



San Joaquin Council of Governments

Triennial Performance Audit of
the San Joaquin Regional Rail
Commission (RRC) for the period
FY 2021/22 - FY 2023/24



SAN JOAQUIN
COUNCIL OF GOVERNMENTS
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Chapter 1 | Executive Summary

In 2024, the San Joaquin Council of Government selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the seven transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. Audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the San Joaquin Regional Rail Commission (SJRRRC) as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the SJRRC's public transit program for the period:

- Fiscal Year 2021/22,
- Fiscal Year 2022/23, and
- Fiscal Year 2023/24.

The San Joaquin Regional Rail Commission operates the Altamont Corridor Express rail line (ACE Rail), which travels along a single fixed alignment between Stockton and San Jose. SJRRRC operates four westbound and four eastbound trains each day, originating in Stockton for the morning westbound service and in San Jose for the afternoon/evening eastbound service. ACE rail service is provided at ten stations: Stockton, Lathrop/Manteca, Tracy, Vasco Road, Livermore, Pleasanton, Fremont, Great America, Santa Clara, and San Jose.

Tickets can be purchased at many ACE stations and at third party vendor locations at VTA Main Office, the Fremont Station, the Great America Station, Livermore/Wheels Transit Center, and at the Amtrak counter at the San Jose Station. Tickets may also be purchased through the ACE Rail mTickets app.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates believes the evidence obtained provides a reasonable basis for our findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.



The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

Test of Compliance

Based on discussions with SJRRC staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

Status of Prior Recommendations

The prior audit – completed in March 2022 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2021 – included no recommendations.

Findings and Recommendations

Based on discussions with SJRRC staff, analysis of program performance, and a review of program compliance and function, the audit team submits no findings or recommendations for SJRRC.

Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the San Joaquin Regional Rail Commission’s public transit program covers the three-year period ending June 30, 2024. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2024, the San Joaquin Council of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the seven transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of SJRRC as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.



Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of SJRRC included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
 - Assessment of internal controls,
 - Test of data collection methods,
 - Calculation of performance indicators, and
 - Evaluation of performance.
4. Comparison of data reporting practices:
 - Internal reports,
 - State Controller Reports, and
 - National Transit Database.
5. Examination of the following functions:
 - General management and organization;
 - Service planning;
 - Scheduling, dispatching, and operations;
 - Personnel management and training;
 - Administration;
 - Marketing and public information; and
 - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

Methodology

The methodology for the Triennial Performance Audit of San Joaquin Regional Rail Commission included thorough review of documents relevant to the scope of the audit, as well as information contained on SJRRC's website. The documents reviewed included the following (spanning the full three-year period):

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Marketing collateral;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- National Transit Database reports; and
- Organizational chart.



The methodology for this review included a site visit to the San Joaquin Regional Rail Commission’s ACE Rail Operations and Maintenance Facility (1020 E Alpine Ave, Stockton) on September 24, 2024. The audit team met with Zita Rodriguez (Senior Accountant), Jazmin Santillan (Accountant I), Marques Cook (Marketing Manager), Momoko Tamaoki (Deputy Director of Planning, Grants, and Programming), Tamika Smith (Director of Rail Services), Nathan Alastra (Operations Superintendent), Jonathan Gonzalez (Equipment Services Assistant II), Brian Schmidt (Director of Equipment Services), and Nick Perez (Manager of Fiscal Services), and reviewed materials germane to the triennial audit. The site visit also included a tour of the facility.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
 - Compliance with statutory and regulatory requirements,
 - Status of prior recommendations,
 - Consistency among reported data,
 - Performance measures and trends,
 - Functional audit, and
 - Findings and recommendations.



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Chapter 3 | Program Compliance

This section examines the San Joaquin Regional Rail Commission’s compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. SJRRC considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with SJRRC staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

No compliance issues were identified for the San Joaquin Regional Rail Commission.

Developments Occurring During the Audit Period

For many operators, the FY 2021/22 – FY 2023/24 audit period reflected both the acute impacts of and recovery from the COVID-19 pandemic. By the end of the audit period – even earlier in some cases – most operators had exhausted federal relief funds, even though penalties for non-compliance with farebox recovery ratios continued to be waived. Many operators, even more than four years after the onset of the pandemic, still struggle with ridership that has yet to recover to pre-pandemic levels.

Given this is not the first Triennial Performance Audit to be conducted since the COVID-19 pandemic, this report will not focus on actions taken as a result of the health crisis. Instead, the compliance review, functional review, and resulting recommendations will focus on ensuring program sustainability once penalty waivers and other emergency legislation have ended.

Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting definitions of eligible revenues and operating costs. Most recently, Senate Bill 125, signed into law on July 10, 2023, extended protections provided via earlier legislation through FY 2025/26. While this means the audit period covered by this audit is fully exempt from penalties for non-compliance with the farebox recovery ratio, for example, it also means that transit operators will likely need to be in compliance by the last year of the next audit period.

While the ability to maintain state mandates and performance measures is important, these measures enable transit operators to adjust to the impacts of COVID while continuing to receive their full allocations of funding under the TDA.

Together, these three pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8:



1. Prohibits the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost from FY 2019/20 through FY 2025/26.
2. Expands the definition of “local funds” to enable the use of federal funding to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
3. Adjusts the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and microtransit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
4. Allows operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2025/26.

SB 125 calls for the establishment of the Transit Transformation Task Force to develop policy recommendations to grow transit ridership and improve the transit experience for all users. In the 50-plus years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California’s state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The Transit Transformation Task Force is required to submit a report of its findings and policy recommendations to the State Legislature by October 31, 2025. This report is expected to include recommendations for TDA reform, which may impact the next Triennial Performance Audit period.



Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2021/22: January 31, 2023 FY 2022/23: January 29, 2024 FY 2023/24: January 31, 2025
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2021/22: March 1, 2023 FY 2022/23: February 5, 2024 FY 2023/24: March 31, 2025
Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	Not applicable	
Operator’s claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	Claims submitted according to SJCOG’s rules and procedures.
If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	SJRRRC does not receive funding under Article 8.
The operator’s definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2021/22: +27.04% FY 2022/23: +72.86% FY 2023/24: +20.30% <i>Increases were largely due to budgeting for the restoration of full service beginning in FY 2022. This included budgeting for the addition of multiple staff positions, not all of which were ultimately filled. Actual operating cost was typically significantly lower than budgeted. All increases were appropriately supported in TDA claims for FY 2022 – FY 2024.</i>



Compliance Element	Reference	Compliance	Comments
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	In compliance	FY 2021/22: 19.92% FY 2022/23: 23.48% FY 2023/24: 28.59% <i>Includes passenger fares and Measure K funds used for operations.</i> <i>Penalties for non-compliance were waived for all three years under AB 90, AB 149, and SB 125.</i>
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	Not applicable	
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	Not applicable	
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	Not applicable	
The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator’s total operating cost per revenue hour does not exceed the sum of the preceding year’s total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year’s total operating cost per revenue hour. An operator may qualify based on the preceding year’s operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	In compliance	STA eligibility was waived during the audit period as the result of AB 90, AB 149, and SB 125.



Compliance Element	Reference	Compliance	Comments
A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	In compliance	



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Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance SJRRC has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in March 2022 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2021 – included no recommendations.



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Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by SJRRC both internally as well as to outside entities during the audit period.

Overall, data was reported consistently. Minor inconsistencies are noted below.

- **Operating cost:** In FY 2021/22, the operating cost reported in the TDA fiscal audit was significantly higher than that reported elsewhere. In FY 2022/23 and FY 2023/24, the cost reported to the NTD and in the fiscal audit was more consistent, but these were still higher than that reported to the State Controller. It is likely there are some expenses excluded from the State Controller Report that are included in the others.
- **Vehicle Service Hours (VSH):** This metric was generally reported consistently between monthly performance reports and NTD reports. However, in FY 2021/22 and FY 2022/23, actual hours were reported to the State Controller instead of revenue hours. This resulted in the VSH reported to the State Controller being higher than that used in other reporting.



Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$41,022,902	\$35,972,448	\$38,702,836
<i>National Transit Database</i>	\$25,652,940	\$36,150,511	\$38,706,812
<i>State Controller Report</i>	\$23,236,804	\$32,347,537	\$34,088,362
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$2,656,361	\$3,829,286	\$5,446,311
<i>National Transit Database</i>	\$2,656,361	\$3,829,286	\$5,446,311
<i>State Controller Report</i>	\$2,656,363	\$3,829,294	\$5,446,313
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	21,971	24,832	25,071
<i>National Transit Database</i>	21,971	24,832	25,071
<i>State Controller Report</i>	24,744	28,179	25,071
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	867,991	988,529	1,014,540
<i>National Transit Database</i>	867,991	988,530	1,014,541
<i>State Controller Report</i>	867,991	988,529	1,014,541
Passengers			
<i>Monthly Performance Reports</i>	321,752	474,498	681,351
<i>National Transit Database</i>	321,752	474,498	681,351
<i>State Controller Report</i>	321,752	474,498	681,351
Full-Time Equivalent Employees			
<i>State Controller Report</i>	92	89	85
<i>Per agency methodology</i>	92	89	85
<i>Per TDA methodology</i>	92	89	85



Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667¹. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period²:

¹ CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

² Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.



- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

Vehicle Service Hours and Miles

Vehicle Service Hours (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.³ For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

Employees

Employee hours is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

Fare Revenue

Fare revenue is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

³ A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.



TDA Required Indicators

To calculate the TDA indicators for SJRRC, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the SJRRC's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- obtained via State Controller Reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. SJRRC's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. SJRRC's calculation methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. SJRRC's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

System Performance Trends

Systemwide, operating cost rose steadily throughout the current audit period after experiencing only modest increases during the prior audit period. Between FY 2018/19 and FY 2023/24, there was a net 73.4 percent increase in operating cost. The most significant increase occurred in FY 2022/23, which experienced a 39.2 percent increase. Fare revenues, however, decreased significantly between FY 2018/19 and FY 2021/22. Fare revenues were heavily impacted by the COVID-19 pandemic, resulting in a 50.2 percent net decrease over the six-year span. However, the audit period experienced year-to-year gains in fare revenue, resulting in a 105 percent increase.

Vehicle service hours (VSH) fluctuated significantly during the prior audit period, resulting in a net 11.9 percent decrease across the six-year span and a 14.1 percent increase during the audit period. Vehicle service miles (VSM) increased every year of the audit period, after decreasing every year of the prior audit period. This resulted in a net 9.9 percent decrease across the six-year period and a 16.9 percent increase during the current audit period.

Ridership declined significantly during the prior audit period due to the COVID-19 pandemic but increased every year of the current audit period. Overall, ridership increased by a 111.8 percent during the audit period, but decreased by a net 54.8 percent across the six-year period.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Operating cost per VSH and operating cost per VSM both increased during the audit period, while operating cost per passenger decreased. Passenger-related



metrics rose significantly, with passengers per VSH and passengers per VSM increasing by 85.6 percent and 81.2 percent, respectively, across the audit period.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$19,656,446	\$22,777,461	\$21,248,022	\$23,236,804	\$32,347,537	\$34,088,362
<i>Annual Change</i>		15.9%	-6.7%	9.4%	39.2%	5.4%
Fare Revenue (Actual \$)	\$10,929,851	\$8,335,518	\$1,469,619	\$2,656,363	\$3,829,294	\$5,446,313
<i>Annual Change</i>		-23.7%	-82.4%	80.8%	44.2%	42.2%
Vehicle Service Hours (VSH)	28,444	25,630	13,505	21,971	24,832	25,071
<i>Annual Change</i>		-9.9%	-47.3%	62.7%	13.0%	1.0%
Vehicle Service Miles (VSM)	1,126,384	1,008,876	479,398	867,991	988,529	1,014,541
<i>Annual Change</i>		-10.4%	-52.5%	81.1%	13.9%	2.6%
Passengers	1,506,183	1,061,990	160,007	321,752	474,498	681,351
<i>Annual Change</i>		-29.5%	-84.9%	101.1%	47.5%	43.6%
Employees	90	88	79	92	89	85
<i>Annual Change</i>		-2.2%	-10.2%	16.5%	-3.3%	-4.5%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$691.06	\$888.70	\$1,573.34	\$1,057.60	\$1,302.65	\$1,359.67
<i>Annual Change</i>		28.6%	77.0%	-32.8%	23.2%	4.4%
Operating Cost/Passenger (Actual \$)	\$13.05	\$21.45	\$132.79	\$72.22	\$68.17	\$50.03
<i>Annual Change</i>		64.3%	519.1%	-45.6%	-5.6%	-26.6%
Passengers/VSH	52.95	41.44	11.85	14.64	19.11	27.18
<i>Annual Change</i>		-21.7%	-71.4%	23.6%	30.5%	42.2%
Passengers/VSM	1.34	1.05	0.33	0.37	0.48	0.67
<i>Annual Change</i>		-21.3%	-68.3%	11.1%	29.5%	39.9%
Farebox Recovery	55.6%	36.6%	6.9%	11.4%	11.8%	16.0%
<i>Annual Change</i>		-34.2%	-81.1%	65.3%	3.6%	35.0%
Hours/Employee	316.0	291.3	170.9	238.8	279.0	295.0
<i>Annual Change</i>		-7.8%	-41.3%	39.7%	16.8%	5.7%
TDA Non-Required Indicators						
Operating Cost/VSM	\$17.45	\$22.58	\$44.32	\$26.77	\$32.72	\$33.60
<i>Annual Change</i>		29.4%	96.3%	-39.6%	22.2%	2.7%
VSM/VSH	39.60	39.36	35.50	39.51	39.81	40.47
<i>Annual Change</i>		-0.6%	-9.8%	11.3%	0.8%	1.7%
Fare/Passenger	\$7.26	\$7.85	\$9.18	\$8.26	\$8.07	\$7.99
<i>Annual Change</i>		8.2%	17.0%	-10.1%	-2.2%	-1.0%

Sources: FY 2018/19 – FY 2020/21 data taken from prior Triennial Performance Audit.

FY 2021/22 – FY 2023/24 data taken from State Controller reports.

FY 2021/22 – FY 2022/23 VSH data taken from NTD reports.



Exhibit 6.2 System Ridership

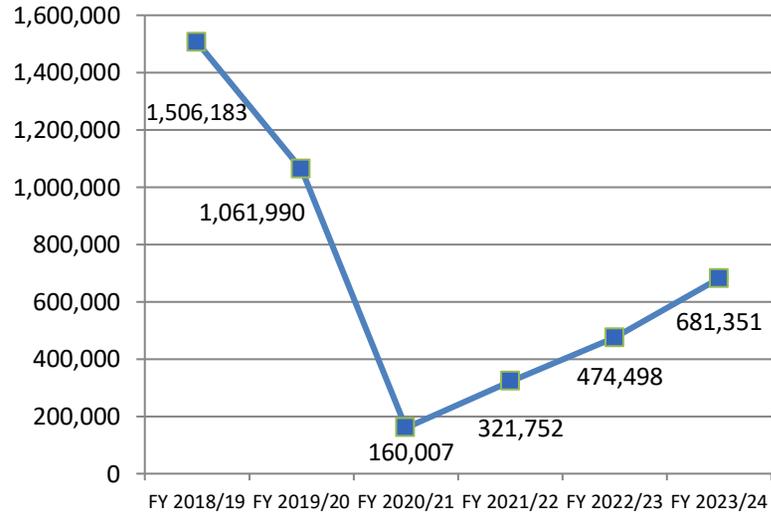


Exhibit 6.3 System Operating Cost/VSH

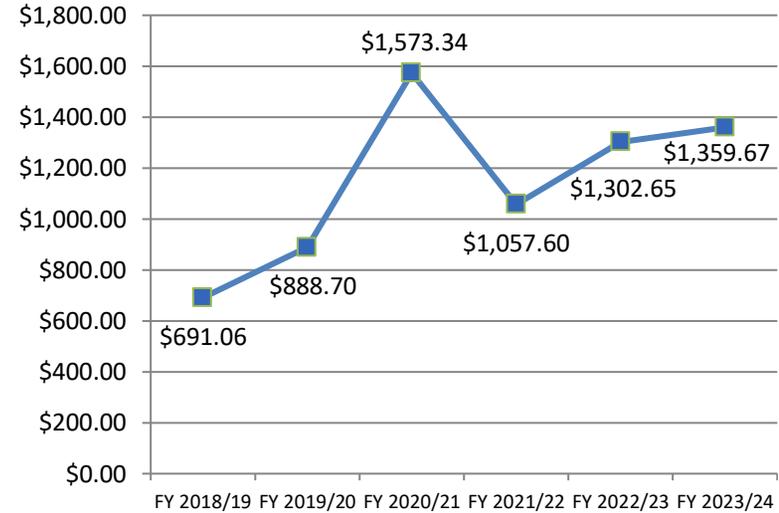


Exhibit 6.4 System Operating Cost/VSM

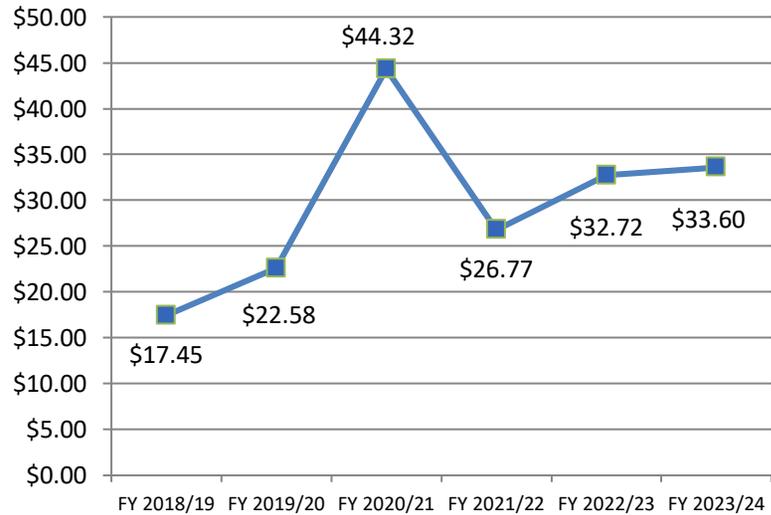


Exhibit 6.5 System VSM/VSH

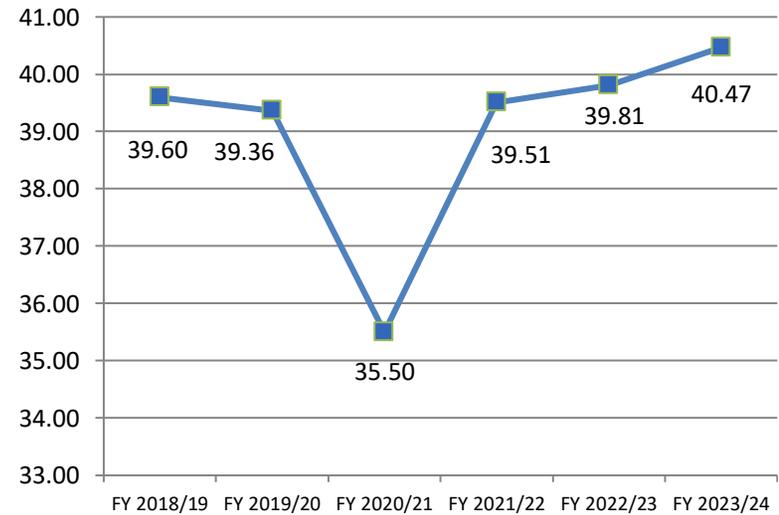


Exhibit 6.6 System Operating Cost/Passenger

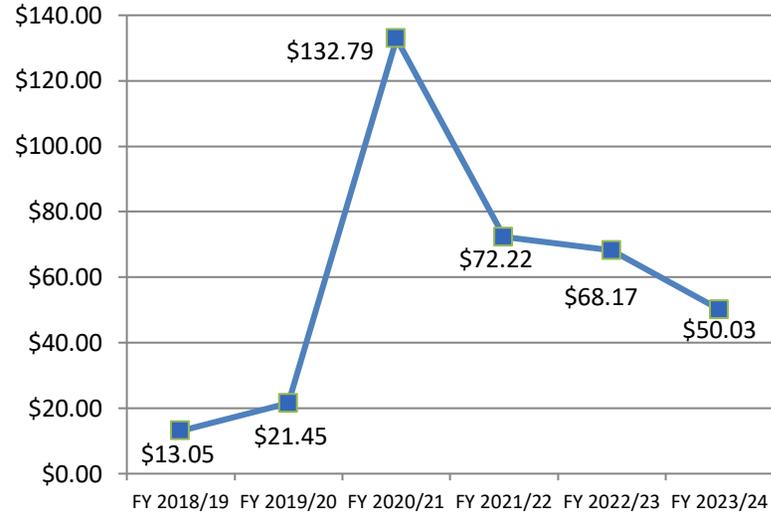


Exhibit 6.7 System Passengers/VSH

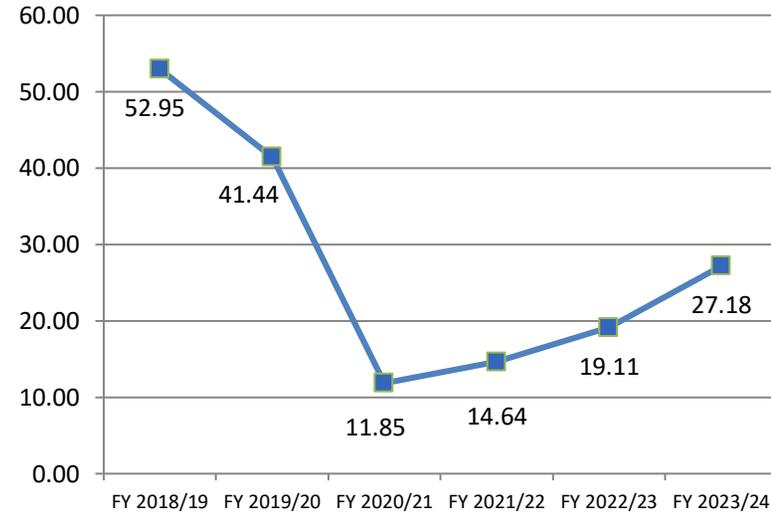


Exhibit 6.8 System Passengers/VSM

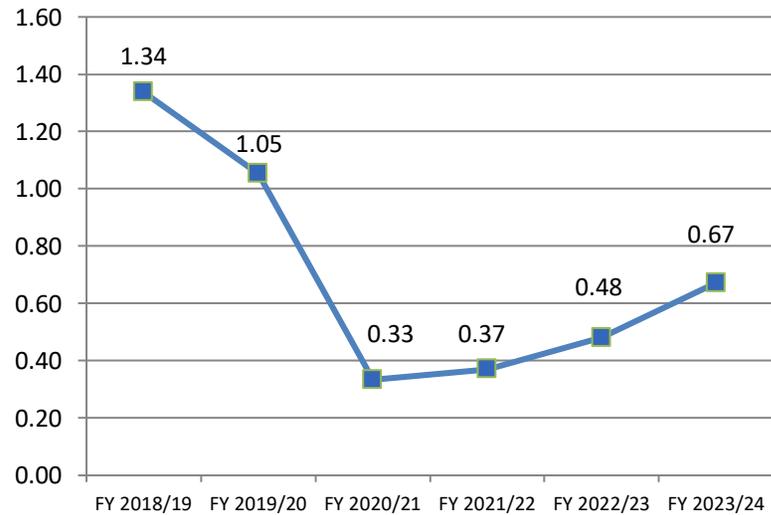


Exhibit 6.9 System VSH/FTE

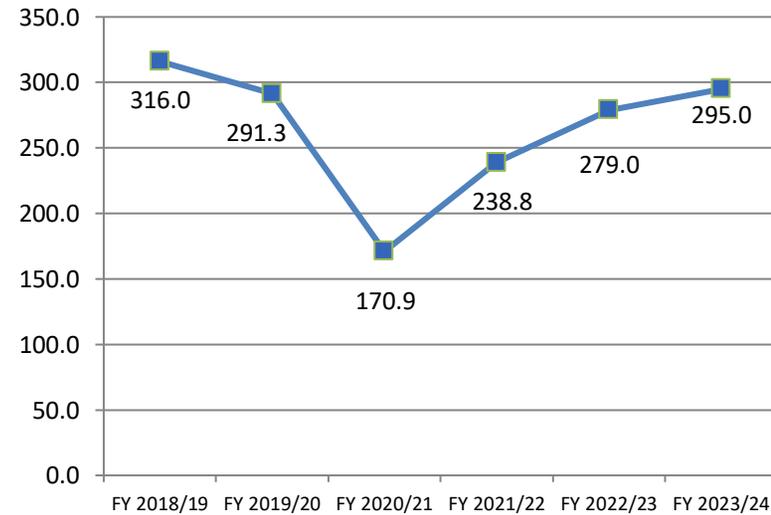




Exhibit 6.10 System Farebox Recovery

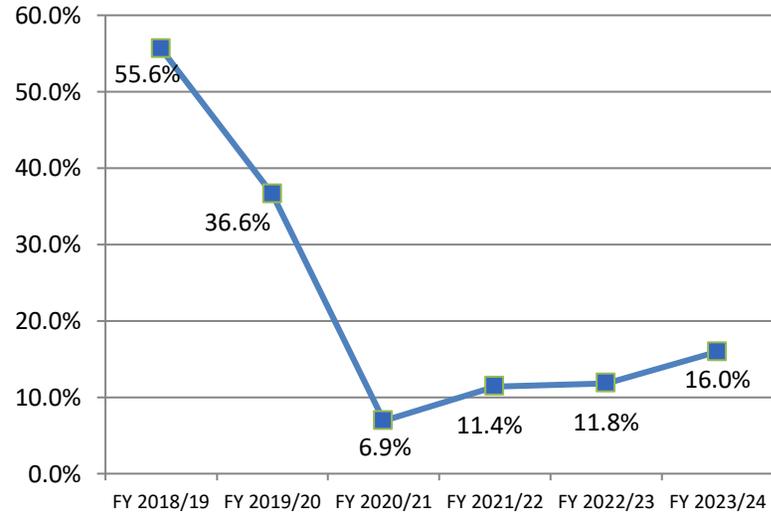
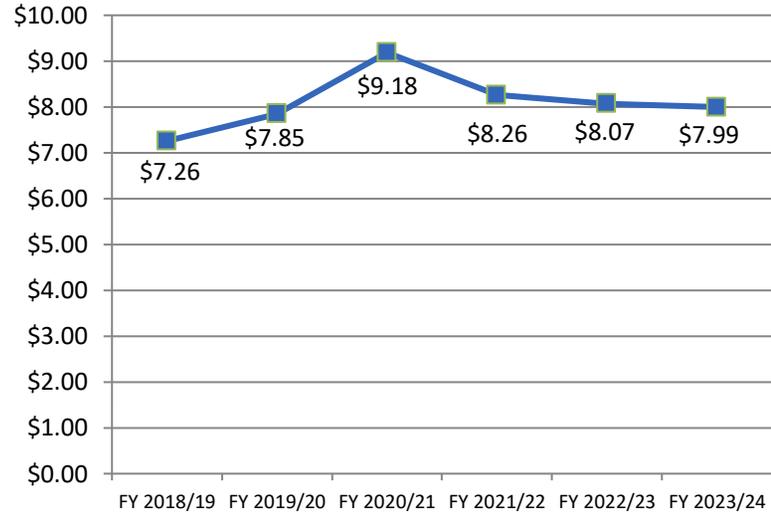


Exhibit 6.11 System Fare/Passenger





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Chapter 7 | Functional Review

A functional review of the SJRRC’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the SJRRC’s transit service, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the SJRRC:

- General management and organization;
- Service planning;
- Administration;
- Personnel management and training;
- Scheduling, dispatch, and operations;
- Marketing and public information; and
- Fleet maintenance.

Service Overview

The San Joaquin Regional Rail Commission operates the Altamont Corridor Express rail line (ACE Rail), which travels along a single fixed alignment between Stockton and San Jose. SJRRC operates four westbound and four eastbound trains each day, originating in Stockton for the morning westbound service and in San Jose for the afternoon/evening eastbound service. ACE rail service is provided at ten stations: Stockton, Lathrop/Manteca, Tracy, Vasco Road, Livermore, Pleasanton, Fremont, Great America, Santa Clara, and San Jose.



Tickets can be purchased at many ACE stations and at third party vendor locations including the VTA Main Office, Fremont Station, Great America Station, Livermore/Wheels Transit Center, and Amtrak counter at the San Jose Station. Tickets may also be purchased through the ACE Rail mTickets app. One-way and round trips purchased through the mobile app are valid for seven days, 10-trip passes expire after 60 days, 20-trip passes expire after 90 days, and monthly passes are by calendar month. Transit benefit checks, commuter cheques, and Wageworks vouchers are also accepted as payment. Discounted fares are available for seniors (65+), children ages 6-12 (with a fare-paying adult), persons with disabilities, Medicare cardholders and students. One child under age six may ride for free with a fare-paying adult.



Exhibit 7.1 Fare Structure

ORIGIN STATION	DESTINATION STATION	LATHROP/MANTECA	TRACY	VASCO	LIVERMORE	PLEASANTON	FREMONT	GREAT AMERICA	SANTA CLARA	SAN JOSE
STOCKTON	ONE WAY	\$5.25	\$6.50	\$10.75	\$10.75	\$10.75	\$12.25	\$15.50	\$15.50	\$15.50
	ROUND TRIP	\$6.50	\$12.25	\$16.75	\$16.75	\$16.75	\$22.00	\$27.50	\$27.50	\$27.50
	10 RIDE	\$26.25	\$52.00	\$75.00	\$75.00	\$75.00	\$98.00	\$120.00	\$120.00	\$120.00
	20 RIDE	\$52.25	\$93.25	\$131.50	\$131.50	\$131.50	\$170.50	\$210.25	\$210.25	\$210.25
	MONTHLY	\$97.50	\$168.75	\$241.75	\$241.75	\$241.75	\$312.75	\$386.00	\$386.00	\$386.00
LATHROP/MANTECA	ONE WAY		\$6.25	\$10.25	\$10.25	\$10.25	\$11.75	\$14.50	\$14.50	\$14.50
	ROUND TRIP		\$11.75	\$16.00	\$16.00	\$16.00	\$20.25	\$26.00	\$26.00	\$26.00
	10 RIDE		\$50.00	\$73.00	\$73.00	\$73.00	\$94.00	\$115.00	\$115.00	\$115.00
	20 RIDE		\$88.25	\$125.75	\$125.75	\$125.75	\$163.00	\$201.00	\$201.00	\$201.00
	MONTHLY		\$161.25	\$231.25	\$231.25	\$231.25	\$299.75	\$370.00	\$370.00	\$370.00
TRACY	ONE WAY			\$6.25	\$6.25	\$6.25	\$10.25	\$11.75	\$11.75	\$11.75
	ROUND TRIP			\$11.75	\$11.75	\$11.75	\$16.00	\$20.25	\$20.25	\$20.25
	10 RIDE			\$50.00	\$50.00	\$50.00	\$73.00	\$94.00	\$94.00	\$94.00
	20 RIDE			\$88.25	\$88.25	\$88.25	\$125.75	\$163.00	\$163.00	\$163.00
	MONTHLY			\$161.25	\$161.25	\$161.25	\$231.25	\$299.75	\$299.75	\$299.75
VASCO	ONE WAY				\$4.75	\$4.75	\$6.25	\$10.25	\$10.25	\$10.25
	ROUND TRIP				\$6.25	\$6.25	\$11.75	\$16.00	\$16.00	\$16.00
	10 RIDE				\$30.00	\$30.00	\$50.00	\$73.00	\$73.00	\$73.00
	20 RIDE				\$50.50	\$50.50	\$88.25	\$125.75	\$125.75	\$125.75
	MONTHLY				\$93.50	\$93.50	\$161.25	\$231.25	\$231.25	\$231.25
LIVERMORE	ONE WAY					\$4.75	\$6.25	\$10.25	\$10.25	\$10.25
	ROUND TRIP					\$6.25	\$11.75	\$16.00	\$16.00	\$16.00
	10 RIDE					\$30.00	\$50.00	\$73.00	\$73.00	\$73.00
	20 RIDE					\$50.50	\$88.25	\$125.75	\$125.75	\$125.75
	MONTHLY					\$93.50	\$161.25	\$231.25	\$231.25	\$231.25
PLEASANTON	ONE WAY						\$6.25	\$10.25	\$10.25	\$10.25
	ROUND TRIP						\$11.75	\$16.00	\$16.00	\$16.00
	10 RIDE						\$50.00	\$73.00	\$73.00	\$73.00
	20 RIDE						\$88.25	\$125.75	\$125.75	\$125.75
	MONTHLY						\$161.25	\$231.25	\$231.25	\$231.25
FREMONT	ONE WAY							\$6.25	\$6.25	\$6.25
	ROUND TRIP							\$11.75	\$11.75	\$11.75
	10 RIDE							\$50.00	\$50.00	\$50.00
	20 RIDE							\$88.25	\$88.25	\$88.25
	MONTHLY							\$161.25	\$161.25	\$161.25
GREAT AMERICA	ONE WAY								\$4.75	\$4.75
	ROUND TRIP								\$6.25	\$6.25
	10 RIDE								\$30.00	\$30.00
	20 RIDE								\$50.50	\$50.50
	MONTHLY								\$93.50	\$93.50
SANTA CLARA/ SAN JOSE	ONE WAY									\$4.75
	ROUND TRIP									\$6.25
	10 RIDE									\$30.00
	20 RIDE									\$50.50
	MONTHLY									\$93.50



General Management and Organization

The San Joaquin Regional Rail Commission was formed in 1995 by a joint powers agreement comprised of seven cities and the County of San Joaquin to implement passenger rail service across the Altamont Pass. Since 2003, the SJRRC has served as the owner/operator of ACE Rail, with additional funding provided by the Alameda County Transportation Commission and the Santa Clara Valley Transportation Authority.

The SJRRC is governed by an eight-member Board comprised of six elected officials from San Joaquin County and two voting members from Alameda County (appointed by the Alameda County Transportation Commission). *Ex officio* members include representatives from Caltrans District 10, the San Joaquin Regional Transit District, San Joaquin Council of Governments, and Stanislaus Council of Governments. The SJRRC Board meets on the first Friday of each month at the SJRRC's headquarters, located at Cabral Station. The meeting location is accessible by ACE Rail as well as San Joaquin RTD's Route 44. During the audit period, the Board was interested in regular updates regarding on-time performance and ridership.

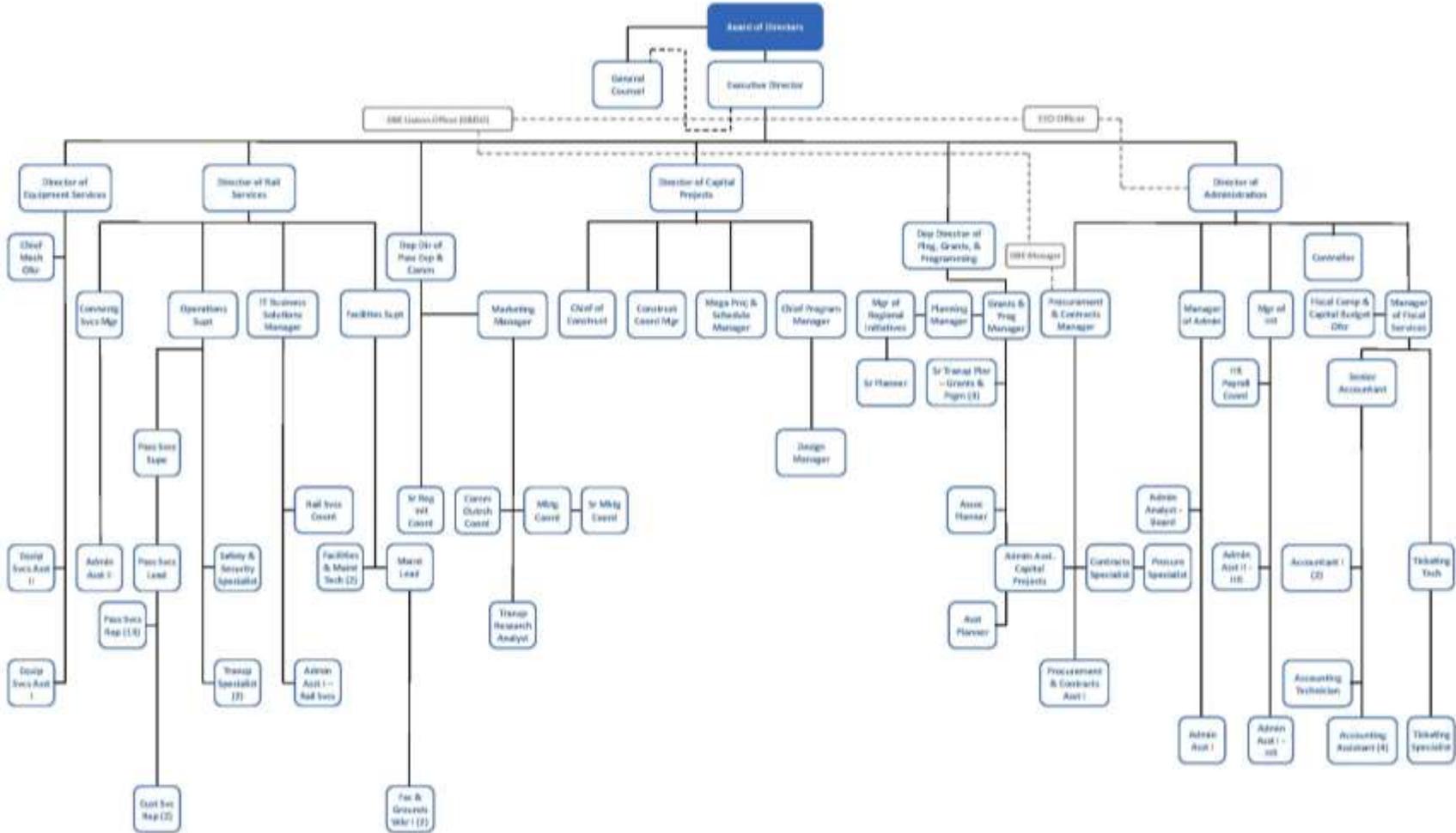
ACE Rail is operated by Transit America Services, Inc. (TASI), a subsidiary of Herzog Transit Services. This contractor has been providing operation and maintenance of the SJRRC's rail service for 26 years. The current contract ends in June 2025.

Program performance is monitored frequently through a top-down approach from the Director level, as are adherence to budget and the work program. Lines of reporting and managerial authority are clearly defined and effective. The program is staffed effectively and appropriately. An organizational chart with lines of reporting is provided in Exhibit 7.2.

The SJRRC has a strong relationship with the San Joaquin Council of Governments. Communication is efficient, effective, and the two entities work collaboratively. There is no single intergovernmental liaison; multiple staff fulfill this role depending on the component and level of the organization. The SJRRC has good relationships with, and maintains frequent communications with the other transit operators in the region, FTA, FRA, and Caltrans.



Exhibit 7.2 Organizational Chart





Service was reduced to three round trips during July and August 2021. Full service was restored in September 2021. Service was disrupted in January 2023 due to mudslides in Niles Canyon between the Pleasanton and Fremont stations. SJRRC worked with the operator, host railroads, and local first responders to ensure the safety of the passengers and staff. The mudslide resulted in both passenger injuries and equipment damage. Passengers were deboarded at a safe location while crews returned the equipment to the railyard. The host railroad, Union Pacific, repaired the hillside to prevent further mudslides. Service was interrupted for three days over the Martin Luther King Jr. holiday weekend. A bus bridge was provided while crews worked on repairs.

Service Planning

The Planning, Grants, and Programming Department is responsible for short-range service planning. The department includes the Manager of Planning and Programming, a Senior Planner, and an Associate Planner.

The SJRRC's most recent SRTP was adopted by the Metropolitan Transportation Commission (MTC) in Winter 2023. The SRTP includes sections on agency goals, departmental goals, and capital project goals. The SRTP submitted to the MTC reflected a rebounding economy and its operating budget for FY 2022/23 and captured a full fiscal year of pre-pandemic levels of ACE service and continued efforts to bring ridership closer to pre-pandemic levels. A prior SRTP was submitted to SJCOG in Fall 2018. This plan included four key goals and objectives: 1) Provide safe, efficient transportation services that focus on professionalism, innovation, and passenger value; 2) Plan and implement rail service in emerging corridors; 3) Increase outreach efforts to involve additional community partners; and 4) Achieve high ratings for effective communication and customer service.

Activities during the audit period that supported goals and recommendations from these plans included:

- Meeting goals for equipment availability which has allowed for on-time train departures.
- Participating in regional planning efforts such as the Draft State Rail Plan, Link 21, and MTC's Southern Alameda County Integrated Rail Analysis.
- Working with local and regional partners to submit applications for Strategic Partnership – Transit grants.
- Providing input to the California High Speed Rail Authority regarding improved ACE connectivity with future high-speed rail service at Merced.
- Working with cities in the Valley Rail North and South segments on coordination of station planning efforts and connectivity with other transportation modes related to future ACE and San Joaquins extensions.
- Submitting SJRRC's Climate Action Plan Framework to the FTA in April 2022.
- Working with Caltrans on the development of zero emission multiple units (ZEMU) for the Valley Rail program.
- Securing partnerships to support ACE ticketing offers and marketing campaigns, including Tracy Resource Center, Innovation Tri-Valley, Fremont's Wellness Centers, and El Concilio.
- Continued operation of four weekday roundtrips between Stockton and San Jose.
- Continued planning for future service expansion from Ceres to Natomas, with a direct transfer to the ACE trunkline service at the North Lathrop Transfer Station.



- Conducting new planning studies such as the ACE Expansion Service and O&M Study, ACE Shuttle Service Optimization Study, and the revised SRTP that will be submitted to SJCOG in June 2025.
- Targeting and engaging with equity priority communities through discount fare programs, participation in community events, fostering community-based organization partnerships, and providing materials and outreach in English and Spanish (especially related to the Community Assistance Program).
- Initiating a number of capital projects including stations, siding extension, siding rehabilitation, track improvements, transit access improvements, and platform extensions. Most of these projects are part of the Valley Rail program.

Performance measures in place are those identified through the San Joaquin Council of Governments' performance targets as well as those set by the FTA.

Public participation activities are conducted for planning activities and capital projects through rider outreach, board meetings, social media, and tabling at events with the public. A rider survey was conducted in 2023 and presented to the SJRRC Board in September 2023. Most respondents (91 percent) were satisfied with their experience riding on ACE. More than 9 out of 10 respondents stated that they had recommended ACE to others in the past and most (95 percent) were either very likely or somewhat likely to recommend ACE to others. Passengers reported that the top reasons for choosing to ride on ACE were being able to work or sleep while traveling (49 percent), to avoid traffic congestion (49 percent), and that it enabled them to avoid having to drive instead (46 percent).

SJRRC is actively planning a ticketing and signage project which considers the needs of ADA passengers. In these projects, SJRRC seeks to improve and enhance the passenger experience for ADA passengers, including going above and beyond the requirements. Examples include the implementation of technologies to provide path of travel information for visually impaired station users.

The SJRRC initiated work on its ACE Locomotive Zero-Emission Engine Conversion Project in June 2022. The project aims to fund research on technology or a combination of technologies that allow the existing vehicles to be converted to near zero-emission. The project's completion is slated for Spring 2025.

Administration

The Manager of Fiscal Services and Fiscal Compliance and Capital Budget Officer prepare the budgets. The Manager of Fiscal Services is in charge of the operating budget while the Fiscal Compliance and Capital Budget Officer handles the capital budget. Each January, they distribute budget worksheets to all supervisors in functional areas, who submit "wish lists" with supporting documentation. They run estimated actuals to ensure what is being requested is in line with the anticipated budget. The preliminary budget is then submitted for review by SJRRC management. The process includes a conceptual budget (April), draft budget (May), and final budget (June) to allow the Board ample time to provide input. Financial data is monitored through Caselle software. SJRRC is currently exploring other financial budgeting software and expects to implement a new system prior to the end of FY 2024/25.

Operating and capital budgets entered into the work program identify all projects and provide project descriptions. For most funding sources, the Executive Director has authority to reallocate within major categories, but other change requests require Board approval. Other budget changes require approval from outside entities (such as the California Transportation Commission or the federal agency funding the



grant). Expense reports are included in the board packet each month, providing snapshots of projects and year-to-date expenditures.

Grant preparation is handled by the Manager of Capital Program's team. The Fiscal Department works closely with the respective project manager, maintains the books, tracks expenses, and requests reimbursements. The SJRRC generally pursues all relevant grant opportunities and has sufficient staff to do so. This includes an Assistant Transportation Planner and two Senior Transportation Planners added since the prior audit period, with another Senior Transportation Planner to be added in FY 2025/26.

The SJRRC does not have a formal risk management department. Instead, various functions are spread throughout the Legal and Administration Departments. The executive team oversees the processing of accident and injury claims. The agency is self-insured. A safety system plan is currently in place and updated regularly. Safety and Security Specialists, in coordination with HR, hold quarterly meetings to identify workplace violence-related concerns and hazards. During these meetings, they evaluate risks and problems and discuss corrective measures. The meetings may involve brainstorming sessions, discussions of recent incidents, and reviews of safety procedures. The gathered information is shared with department managers for review by and feedback from employees. Management ensures all employees know and understand all workplace violence policies and procedures within the written plan and impartially enforce the rules. In addition, the Rail Commission Safety and Security Committee, comprised of management and labor from ACE and its contractors, convenes monthly to address safety and security concerns and mitigation measures.

Contract management responsibilities are clearly assigned within the agency. The contract administrator monitors performance on a weekly basis. The Director of Operations oversees the operations and maintenance contract with TASI. Actual costs for time and materials are paid in arrears. In addition to the operations contract, the SJRRC also contracts out for pest control and some equipment maintenance. SJRRC staff handles maintenance at the stations, offices, and Rail Maintenance Facility. Bus stop maintenance is contracted to Amtrak as the SJRRC does not have the staffing to maintain control of the Thruway Bus routes in-house. These routes are managed by the Connecting Service Manager, who processes all maintenance requests for bus stops.

Each employee is responsible for entering their work time. Each supervisor reviews and approves the hours. Payroll staff review the hours and move them into the payroll module, then process payroll. Payroll is processed biweekly. Nearly all employees utilize direct deposit.

The agency's accounts receivable function is handled by the Fiscal Department. A comprehensive process is in place for paying invoices. Invoices are reviewed and compared with purchase orders, then given to the project manager, who signs and returns them. Once the invoice is returned it goes to the Director of Administration for final approval. When the Director returns the invoices, checks are cut. Invoices are entered into SJRRC's system, as well as San Joaquin County's system (PeopleSoft). All checks are issued through the County.

Procurement activities are based on thresholds. Larger releases require a formal Invitation for Bid or Request for Proposals. The Executive Director has signature authority up to \$250,000. Anything above that amount requires Board approval.



Marketing and Public Information

The SJRRC has a Passenger Engagement and Marketing Team. The goals of the team are to communicate with passengers as frequently as possible to expand awareness of the ACE brand; increase ridership and revenue; drive rider satisfaction; grow engagement; invest in community, business, and partner relationships; and promote means-based and fare discount offerings. These goals are supported through the agency's website, social media, and advertising (radio, print, and digital ads). SJRRC uses Facebook, Instagram, X, and YouTube to advertise and promote the ACE service, highlight partners and activities along the route, promote agency initiatives, and provide service updates. Service information (including the route and schedule) is available onboard the trains, at the stations, and on the website. The team has three categories of focus: passenger communications, stakeholder engagement, and new rider acquisition.

Prior to the pandemic, there was much less emphasis on marketing as ACE ridership was high. Now that many riders work remotely or have more flexible schedules, SJRRC has to re-educate the market about the ACE service. SJRRC works with Realtors and ensure employers in the Tri-Valley know about the service. SJRRC has also partnered with different destinations (including leisure) to promote the service. These efforts are working, though ridership still remains down compared to pre-pandemic levels.

The SJRRC has a formal marketing plan, which is updated annually. The marketing plan focuses on specific initiatives, including employer relations, an ambassador program for students, and support for potential service changes. ACE has a college/university outreach program at San Jose State University and Santa Clara University. Students can purchase tickets on campus. The SJRRC collaborates with schools through the school group field trip program which includes trips to the Great America amusement park.

The most successful campaign during the audit period was in support of special train service to Levi's Stadium for select 49ers games. The campaign ran from September 2023 through January 2024 and received over 2 million impressions, 36,000 engagements, 17,000 post link clicks, and 500 new followers across social media channels. It resulted in an increase in overall ridership for the service. It also helped to promote ACE to a broader area through promotion by Levi's Stadium.

Customer service is handled in-house. Customer service staff are housed at Cabral Station in Stockton. Inquiries come in via phone and through the agency website. The Community Engagement and Marketing Manager handles communication-related issues, while customer service staff handle other questions. All complaints are documented and are responded to within two business days. The Marketing team is currently working on a solution that would track, maintain, and report on customer comments received through a variety of channels, including phone, email, online, social media, and in person.

The SJRRC conducts a biannual onboard survey that seeks to gain insight into the performance of the service, passenger experience, passenger perception, and market intelligence. Additional surveys may be done in the interim based on agency needs and initiatives. The public's perception of ACE Rail service remains very positive. Riders tend to stay with the service for the long term. The SJRRC works very hard to maintain this.

Scheduling, Dispatch, and Operations

Rail operations are based out of the Rail Maintenance Facility at 1020 East Alpine Avenue in Stockton. TASI operations and maintenance workers are represented by the Northern California Regional



Carpenters Council Local 152. There are currently 18 full-time operators. All operators are guaranteed 40 hours and are dual certified as engineers and conductors. TASI does not employ part-time operators per its Collective Bargaining Agreement. Shifts are assigned on a rotating schedule and vehicles operate the same daily route and schedule.

Absences are covered using on-call operators. Four hours' notice is required for unplanned call-outs. Maintenance communicates to operations regarding which vehicles are available for use each day through the Daily Train Consist Report.

Tickets are not sold onboard the train. Tickets and passes may be purchased through the mail or at a staffed station. Tickets can also be purchased through the ACE mobile ticket app, which is available for download in both Google and Apple stores. Mobile ticketing revenue is processed by the app developer and reconciled monthly between the fiscal and ticketing departments.

The SJRRC will be implementing a new ticketing software, KUBA. The new software will require a complete overhaul of current fare collection, including new validators. Implementation is planned for FY 2025/26.

Personnel Management and Training

The SJRRC feels it is recruiting enough operators to run the service effectively. Recruitment methods include job postings on the agency website, LinkedIn, and attending career fairs. The SJRRC offers referral bonuses to existing employees. Turnover is low due to recent changes to Railroad Retirement, making ACE more competitive with other agencies. Another draw has been The Rail Academy of Central California (TRACC), which was developed in concert with Sacramento City College. It provides high school and college students with the opportunity to gain marketable skills in the transportation industry. TRACC graduated its first class in August 2024.

The SJRRC motivates employees through team-building activities and appreciation events. Performance reviews are conducted annually. SJRRC and TASI employees are subject to regular/random drug and alcohol testing. Operators are eligible for a benefits package inclusive of medical, dental, vision, and federal railroad retirement. These benefits are provided through the union and communicated during the initial onboarding process.

ACE's safety program is monitored by both the SJRRC and TASI safety officers. Safety audits are conducted regularly. Safety and Security Specialists, in coordination with Human Resources, hold quarterly meetings to identify workplace violence concerns and hazards. Information gathered during these meetings are disseminated to department managers for review by their employees and provides an open forum for feedback. Additionally, the Rail Commission Safety and Security Committee meets monthly to address safety and security concerns and mitigation measures.

Maintenance

Staffing is appropriate for the amount of work conducted. The Maintenance Facility is owned and operated by the SJRRC and has various projects that are contracted by the Commission for other public agencies and the State of California. Herzog is the sole tenant, yet pays no rent. The facility can accommodate up to six train sets. It is a purpose-built facility which features sustainable/green technology. The facility is currently under construction for expansion of the shop area, additional parts building, and additional office space.



Most maintenance, repair, and cleaning activities are performed overnight while the train sets are in Stockton. The fleet maintenance program meets or exceeds industry standards set forth by the American Public Transportation Association and the Association of American Railroads. TASI uses Herzog's HITS software to manage its maintenance program, though it is looking into a non-proprietary solution (such as Trapeze or Maximo) that will allow for fault and trend analysis and provide a more automated asset management function. In addition, all work is in accordance with manufacturer recommendations, and warranty terms are observed. Cleaning and sanitizing practices comply with Federal Railroad Administration and California Public Utilities Commission regulations.

Daily inspections are conducted overnight prior to morning pullout. Preventive/periodic maintenance, cleaning, and unscheduled repairs are completed at this time as well. As detailed in the SJRRC's most recent Short Range Transit Plan:

Scheduled preventive maintenance inspections for cars and locomotives provide intermediate analysis of equipment functionality and a preventive type inspection. These identify potential component defects prior to actual failure, comprising:

- *30-day cycle for car numbered inspections 1-12 and*
- *46-day cycle for locomotive and cab car preventive maintenance.*

Scheduled periodic maintenance inspections for cars and locomotives meet or exceed all regulatory requirements including:

- *49 CFR required 92-, 184-, 368-, and 1,472-day periodic maintenance for cab control cars including air brake;*
- *49 CFR required 184- and 1,472-day periodic maintenance for trailer cars including air brake; and*
- *49 CFR required 92-, 184-, 368-, and 1,472-day periodic maintenance for locomotives, including air brake; this also involves detailed engine, rotating electrical, primary and ancillary systems inspections with performance testing and adjustment.⁴*

An inventory of SJRRC's current revenue fleet is presented in Exhibit 7.3.

⁴ San Joaquin Regional Rail Commission, Short Range Transit Plan FY 2018-2027, page 46.



Exhibit 7.3 SJRRC Revenue Fleet

Vehicle #	Model Year	Manufacturer	Model	Type	Seats	Overhaul Date	Notes
ACE3101	1998	Motive Power Industries	F40PH-3C	Locomotive	2	9/14/2010	
ACE3102	1998	Bombardier	F40PH-3C	Locomotive	2	9/1/2011	
ACE3103	1998	Bombardier	F40PH-3C	Locomotive	2	3/16/2011	
ACE3104	2000	Motive Power Industries	F40PH-3C	Locomotive	2	12/1/2012	
ACE3105	2000	Bombardier	F40PH-3C	Locomotive	2	12/4/2017	
ACE3106	2006	Motive Power Industries	F40PH-3C	Locomotive	2		
ACE3110	2019	Siemens	SC-44	Locomotive	3		
ACE3111	2020	Siemens	SC-44	Locomotive	3		
ACE3112	2020	Siemens	SC-44	Locomotive	3		
ACE3113	2020	Siemens	SC-44	Locomotive	3		
ACE3201	1997	Bombardier	RTC	Coach	121		Bike car
ACE3202	1998	Bombardier	RTC	Coach	121		Bike car
ACE3203	1998	Bombardier	RTC	Coach	121		Bike car
ACE3204	1998	Bombardier	RTC	Coach	121		Bike car
ACE3205	2001	Bombardier	RTC	Coach	128		Bike car
ACE3206	2001	Bombardier	RTC	Coach	128		Bike car
ACE3207	2001	Bombardier	RTC	Coach	128		Bike car
ACE3208	2001	Bombardier	RTC	Coach	128		Bike car
ACE3209	2001	Bombardier	RTC	Coach	128		Bike car
ACE3210	2001	Bombardier	RTC	Coach	128		Bike car
ACE3211	2001	Bombardier	RTC	Coach	128		Bike car
ACE3212	2005	Bombardier	RTC	Coach	136		
ACE3213	2005	Bombardier	RTC	Coach	136		
ACE3214	2005	Bombardier	RTC	Coach	136		
ACE3215	2005	Bombardier	RTC	Coach	136		
ACE3216	2008	Bombardier	RTC	Coach	151		
ACE3217	2008	Bombardier	RTC	Coach	151		
ACE3218	2008	Bombardier	RTC	Coach	151		
ACE3219	2008	Bombardier	RTC	Coach	151		
ACE3220	2014	Bombardier	RTC	Coach	128		
ACE3221	2014	Bombardier	RTC	Coach	128		
ACE3222	2000	Bombardier	RTC	Coach	144	2020	Converted from Cab Car
ACE3223	2022		BE9990018SA	Coach	138		
ACE3224	2022		BE9990018SA	Coach	138		
ACE3225	2022		BE9990018SA	Coach	138		



Vehicle #	Model Year	Manufacturer	Model	Type	Seats	Overhaul Date	Notes
ACE3226	2022		BE9990018SA	Coach	138		
ACE3227	2022		BE9990018SA	Coach	138		
ACE3228	2022		BE9990018SA	Coach	0		
ACE3229	0		BE9990018SA	Coach	0		
ACE3230	0		BE9990018SA	Coach	0		
ACE3231	0		BE9990018SA	Coach	0		
ACE3232	0		BE9990018SA	Coach	0		
ACE3233	0		BE9990018SA	Coach	0		
ACE3301	1997	Bombardier	RTC	Cab Car	137		
ACE3302	1997	Bombardier	RTC	Cab Car	137		
ACE3303	1998	Bombardier	RTC	Cab Car	137		
ACE3304	2000	Bombardier	RTC	Cab Car	137		
ACE3305	2000	Bombardier	RTC	Cab Car	142		
ACE3306	2000	Bombardier	RTC	Cab Car	142		
ACE3307	2000	Bombardier	RTC	Cab Car	142		
ACE3308	2000	Bombardier	RTC	Cab Car	142		
ACE3309	2022		BE9990017SA	Cab Car	134		
ACE3310	2022		BE9990017SA	Cab Car	0		
ACE3311	2022		BE9990017SA	Cab Car	0		
ACE3312	2022		BE9990017SA	Cab Car	0		
ACE3313	2022		BE9990017SA	Cab Car	0		
ACE3314	2022		BE9990017SA	Cab Car	0		
HERCULES	0			Locomotive	0		



Chapter 8 | Findings and Recommendations

Conclusions

Moore & Associates finds the San Joaquin Regional Rail Commission to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

Findings

Based on discussions with SJRRC staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no findings or recommendations.



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