administration drug testing regulations (49 CFR Part 655) require that all covered employees be tested for marijuana, cocaine, amphetamines, opiates, and phencyclidine. Illegal use of these five drugs is prohibited at all times and thus, covered employees may be tested for these drugs anytime that they are on duty.

- b) Legal Drugs: The appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. However, the use of any substance which carries a warning label that indicates that mental functioning, motor skills, or judgment may be adversely affected must be reported to one or more of the following: MTD's Manager of Risk, Manager of Operations, or Manager of Maintenance MTD's Manager of Maintenance, Manager of Operations, or Superintendent of Operations, and the employee is required to provide a written release from his/her doctor or pharmacist indicating that the employee can perform his/her safety-sensitive functions.
- c) Alcohol: The use of beverages containing alcohol or any other substances (including any mouthwash, medication, food, or candy) such that alcohol is present in the body while performing safety-sensitive job functions is prohibited. An alcohol test can be performed on a covered employee under 49 CFR Part 655 just before, during, or just after the performance of safety-sensitive job functions. Under MTD authority, an alcohol test can be performed any time a covered employee is on duty, or just after an accident covered under this policy.

F. PROHIBITED CONDUCT

- 1) All covered employees are prohibited from reporting for duty or remaining on duty any time there is a quantifiable presence of a prohibited drug in the body above the minimum thresholds defined in 49 CFR PART 40, as amended.
- 2) Each covered employee is prohibited from consuming alcohol while performing safety-sensitive job functions or while on-call to perform safety-sensitive job functions. If an on-call employee has consumed alcohol, they must acknowledge the use of alcohol at the time that they are called to report for duty. The covered employee will subsequently be relieved of his/her on-call responsibilities and will be subject to discipline.
- 3) Each covered employee is prohibited from reporting to work or remaining on duty requiring the performance of safety-sensitive functions while having an alcohol concentration of 0.02 or greater regardless of when the alcohol was consumed.

- 4) No covered employee shall consume alcohol for eight (8) hours following involvement in an accident or until he/she submits to the post-accident drug/alcohol test, whichever occurs first.
- 5) No covered employee shall consume alcohol within four (4) hours prior to the performance of safety-sensitive job functions.
- 6) MTD under its own authority also prohibits the consumption of alcohol all times the employee is on duty, or anytime the employee is in uniform.

G. DRUG FREE WORKPLACE

- 1) MTD complies with the Drug Free Workplace Act of 1988 that requires recipients of Federal funds to certify that they provide drug-free workplaces for their employees.
 - a) Each employee is required to notify MTD management of any criminal drug statute conviction for a violation occurring in the workplace within five days after such conviction. Failure of an employee to report within five days a criminal drug statute conviction for a violation occurring in the workplace shall result in termination.
 - b) MTD must notify the Federal government of each violation within 10 days of notification of a conviction.
 - c) MTD must impose sanctions on the employee within 30 days following notification of a conviction.
- 2) MTD intends to have a workplace that is 100% free from drug or alcohol abuse. Employees are prohibited from engaging in unlawfully manufacturing, distributing, dispensing, possessing, or using controlled substances in the workplace. Employees are subject to termination of employment for any of the acts described in this section.
- 3) The passage of Proposition 64 legalized the recreational use of marijuana in the state of California. Proposition 64 also expressly recognizes the right of employers to maintain drug-free workplaces and to prohibit the use of illegal drugs by their employees. Under federal law, marijuana remains classified as a Schedule I drug, a controlled substance with the high potential for abuse, and is therefore illegal to possess or use. MTD is a recipient of funding from the Federal Transit Administration, an agency of the U.S. Department of Transportation, and as such MTD is required to follow rule 49 CFR Part 655 (Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations) and rule 49 CFR Part 40 (Procedures for Transportation Workplace Drug and Alcohol Testing Programs). MTD complies with the Federal Drug Free Workplace Act of 1988 and the Omnibus Transportation Employee Testing Act of 1991. MTD will continue to enforce this Drug and Alcohol Testing Policy and will remain a Drug Free Workplace. All policies concerning marijuana remain in force, and any employee who has a positive drug test for marijuana, regardless of

Proposition 64, will constitute violation of MTD policies and will be subject to termination of employment.

H. TESTING REQUIREMENTS

- 1) Analytical urine drug testing and breath testing for alcohol will be conducted as required by 49 CFR Part 40 as amended. All covered employees shall be subject to testing prior to performing safety-sensitive duty, for reasonable suspicion, following an accident, and random as defined in Section K, L, M, and N of this policy.
- ~~2) Recertification testing. Employees who maintain a Class A or Class B license are required to schedule their own annual or biennial (as applicable) physical to update their medical certificate. Under MTD authority, drug and alcohol testing on non-DOT forms as defined in Section P of this policy are included in this physical.~~
- ~~3)2) _____~~ A drug test can be performed any time a covered employee is on duty. An alcohol test can be performed just before, during, or after the performance of a safety-sensitive job function under USDOT authority. Under MTD authority, an alcohol test can be performed any time a covered employee is on duty, or just after an accident covered under this policy.
- ~~4)3) _____~~ All covered employees will be subject to urine drug testing and breath alcohol testing as a condition of ongoing employment with MTD. Any safety-sensitive employee who refuses to comply with a request for testing shall be removed from duty and subject to discipline as defined in Section Q of this policy. Any covered employee who is suspected of providing false information in connection with a drug test, or who is suspected of falsifying test results through tampering, contamination, adulteration, or substitution will be required to undergo an observed collection. Verification of the above listed actions will be considered a test refusal and will result in the employee's removal from duty and discipline as defined in Section Q of this policy. Refer to Section C.23 of this policy for behavior that constitutes a refusal to test.

Summary of Drug & Alcohol Testing Requirements

Pre-Employment	MTD Authority for Alcohol Test DOT Authority for Drug Test
Return from Leave of Absence	MTD Authority for 60 Days to 89 Days DOT Authority for 90 Days or Longer
Reasonable Suspicion	DOT Authority
Post-Accident	DOT Authority
Random	DOT Authority

I. DRUG TESTING PROCEDURES

- 1) Testing shall be conducted in a manner to assure a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities that have been approved by the U.S. Department of Health and Human Service (HHS). All testing will be conducted consistent with the procedures set forth in 49 CFR Part 40, as amended. The procedures will be performed in a private, confidential manner and every effort will be made to protect the employee, the integrity of the drug testing procedure, and the validity of the test result.
- 2) The drugs that will be tested for include marijuana, cocaine, opiates, amphetamines, and phencyclidine. After the identity of the donor is checked using picture identification, a urine specimen will be collected using the split specimen collection method described in 49 CFR Part 40, as amended. Each specimen will be accompanied by a DOT Chain of Custody and Control Form and identified using a unique identification number that attributes the specimen to the correct individual. The specimen analysis will be conducted at an HHS certified laboratory. An initial drug screen and validity test will be conducted on the primary urine specimen. For those specimens that are not negative, a confirmatory Gas Chromatography/Mass Spectrometry (GC/MS) test will be performed. The test will be considered positive if the amounts of the drug(s) and/or its metabolites identified by the GC/MS test are above the minimum thresholds established in 49 CFR Part 40, as amended. The relevant excerpt from 49 CFR Part 40 is included in Attachment E.
- 3) The test results from the HHS certified laboratory will be reported to a Medical Review Officer. A Medical Review Officer (MRO) is a licensed physician with detailed knowledge of substance abuse disorders and drug testing. The MRO will review the test results to ensure the scientific validity of the test and to determine whether there is a legitimate medical explanation for a confirmed positive, substitute, or adulterated test result. The MRO will attempt to contact the employee to notify the employee of the non-negative laboratory result, and provide the employee with an opportunity to explain the confirmed laboratory test result. The MRO will subsequently review the employee's medical history/medical records as appropriate to determine whether there is a legitimate medical explanation for a non-negative laboratory result. If no legitimate medical explanation is found, the test will be verified positive or refusal to test and reported to the MTD Drug and Alcohol Program Manager (DAPM). If a legitimate explanation is found, the MRO will report the test result as negative to the DAPM and no further action will be taken.
- 4) If the test is invalid without a medical explanation, a retest will be conducted under direct observation.

- 5) A drug test with a dilute negative test result will require a retest.
- 6) Any covered employee who questions the results of a required drug test under paragraphs L through P of this policy may request that the split sample be tested. The split sample test must be conducted at a second HHS-certified laboratory with no affiliation with the laboratory that analyzed the primary specimen. The test must be conducted on the split sample that was provided by the employee at the same time as the primary sample. The method of collecting, storing, and testing the split sample will be consistent with the procedures set forth in 49 CFR Part 40, as amended. The employee's request for a split sample test must be made to the Medical Review Officer within 72 hours of notice of the original sample verified test result. Requests after 72 hours will only be accepted at the discretion of the MRO if the delay was due to documentable facts that were beyond the control of the employee. MTD will ensure that the cost for the split specimen is covered in order for a timely analysis of the sample.
- 7) If the analysis of the split specimen fails to confirm the presence of the drug(s) detected in the primary specimen, if the split specimen is not able to be analyzed, or if the results of the split specimen are not scientifically adequate, the MRO will declare the original test to be canceled and will direct MTD to retest the employee under direct observation.
- 8) The split specimen will be stored at the initial laboratory until the analysis of the primary specimen is completed. If the primary specimen is negative, the split will be discarded. If the primary is positive, the split will be retained for testing if so requested by the employee through the Medical Review Officer. If the primary specimen is positive, it will be retained in frozen storage for one year and the split specimen will also be retained for one year.
- 9) Observed collections. Consistent with 49 CFR Part 40, as amended, collection under direct observation (by a person of the same gender) with no advance notice will occur if:
 - a) The laboratory reports to the MRO that a specimen is invalid, and the MRO reports to MTD that there was not an adequate medical explanation for the result.
 - b) The MRO reports to MTD that the original positive, adulterated, or substituted test result had to be cancelled because the test of the split specimen could not be performed.
 - c) The collector observes materials brought to the collection site or the employee's conduct clearly indicates an attempt to tamper with a specimen.
 - d) The temperature on the original specimen was out of range.

J. ALCOHOL TESTING PROCEDURES

- 1) A National Highway Traffic Safety Administration (NHTSA)-approved Evidential Breath Testing device (EBT) operated by a trained Breath Alcohol Technician (BAT) will be utilized to conduct tests for breath alcohol concentration. Alcohol screening tests may be performed using a non-evidential testing device that is also approved by NHSTA. If the initial test indicates an alcohol concentration of 0.02 or greater, a second test will be performed to confirm the results of the initial test. The confirmatory test will be conducted at least fifteen minutes after the completion of the initial test. The confirmatory test shall be performed using an NHTSA-approved EBT operated by a trained BAT. The EBT will identify each test by a unique sequential identification number. This number, time, and unit identifier will be provided on each EBT printout. The EBT printout, along with an approved alcohol testing form, will be used to document the test, the subsequent results, and to attribute the test to the correct employee. The test will be performed in a private, confidential manner as required by 49 CFR Part 40, as amended. The procedure will be followed as prescribed to protect the employee and to maintain the integrity of the alcohol testing procedures and validity of the test result.
- 2) An employee who has a confirmed alcohol concentration of 0.04 or greater will be considered a positive alcohol test and in violation of this policy. The consequences of a positive alcohol test are described in Section Q of this policy. Even though an employee who has a confirmed alcohol concentration of 0.02 to 0.039 is not considered positive, the employee shall still be removed from duty for at least eight hours or for the duration of the work day whichever is longer and will be subject to the consequences described in Section Q of this policy. An alcohol concentration of less than 0.02 will be considered a negative test.
- 3) MTD affirms the need to protect individual dignity, privacy, and confidentiality throughout the testing process. If at any time the integrity of the testing procedures or the validity of the test results is compromised, the test will be canceled. Minor inconsistencies or procedural flaws that do not impact the test result will not result in a cancelled test.
- 4) The alcohol testing form (ATF) required by 49 CFR Part 40 as amended, shall be used for all FTA-required testing. Failure of an employee to sign step 2 of the ATF will be considered a refusal to submit to testing.

K. PRE-EMPLOYMENT TESTING

- 1) All applicants for covered transit positions shall undergo urine drug testing and breath alcohol testing prior to performance of a safety-sensitive function.
- 2) All offers of employment for covered positions shall be extended conditional upon the applicant passing a drug and alcohol test. An applicant shall not be placed into a safety -sensitive position unless the

applicant takes a drug test with verified negative results, and an alcohol test with an alcohol concentration below 0.02.

- 3) A non-covered employee shall not be placed, transferred or promoted into a covered position until the employee takes a drug test with verified negative results and an alcohol test with an alcohol concentration below 0.02.
- 4) If an applicant fails a pre-employment drug or alcohol test, the conditional offer of employment shall be rescinded. Failure of a pre-employment drug and/or alcohol test will disqualify an applicant for employment for a period of at least two years. Following the two-year period, the applicant must provide the employer proof of having successfully completed a referral, evaluation and treatment plan. The cost for the assessment and any subsequent treatment will be the sole responsibility of the applicant.
- 5) When an employee being placed, transferred, or promoted from a non-covered position to a covered position submits a drug test with a verified positive result, and/or an alcohol concentration above 0.04, the employee shall be subject to disciplinary action in accordance with Section Q of this policy.
- 6) If a pre-employment/pre-transfer test is canceled, MTD will require the applicant to take and pass another pre-employment drug test.
- 7) A covered employee on extended leave for a period of 90 days or more regardless of reason, and not in the random testing pool, will be required to take a drug and alcohol test under 49 CFR Part 655 and have negative test results prior to the conduct of safety-sensitive job functions. Under MTD authority, a covered employee on extended leave for a period of 60 days or more regardless of reason, and not in the random testing pool, will be required to take a drug and alcohol test and have negative test results prior to the conduct of safety-sensitive job functions. When such extended leave is 60 days or more but less than 90 days, the drug and alcohol test will be conducted using non-DOT forms.
- 8) Applicants are required to report previous DOT-covered employer drug and alcohol test results. Failure to do so will result in the employment offer being rescinded. If the applicant has tested positive or refused to test on a pre-employment test for a DOT-covered employer, the applicant must provide MTD proof of having successfully completed a referral, evaluation, and treatment plan before consideration of employment by MTD.

L. REASONABLE SUSPICION TESTING

- 1) All MTD covered employees will be subject to a reasonable suspicion drug and/or alcohol test when the employer has reasonable suspicion to believe that the covered employee has used a prohibited drug and/or has consumed alcohol in violation of this policy. Reasonable suspicion shall mean that there is objective evidence, based upon specific,

contemporaneous, articulable observations of the employee's appearance, behavior, speech or body odor that are consistent with possible drug use and/or alcohol misuse. Reasonable suspicion referrals must be made by one or more supervisors who are trained to detect the signs and symptoms of drug and alcohol use, and who reasonably concludes that an employee may be adversely affected or impaired in his/her work performance due to possible prohibited substance abuse or alcohol consumption in violation of this policy. A reasonable suspicion drug test can be performed any time the covered employee is on duty. A reasonable suspicion alcohol test can be conducted just before, during, or just after the performance of a safety-sensitive job function under USDOT authority. Under MTD authority, an alcohol test can be performed any time a covered employee is on duty, or just after an accident covered under this policy.

- 2) MTD shall be responsible for transporting the employee to the testing site. Supervisors and managers should avoid placing themselves and/or others into a situation that might endanger the physical safety of those present. The employee shall be placed on administrative leave pending disciplinary action described in Section Q of this policy. An employee who refuses an instruction to submit to a drug/alcohol test shall not be permitted to finish his or her shift and shall immediately be placed on administrative leave pending disciplinary action as specified in Section Q of this policy.
- 3) A written record of the observations that led to a drug/alcohol test based on reasonable suspicion shall be prepared and signed by the supervisor making the observation. When feasible, the written record shall be on MTD's approved form for reasonable suspicion testing. This written record shall be submitted to MTD management and shall be attached to the forms reporting the test results.
- 4) When there are no specific, contemporaneous, articulable objective facts that indicate current drug or alcohol use, but the employee (who is not already a participant in a treatment program) admits the abuse of alcohol or other substances to a supervisor in his/her chain of command, the employee shall be referred to the SAP for an assessment. MTD shall place the employee on administrative leave in accordance with the provisions set forth under Section Q of this policy. Testing in this circumstance would be performed under the direct authority of MTD. Since the employee voluntarily self-referred to management, testing under this circumstance would not be considered a violation of this policy or a positive test result under Federal authority. However, voluntary self-referral does not exempt the covered employee from testing under Federal authority as specified in Sections L through N of this policy or the associated consequences as specified in Section Q of this policy.

M. POST-ACCIDENT TESTING

- 1) All covered employees will be required to undergo urine and breath testing if they are involved in an accident with a transit revenue service vehicle that results in a fatality, regardless of whether or not the vehicle is in revenue service. This includes all surviving covered employees that are operating the vehicle at the time of the accident and any other whose performance cannot be completely discounted as a contributing factor to the accident.

In addition, a post-accident test will be conducted if an accident results in injuries requiring immediate transportation to a medical treatment facility; or one or more vehicles incurs disabling damage, unless the operator's performance can be completely discounted as a contributing factor to the accident.

- a) As soon as practicable following an accident, as defined in this policy, the transit supervisor investigating the accident will notify the transit employee operating the transit vehicle and all other covered employees whose performance could have contributed to the accident of the need for the test. The supervisor will make the determination using the best information available at the time of the decision. When feasible, the written record shall be on MTD's approved form for post-accident testing. As soon as practicable, the transit supervisor will notify one or more of the following of the accident: MTD's Manager of Risk, Manager of Maintenance, Manager of Operations, or Manager of Maintenance Superintendent of Operations of the accident.
- b) The appropriate transit supervisor shall ensure that an employee, required to be tested under this section, is tested as soon as practicable, but no longer than eight (8) hours following the accident for alcohol, and within 32 hours for drugs. If an alcohol test is not performed within two (2) hours of the accident, the Supervisor will document the reason(s) for the delay. If the alcohol test is not conducted within eight hours (8), or the drug test within 32 hours, attempts to conduct the test must cease and the reasons for the failure to test documented.
- c) Any covered employee involved in an accident must refrain from alcohol use for eight (8) hours following the accident, or until he/she undergoes a post-accident alcohol test.
- d) An employee who is subject to post-accident testing and fails to remain readily available for such testing, including notifying a supervisor of his or her location if he or she leaves the scene of the accident prior to submission to such test, may be deemed to have refused to submit to testing.
- e) Nothing in this section shall be construed to require the delay of necessary medical attention for the injured following an accident, or to

prohibit an employee from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident, or to obtain necessary emergency medical care.

- f) In the rare event that MTD is unable to perform an FTA drug and alcohol test (i.e., employee is unconscious, employee is detained by law enforcement agency), MTD may use drug and alcohol post-accident test results administered by local law enforcement officials in lieu of the FTA test. The local law enforcement officials must have independent authority for the test and the employer must obtain the results in conformance with local law.

2) Documenting Rx/OTC Involvement in accidents.

Under MTD authority, any time an initial investigation indicates that prescription (Rx) or over the counter (OTC) drugs could be a contributing factor to an accident, the investigator should document the information provided and MTD management should investigate the claim further by soliciting additional information from the employee.

All information obtained in such investigation must be held to the strictest level of confidentiality and will be treated as medical records. Absent a federal law requiring disclosure, the MTD will follow HHS Health Insurance Portability and Accountability Act (HIPAA) rules (45 CFR Part 164) regarding employee authorization, access, transmission, and storage of protected health information.

The following will be used as a checklist:

- a) Name of all Rx/OTC medications taken within the past seven days.
- b) List of active ingredients.
- c) Dosage directions (amount and frequency).
- d) Dosage practice (amount and frequency).
- e) Time and amount of last dose prior to accident.
- f) Time and amount of dose prior to the last one.
- g) Frequency of use in the last seven days.
- h) Length of time taking medication.
- i) Expiration date.
- j) Presence of warning labels.
- k) Name of individual the prescription was written for, if applicable.
- l) List of side effects experienced, with explanation of when they appeared and disappeared.
- m) Name of prescribing medical practitioner.

- n) Did the employee discuss the use and potential side effects of the Rx/OTC with their medical practitioner? Can this be verified?
- o) Was the medical practitioner aware of the employee's safety-sensitive job duties?
- p) Place of purchase of Rx/OTC and pharmacist's name (if applicable).
- q) Did the employee discuss the potential side effects of this Rx/OTC with their pharmacist? Can this be verified?
- r) Was the pharmacist aware of the employee's safety sensitive job duties?
- s) Verify the prescription, if applicable.

N. RANDOM TESTING

- 1) All covered employees will be subjected to random, unannounced testing. The selection of employees shall be made by a scientifically valid method of randomly generating an employee identifier from the appropriate pool of safety-sensitive employees.
- 2) The dates for administering unannounced testing of randomly selected employees shall be spread reasonably throughout the calendar year, day of the week and hours of the day.
- 3) The number of employees randomly selected for drug/alcohol testing during the calendar year shall be not less than the FTA annual minimum random testing rates as set in the Federal Register as per 49 CFR Part 655.45(b).
- 4) Each covered employee shall be in a pool from which the random selection is made. Each covered employee in the pool shall have an equal chance of selection each time the selections are made. Employees will remain in the pool and subject to selection, whether or not the employee has been previously tested. There is no discretion on the part of management in the selection.
- 5) Covered transit employees that fall under the Federal Transit Administration regulations will be included in a random pool.
- 6) Random tests can be conducted at any time during an employee's shift for drug testing. Alcohol random tests can be performed just before, during, or just after the performance of a safety sensitive duty under USDOT authority. Under MTD authority, an alcohol test can be performed any time a covered employee is on duty, or just after an accident covered under this policy. Testing can occur during the beginning, middle, or end of an employee's shift.
- 7) Employees are required to proceed immediately to the collection site upon notification of their random selection. Employees will be notified of their selection for a random test using the approved MTD form.

O. RETURN-TO-DUTY TESTING AND FOLLOW-UP TESTING

- 1) MTD is a zero-tolerance drug and alcohol workplace. Thus, the MTD drug and alcohol testing policy includes neither return-to-duty testing nor follow-up testing.

~~P. RECERTIFICATION TESTING~~

- ~~1) Employees who maintain a Class A or Class B license are required to schedule their own recertification physical to update their medical certificate. Under MTD authority, drug and alcohol testing are included in this physical.~~
- ~~2) The recertification drug and alcohol tests shall be conducted using non-DOT forms.~~

Q.P. RESULT OF A POSITIVE DRUG OR ALCOHOL TEST

- 1) Any covered employee that has a verified positive drug or alcohol test will be removed from his/her safety-sensitive position, informed of educational and rehabilitation programs available, and referred to a Substance Abuse Professional (SAP) for assessment. No employee will be allowed to return to duty requiring the performance of safety-sensitive job functions without the approval of the SAP and the employer.
- 2) A drug test with a dilute negative test result will require a retest.
- 3) A positive drug and/or alcohol test will also result in disciplinary action as specified herein.
 - a) As soon as practicable after receiving notice of a verified positive drug test result, a confirmed alcohol test result, or a test refusal, the MTD Drug and Alcohol Program Manager will contact the employee's manager, or will otherwise make immediate arrangements, to have the employee cease performing any safety-sensitive function.
 - b) The employee shall be referred to a Substance Abuse Professional for an assessment. The SAP will evaluate each employee to determine what assistance, if any, the employee needs in resolving problems associated with prohibited drug use or alcohol misuse.
 - c) There are no consequences under DOT agency regulations for refusal to take a non-DOT test. Under MTD authority, refusal to submit to a DOT drug or alcohol test or refusal to submit to a non-DOT drug or alcohol test shall be considered a positive test result and a direct act of insubordination and shall result in termination of employment. Refusals to test are listed in 49 CFR Part 40 as amended. The relevant excerpts from 49 CFR Part 40 are included in Attachment E.
- 4) For the first instance of a verified positive drug or alcohol test, disciplinary action against the employee shall include:

- a) Termination of employment.
 - b) Referral to a Substance Abuse Professional (SAP). The cost of any treatment or rehabilitation services will be paid directly by the employee or their insurance provider.
- 5) An alcohol test result of ≥ 0.02 to ≤ 0.039 BAC shall result in the removal of the employee from duty for eight hours or the remainder of the work day whichever is longer. The employee will not be allowed to return to safety-sensitive duty for his/her next shift until he/she submits to an alcohol test with a result of less than 0.02 BAC. If the employee has an alcohol test result of ≥ 0.02 to ≤ 0.039 two or more times, the employee will be terminated from employment with MTD and referred to a Substance Abuse Professional (SAP).
- 6) In the instance of a voluntary self-referral or a management referral, disciplinary action against the employee shall include:
- a) Mandatory referral to a Substance Abuse Professional (SAP) for assessment, formulation of a treatment plan, and execution of a return to work agreement.
 - b) Failure to execute, or remain compliant with the return-to-work agreement shall result in termination from MTD employment.
 - (i) Compliance with the return-to-work agreement means that the employee has submitted to a drug/alcohol test immediately prior to returning to work; the result of that test is negative; in the judgment of the SAP the employee is cooperating with his/her SAP recommended treatment program; and, the employee has agreed to periodic unannounced follow-up testing.
 - c) Refusal to submit to a periodic unannounced follow-up drug/alcohol test shall be considered a direct act of insubordination and shall result in termination.
 - d) A voluntary self-referral or management referral to the SAP that was not precipitated by a positive test result does not constitute a violation of the Federal regulations and will not be considered a positive test result.
 - e) Periodic unannounced follow-up drug/alcohol test conducted as a result of a voluntary self-referral or management referral which results in a verified positive shall be considered a positive test result.
 - f) A voluntary self-referral does not shield an employee from disciplinary action or guarantee employment with MTD.
 - g) A voluntary self-referral does not shield an employee from the requirement to comply with drug and alcohol testing.
- 7) All disciplinary actions as a result of drug and alcohol abuse shall be dictated by this policy. An employee may be disciplined up to and

including termination of employment if an alcohol or drug screening performed when she/he is on duty is positive for alcohol or a drug which is prohibited by law or FTA regulation, or which interferes with the safe and effective performance of duties or operation of MTD equipment, even if the employee has a valid prescription in his/her own name.

- 8) Employees are not to have drugs (other than those that are over the counter and/or prescribed to the employee) or alcohol in their possession, including on their person, at anytime while on duty or on MTD property. MTD reserves the right to search persons, personal property, lockers and vehicles located on MTD property in those cases where it has reasonable cause to believe that an employee is in possession or under the influence of drugs and/or alcohol. Employees are subject to termination of employment for possession of drugs or alcohol while on duty or on MTD property.

Summary of Disciplinary Actions

<u>Refusal to submit to testing.</u>	<u>Termination of employment. Precludes applicant from hire.</u>
<u>Positive test for marijuana, cocaine, amphetamines, opiates, or phencyclidine.</u>	<u>Termination of employment. Precludes applicant from hire.</u>
<u>Positive breath alcohol test greater than 0.04.</u>	<u>Termination of employment. Precludes applicant from hire.</u>
<u>Positive breath test for alcohol 0.02 or greater but less than 0.04 (1st time positive test).</u>	<u>Removal from duty for 24 hours. Subsequent re-test must register less than 0.02 prior to return to duty. Precludes applicant from hire.</u>
<u>Positive breath test for alcohol 0.02 or greater but less than 0.04 (2nd time positive test).</u>	<u>Termination of employment upon review. Precludes applicant from hire.</u>

R.Q. INFORMATION DISCLOSURE

- 1) The MTD Drug and Alcohol Program Manager shall maintain drug and alcohol testing records. Except as provided below or by law, the results of any drug/alcohol test shall not be disclosed without express written consent of the tested employee.
- 2) The employee, upon written request, is entitled to obtain copies of any records pertaining to their own use of prohibited drugs or misuse of alcohol including any drug or alcohol testing records. Covered employees have the right to gain access to any pertinent records such as equipment calibration records, and records of laboratory certifications.

- 3) Records of a verified positive drug/alcohol test result shall be released to the Drug and Alcohol Program Manager, Department Manager, and Human Resources Manager on a need-to-know basis.
- 4) Records will be released to a subsequent employer only upon receipt of a written request from the employee.
- 5) Records of an employee's drug/alcohol tests shall be released to the adjudicator in a grievance, lawsuit, or other proceeding initiated by or on behalf of the tested individual arising from the results of the drug/alcohol test. The employer will release the information to the decision maker in the proceeding with a binding stipulation that it will only be released to parties of the proceeding. Records will be released to the National Transportation Safety Board during an accident investigation.
- 6) Information will be released in a criminal or civil action resulting from an employee's performance of safety-sensitive duties, in which a court of competent jurisdiction determines that the drug/alcohol test information is relevant to the case and issues an order to the employer to release the information. The employer will release the information to the decision maker in the proceeding with a binding stipulation that it will only be released to parties of the proceeding.
- 7) Records will be released to the USDOT or any USDOT agency with regulatory authority over MTD or any of its employees.
- 8) Records will be released if requested by a Federal, state or local safety agency with regulatory authority over MTD or the employee.
- 9) If a party seeks a court order to release a specimen or part of a specimen contrary to any provision of Part 40 as amended, necessary legal steps to contest the issuance of the order will be taken.
- 10) In cases of a contractor or sub-recipient of a state department of transportation, records will be released when requested by such agencies that must certify compliance with the regulation to the FTA.
- 11) In addition, information obtained as part of a Department of Transportation (DOT) drug and alcohol testing program is not considered "health information" covered by HIPAA rules and therefore, does not require employers and service agents in the DOT drug and alcohol testing program to obtain written employee authorization to disclose drug and alcohol testing information required by DOT and FTA rules (49 CFR Parts 40 and 655, respectively). *FTA Update, September 2003.*

S-R. EMPLOYEE RESPONSIBILITIES

- 1) As a condition of employment, an employee must:
 - a) Not report to work unable to perform employment responsibilities, impaired due to drugs or alcohol use, or while the employee has the

odor of drugs or alcohol on his or her person. This is true even if the employee has a prescription for said drugs.

- b) Not use alcohol or any drug that impairs work performance just before or during working hours or at anytime on MTD property.
- c) Not use drugs or alcohol while wearing an MTD uniform, on or off duty.
- d) Not have possession of drugs or alcohol while on duty or on MTD property.
- e) Provide the Medical Review Officer, immediately upon request, with a current and valid prescription for any drug identified when a drug screening is positive. The prescription must be in the employee's name and the amounts taken must be as prescribed. In addition, the drug must not impair the ability to perform the employment responsibilities.
- f) Submit immediately to a drug or alcohol test when requested.
- g) Notify his or her supervisor when taking medications, or combinations of medications (either prescribed or not prescribed) that may interfere with the safe and effective performance of duties and/or operation of MTD equipment. It is the employee's responsibility to find out the effects the medication has on the performance of their job duties. If the drug will interfere with the safe and effective performance of duties and/or operation of MTD equipment, it is the employee's responsibility to inform her/his supervisor as soon as possible that she/he is unable to work. If the employee does not so inform the supervisor, she/he is in violation of the drug and alcohol policy. In all cases, notification to the supervisor must be made no later than one hour before the beginning of the employee's next shift. Failure to inform the supervisor (or to do so in a timely manner) subjects the employee to disciplinary actions as stated in the "reporting for duty" policy in the employee manual.

T.S. PROPER APPLICATION OF THE POLICY

- 1) MTD is dedicated to assuring fair and equitable application of this substance abuse policy. Therefore, supervisors/managers are required to use and apply all aspects of this policy in an unbiased and impartial manner. Any supervisor/manager who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy in regard to subordinates, shall be subject to disciplinary action, up to and including termination.

DRAFT

The Board of Directors of the Santa Barbara Metropolitan Transit District (MTD) adopted this Drug and Alcohol Testing Policy on December 19, 2006. The Board adopted a revised version on August 23, 2011. Staff revised the Policy consistent with the Board's August 23, 2011 approval on May 21, 2014. The Board adopted a revised version on June 27, 2017.

General Manager

Date

DRAFT

To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: June 27, 2017
Subject: General Manager's Report

Operations, Fleet & Facilities

We are proud to announce, of our current group of operators in training, Anthony Nicholson and Brian Ronces have successfully passed all of their licensing and training and are now driving their respective bid runs. Closely following them is Lisbet Sotelo-Garcias who should be released to drive solo within the next few weeks. Additionally, Ruben Mijangos, our newest operator in training, is scheduled to test with the DMV this week.

The Summer Bid commenced on June 12th, and is progressing well. This is generally our shortest bid lasting until August 20th. This week Operations and Planning staff will be working together to fine tune our Fall Bid. Driver bidding for Fall assignments will start within the next couple of weeks.

Santa Barbara is known for its many celebrations and parades. Preparations for the required detours, run adjustments, and personnel additions are complete for both our upcoming Summer Solstice Parade on June 24th, and Independence Day. Due to the events that take place in the downtown State St. corridor, affected routes and runs have to be modified, due to the crowds and street closures.

There is an upcoming SWAT training on June 28th, involving the Santa Barbara Police Department. MTD normally participates in this annual training exercise, held at the Santa Barbara Airport. A bus is brought out to the designated facility, and is used in dealing with hostage situations.

NEC Electrical has completed 95% of the 480v charger infrastructure changes necessitated by the eventual introduction of the BYD buses. Maintenance staff plan to begin removing the warehouse racks from the Haley and Salsipuedes canopies to make room for the BYD buses and chargers. They will be moved under the phase I canopy where the tires had been temporarily stored during the construction project. The tires have now been moved back to their original place in the yard.

The canopy lift portion and the roof replacement continue, with phase III nearly completed. The LED lighting is installed and all concrete work completed. Final detail work is nearly complete and the crane and support trailer have been moved off site. On May 25, 2017 a semi-trailer delivering Goodyear tires struck one of the upper I beams in the phase I area of the canopy causing some structural damage. The MTD's structural engineer has inspected the damage and a repair plan is being drawn up.

Planning & Administration

With the end of the fiscal year imminent, Accounting had begun work on the annual financial audit. The main task is gathering financial information required for review by the auditor. The comprehensive bus parts inventory will take place the first weekend of July. In addition to being subject to generally accepted accounting principles, as a recipient of federal and state funds, the audit includes additional testing for compliance with their specific requirements. The overall review is referred to as the Single Audit.

MTD received notice from the IRS that it has been randomly selected for an audit of its staff retirement plan this August. It is a 401(k) plan with a defined contribution by MTD on the employees' behalf. The two-month advance notice is to provide sufficient time to accumulate the substantial list of documents required.

The Genfare electronic farebox replacement project is now completed and MTD has issued formal acceptance. Final payment for the \$1.6 million project will be made next week. The three new 40-foot Gillig buses have passed the testing and inspection phase. They have also been accepted by MTD and put into revenue service. Payment of just under \$1.5 million has been made to Gillig. The two projects are funded through the State Transit Assistance, Prop 1B PTMISEA, and LCTOP programs.

The Castillo undercrossing of Highway 101 including the southbound on and off ramps is closed for approximately two months in order for Caltrans to repair the disintegrating road bed. Lines 5 and 15x that use the Castillo undercrossing have been detoured and a temporary bus stop on Montecito Street at Bath Street has been provided since the Castillo at Montecito bus stop will also be closed as part of the road closure. Lines 5 and 15x, as well as interlined routes will likely be delayed due to increased traffic congestion from the detours. Notices have been posted at affected bus stops along with a press release and notification on the MTD website. If the project extends beyond August 20th, Lines 16 and 2540 will need to be detoured as well since that is when SBCC and local schools begin.

Construction is underway by the City of Goleta on the Hollister Class I Bikeway Project. The project is along the south side of the roadway and extends from Pacific Oaks Road to Ellwood School. Traffic flow is reduced to one lane in each direction due to the construction activities. Construction along the eastbound shoulder and sidewalk will begin in late June/early July for a duration of approximately four months. The four Line 25 and booster service bus stops will be combined into two centrally located ADA accessible bus stops to not impede traffic flow when a bus is stopped. At these two temporary bus stop locations, enough space exists for vehicles to pass a stopped bus. For the initial first two days of this phase of construction, the four bus stops may be closed due to initial construction activities. The nearest eastbound bus stops during these two days will be at Hollister and Pacific Oaks Road and Hollister at Ellwood School. Signage will be installed at the cross streets and bus stops to direct passengers accordingly during the two day full bus stop closures and for the overall duration of this phase of the project.

In coordination with English First (EF) International Language School, staff is preparing for the increase in their student enrollment that has been occurring during recent summers. EF houses the increase in students in Isla Vista residence halls, this year at Santa Catalina. Staff will monitor the EF passenger loads on the Lines 24x and 12x that lead directly from Isla Vista to downtown Santa Barbara where the EF classes are held and if need be will utilize the larger capacity articulated buses as appropriate to offset the demand. A flyer has been provided to EF to distribute to students to use the inbound Line 24x through UCSB to reach the EF school.

Staff attended a meeting of the Santa Barbara County Association of Governments' (SBCAG's) Santa Barbara County Transit Advisory Committee (SBCTAC) on Wednesday, June 14. MTD is a voting member of the committee. SBCTAC votes to recommend that the SBCAG Board approve the 2017 Transit Needs Assessment and the 2017 Transit Asset Management state of good repair regional targets.

General Manager Estrada and staff attended a meeting on June 15 with partner agencies regarding the possible operation of the Clean Air Express by MTD. The meeting was productive, and staff will continue to review the feasibility of the proposal.

Human Resources has started recruitment for Maintenance Supervisor – Night Shift. This is a Staff position, not subject to the Collective Bargaining Agreement, and reports to the Superintendent of Maintenance. The position will cover the evening hours from 4:00 pm to 1:00 am, to provide supervision and direction to the Mechanics, and includes work assignment and performance evaluations.

Marketing and Community Relations staff Nancy Alexander successfully presented at 13 Elementary School Outreach Programs from Carpinteria to Goleta this school year, increasing the number of participating schools from last year. Additionally, MTD has presented at 3 youth bike camps, allowing campers to practice loading and unloading their bikes from the front of a bus. A series of 9 Safety Towns are also planned where preschoolers get to learn about the bus. On the adult front, staff recently presented to UCP Work, Inc.'s Applied Abilities Program attendees on how to get around using MTD.